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ACADEMY PRESS PLC

LAGOS, NIGERIA

ANNUAL REPORT OF THE DIRECTORS,

CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS

AND OTHER NATIONAL DISCLOSURES

FOR THE YEAR ENDED 31 MARCH 2022

ACADEMY PRESS PLC
REPORT OF THE DIRECTORS, CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS AND OTHER
NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 MARCH 2022

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ACADEMY PRESS PLC
REPORT OF THE DIRECTORS, CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS AND OTHER
NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 MARCH 2022

CORPORATE INFORMATION

DIRECTORS

Mr. Wahab. B. Dabiri	Chairman
Mr. Olugbenga Ladipo	Managing Director/Chief Executive Officer
Mr. Paul Aderibigbe	Executive Director (Appointed 01 January,2021)
Mrs. Folashade. B. Omo-Eboh	Non-Executive Director
Mr Pritchard David (British)	Non-Executive Director
Mr. Oyewole Olaoye	Non-Executive Director
Mr. Femi Akingbe	Non-Executive Director
Mr Abubakar Jimoh	Non-Executive Director (Resigned 31 March, 2022)

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EXTERNAL AUDITOR Ernst & Young
10th & 13th Floors, UBA House
57, Marina, Lagos
Nigeria
E-mail: services@ng.ey.com

SOLICITOR Lekan Sofolahan & Co
OPIC Plaza, 1st Floor suite 117
Mobolaji Bank - Anthony Way
Ikeja Lagos
Nigeria

BANKERS First Bank of Nigeria Limited
Guaranty Trust Bank Limited
Union Bank of Nigeria Plc
Wema Bank Plc
Zenith Bank Plc.

REGISTRAR Pace Registrars Limited,
Knight Frank Building (8th floor),
24, Campbell Street, Lagos.
Tel: 01-2635607, 01-7303445,01-2805538
E-mail: Info @ paceregistrars.Com

SECRETARY Alpha-Genasec Limited,
Krestal Laurel Complex (4th Floor),
376,Ikorodu road, Maryland, Ikeja, Lagos
Tel: 234(0)8062272121
E-mail: alpha-genasec@bakertilly.com

ACADEMY PRESS PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

The directors have the pleasure in presenting their report on the affairs of Academy Press Plc (“the company”) together with its subsidiaries (“the Group”), the consolidated and separate audited financial statements of the Group and the company and other national disclosures for the year ended 31 March 2022.

Legal form

Academy Press Plc was incorporated in Nigeria as a private limited liability company on the 28th of July 1964 and by a special resolution became a public limited liability company on the 22nd of October 1991. The certificate of incorporation number for the Company is RC 3915. The Company offered its shares to the public in November 1994 and these shares were listed on the Nigerian Stock Exchange on the 15th of June 1995.

Principal activities

The company carries on its business as printers of educational and general books, commercial printing of diaries, labels, calendars, periodicals, annual reports, confidential and other printing. The subsidiaries are involved in security printing, flexibility printing and light packaging.

State of affairs

In the opinion of the Directors, the state of the Group’s and the Company’s affairs is satisfactory and there has been no material change since the reporting date which would affect the financial statements as presented.

Results for the year

	The Group		The Company	
	2022	2021	2022	2021
	₦’000	₦’000	₦’000	₦’000
Revenue	4,110,883	1,677,934	3,754,336	1,449,735
	=====	=====	=====	=====
Profit/(loss) before taxation	225,252	(303,948)	252,570	(254,790)
Income tax (expense)/credit	(51,147)	98,496	(54,020)	86,564
	-----	-----	-----	-----
Profit/(loss) after taxation	174,105	(205,452)	198,550	(168,226)
	=====	=====	=====	=====

Dividend

The directors have recommended payment of dividend of N60,480,000 at 10kobo per share for the year ended 31 March 2022 which is subject to approval by the shareholders at the forthcoming Annual General Meeting (2021: Nil).

Property, plant and equipment

Information relating to movement in property, plant and equipment is shown in Note 17 to the financial statements. In the opinion of the Directors, the market values of the Group’s and the Company’s properties are not less than the value shown in consolidated and separate financial statements.

Directors’ interest in contracts

None of the Directors has notified the Group and the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020 of any disclosable interest in contracts with which the Group and the Company are involved as at 31 March 2022.

Donations

The group and the Company made no donation to a charitable organization during the year ended 31 March 2022 (2021: N50,000).

	The Group		The Company	
	2022	2021	2022	2021
	₦’000	₦’000	₦’000	₦’000
Federal Road Safety Commission – 2020 Ember Months Road Safety Campaign	-	50	-	50
	-----	-----	-----	-----
	-	50	-	50
	=====	=====	=====	=====

ACADEMY PRESS PLC
REPORT OF THE DIRECTORS- CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

Directors

The names of the Directors at the date of this report and of those who held office during the year are as follows:

Mr. Wahab. B. Dabiri	Chairman
Mr. Olugbenga Ladipo	Managing Director/Chief Executive Officer
Mr. Aderibigbe Paul	Executive Director
Mrs. Folashade. B. Omo-Eboh	Non-Executive Director
Mr Pritchard David (British)	Non-Executive Director
Mr. Oyewole Olaoye	Non-Executive Director
Mr. Femi Akingbe	Non-Executive Director
Mr Abubakar Jimoh	Non-Executive Director (Resigned 31 March, 2022)

SHARE HOLDINGS AND SUBSTANTIAL INTEREST IN SHARES

The issued and fully paid share capital of the Group as at 31 March 2022 was beneficially owned as follows:

Name	31 March 2022			31 March 2021		
	Number of shareholding	%	Nominal value ₦	Number of shareholding	%	Nominal value ₦
Alidan Investment Limited	84,078,546	13.9	42,039,273	84,078,546	13.9	42,039,273
West African Book Publishers Limited	62,880,000	10.4	31,440,000	62,880,000	10.4	31,440,000
Hambleside Limited	60,443,208	9.99	30,221,604	60,443,208	9.99	30,221,604
Others	397,398,246	65.71	198,699,123	397,398,246	65.71	198,699,123
	-----		-----	-----		-----
	604,800,000		302,400,000	604,800,000		302,400,000
	=====		=====	=====		=====

Summary of the shareholding position is as follows:

	2022	2021
Number of shares issued	604,800,000	604,800,000
Number of shares outstanding	145,200,000	145,200,000
Number of shares in the name of the Group	NIL	NIL

	31 March 2022		31 March 2021	
	Number of shareholding	%	Number of shareholding	%
Nigeria (Corporate and individual)	539,148,230	89	539,148,230	89
Foreign Investors	65,651,770	11	65,651,770	11
	-----		-----	
	604,800,000	100	604,800,000	100
	=====	===	=====	===

Material interest in shares (5% and above)

Name	31 March 2022		31 March 2021	
	Holdings	%	Holdings	%
Alidan Investment Limited	84,078,546	13.9	84,078,546	13.9
West African Book Publishers Limited	62,880,000	10.4	62,880,000	10.4
Hambleside Limited	60,443,208	9.90	60,443,208	9.90

ACADEMY PRESS PLC
REPORT OF THE DIRECTORS- CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

ACTIVE SHAREHOLDERS - Summary as at 31 March 2022

RANGE	No. Of Holder	Units	Unit %
1 - 1,000	854	303,360	0.05
1,001 -5,000	768	2,055,862	0.34
5,001 -10,000	409	2,975,288	0.49
10,001 -20,000	1161	16,021,963	2.65
20,001 -50,000	481	14,352,505	2.37
50,001 - 100,000	179	12,732,034	2.11
100,001 - 1,000,000	202	64,982,751	10.74
1,000,001 - 5,000,000	48	97,657,577	16.15
5,000,001 - 10,000,000	11	86,854,561	14.36
10,000,001 - Above	9	306,864,099	50.74
	4,122	604,800,000	100

ACTIVE SHAREHOLDERS - Summary as at 31 March 2021

RANGE	No. Of Holder	Units	Unit %
1 - 1,000	696	258,217	0.04
1,001 -5,000	728	1,922,457	0.32
5,001 -10,000	389	2,792,011	0.46
10,001 -20,000	1,157	15,951,233	2.64
20,001 -50,000	476	14,135,332	2.34
50,001 - 100,000	170	11,949,643	1.98
100,001 - 1,000,000	202	65,137,772	10.77
1,000,001 - 5,000,000	47	96,578,775	15.97
5,000,001 - 10,000,000	11	86,854,561	14.36
10,000,001 - Above	9	309,219,999	51.13
	3,885	604,800,000	100

Information about subsidiaries

	Country of incorporation	2022		2021	
		Parent	Non controlling interest	Parent	Non controlling interest
Lithotec Limited	Nigeria	100.00%	-	100.00%	-
Academy Press Specialised Printing Services Limited (APSPSL)	Nigeria	65.16%	34.84%	65.16%	34.84%

Directors' interest in shares

Directors' interest in the issued share Capital of the Company as recorded in the register of Members and/or as notified by them of the purpose of Section 301 and 302 of the Companies and Allied Matters Act, 2020 and in compliance with the listing requirements of the Nigerian Stock Exchange are as follows:

	As at 31 March 2022		As at 31 March 2021	
	Direct	Indirect	Direct	Indirect
Mr. Olugbenga Ladipo	8,690,653	-	8,690,653	-
Wahab B. Dabiri	351,000	-	351,000	-
Folashade B. Omo- Eboh (Mrs)	2,415,000	-	2,415,000	-
Mr Pritchard David (British)	587,946	-	587,946	-
Oyewole Olaoye	1,200,000	-	1,200,000	-

ACADEMY PRESS PLC
REPORT OF THE DIRECTORS- CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022

Employment and employees

Employment of Physically Challenged Persons

It is the Group and the Company's policy that there is no discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers. The company has two (2) physically challenged person in her employment as at 31 March 2022 and in its comparative year 2021.

Welfare

The Group and the Company is registered with a Health Management Organisation (HMO) – (Clearline International Limited). Staff, Spouse and 4 children choose a primary health care provider, where cases of illness are referred for treatment. The company also provides healthcare facilities for its staff whilst all essential safety regulations are observed in the factories and offices to guarantee maximum protection of employees at work.

Training

Staff are kept abreast of up-to-date techniques in the industry through various in-house and outside training courses. The company attaches great importance to training and all categories of staff attend courses or seminars as considered necessary by the Company's management.

Financial commitments

The directors are of the opinion that all known liabilities and commitments have been taken into account. These liabilities are relevant in assessing the Group and the Company's state of affairs.

Events after the reporting date

As stated in Note 34, the Directors are of the opinion that there are no events after the reporting date that could have material effect on the Group's and Company's financial statements that had not been adequately provided or disclosed in these consolidated and separate financial statements.

Format of financial statements

The consolidated and separate financial statements of Academy Press Plc have been prepared in accordance with the reporting and presentation requirement of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act, 2020 and the requirements of the Financial Reporting Council of Nigeria Act No.6,2011.

Auditors

Ernst & Young have indicated their willingness to continue in office as Auditors to the Company in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed at the Annual General Meeting empowering the Directors to fix their remuneration.

BY ORDER OF THE BOARD



Joshua O. Adeoye

FRC/2014/ICSAN/00000008037

for: Alpha -Genasec Limited COMPANY'S
SECRETARY LAGOS, NIGERIA

23 June, 2022

**ACADEMY PRESS PLC
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Corporate governance principles, rules and regulatory requirements of the Nigerian Stock Exchange and Securities and Exchange Commission have indeed been an integral part of the way Academy Press Plc. conducts its business.

Good corporate governance is an essential part of the Board of Academy Press Plc. Our Company's governance structure and practices is in line with applicable local legislation and international best practices including compliance with the Code of Corporate Governance for Public Companies issued by Security and Exchange Commission. Academy Press has always been guided by a strong conviction of adhering to transparency, accountability, good management practices and integrity through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

The group and the company believe that the implementation of global best practices and corporate governance principles would help to achieve commitment and goals to enhance stakeholders' value. We present in detail, a statement of how the Board conducted its activities during the financial year ended 31 March 2022.

THE BOARD

The governance of the Group resides with the Board of Directors who are accountable to shareholders for creating and delivering sustainable value through the management of the Group's business. The board is responsible for oversight function of long-term strategic planning, policy formulation and assessment of risk that the Group may be exposed to in the ordinary course of business. The board is also responsible for evaluating and directing the implementation of the Group and the Company's internal control procedures including maintaining a sound system of internal control to safeguard shareholders' investments the group's and the company's assets. These functions of the board are guided by the provision of Securities and Exchange Commission (SEC) code, the Companies and Allied Matters Act, 2020 and the requirements of the Financial Reporting Council of Nigeria Act No.6. 2011, the company's Articles of Association and other relevant laws and regulations. These oversight functions of the Board of Directors are exercised through its various Committees.

COMPOSITION OF THE BOARD

The board of Directors of Academy Press Plc is comprised of experienced people with significant achievements in their respective profession. The board has overall responsibility for ensuring that the Company is appropriately managed and achieves its strategic objectives. The company's Articles of Association provide that the company's Board shall consist of not more than 8 Directors.

During the year the board comprised of eight (8) Directors; six (6) non-executives and two (2) executives. The board Chairman is non - executive, with a mix of executive and non-executive Directors, all bringing high level of competencies and experience, with enviable records of achievement in their respective fields.

The board meets regularly to set broad policies for the Company's business and operations, and ensures that a professional relationship is maintained with the Company's auditors in order to promote transparency in financial and non- financial reporting.

**ACADEMY PRESS PLC
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

**ACADEMY PRESS PLC
CORPORATE GOVERNANCE REPORT - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

RESPONSIBILITIES OF THE BOARD AND CORPORATE GOVERNANCE:

The Board is responsible for the review of goals, major plans of action, annual budget and business plans with overall strategies setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditure in the approved budget. In compliance with International Best Practices, there is a separation of powers between the Chairman and the Managing Director, as they play distinct roles, with responsibilities which should not be domiciled with one individual. The chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. He is also responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions and provide advice to promote the success of the Group and the Company. The Chairman facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom.

The Board ensures that proper accounting records are disclosed with reasonable accuracy at any time and that the financial status of the Group and the Company are maintained and also that the financial reporting systems comply with the Companies and Allied Matters Act, 2020 through the establishment of the Board Committees that make recommendations and taking decisions on issues of expenditure that may arise outside the normal meeting schedule of the full Board. The board ratifies duly approved recommendations and decisions of the Board Committees and also make periodic and regular review of actual business performance relative to established objectives.

The Board meet at least once in a quarter in each financial year and the Board Committee meet at least twice in each financial year. Decisions are taken at the Board meetings by way of resolutions as provided for in the Companies and Allied Matter Act, 2020. Detail of attendance by each of the Directors at Board meetings are shown in the table below;

MEETINGS NAMES	1 28/04/2021	2 23/06/2021	3 24/11/2021
Mr. Wahab B. Dabiri	/	/	/
Mr. Olugbenga Ladipo	/	/	/
Mr. David Pritchard	/	/	/
Mrs. Folashade B. Omo- Eboh	/	/	/
Mr. Oyewole Olaoye	/	/	/
Mr. Paul Aderibigbe	/	/	/
Mr.Femi Akingbe	/	/	/
Mr.Abubakar Jimoh	/	/	/

In accordance with Section 284 (2) of the Companies and Allied Matter Act, 2020 the record of Directors' attendance and meetings during the year 2021/2022 is available for inspection at the Annual General Meeting. The meetings of the Board were presided over by the Chairman and the Board met three (3) times during year. Written notices of the Board meetings, along with the agenda, were circulated at least seven days before the meetings. The minutes of the meetings are appropriately recorded and circulated.

**ACADEMY PRESS PLC
CORPORATE GOVERNANCE REPORT - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

BOARD COMMITTEES:

The Board carries out its oversight functions through the under-listed committees:

RISK MANAGEMENT/STRATEGY COMMITTEE

The committee has oversight responsibility for operational/strategies development and implementation, emerging sectorial and technological development, review of equipment needs and acquisition, new business concern review and implementation, products prospects and market expansion strategies. It also reviews the risk management structure and monitor the risks on continuous basis. The risk management/strategy committee held three (3) meetings during the year ended 31st March, 2022. Detail of attendance by each of the Members of the Risk Management / Strategic Committee are shown in the table below.

MEETINGS	1	2	3
NAMES	15/04/2021	25/01/2022	28/03/2022
Mr. Oyewole Olaoye	/	/	/
Mr. David Pritchard	/	/	/
Mr. Femi Akingbe	/	/	x
Mr. Olugbenga Ladipo	/	/	/
Mr. Abubakar Jimoh	x	/	x
Mr. Paul Aderibigbe	x	x	/

FINANCE AND CONTROL COMMITTEE

The Finance and Control Committee is responsible for reviewing of business plan, annual budget and control, financing arrangement, options, capital restructuring, the review of balance sheet, management accounts, credit/debt management and material control. The committee held three (3) meetings during the year ended 31st March, 2022. Detail of attendance by each of the Members of the Finance and Control Committee are shown in the table below.

MEETINGS	1	2	3
NAMES	15/4/2021	25/01/2022	28/3/2022
Mr. Olugbenga Ladipo	/	/	/
Mrs. Folashade B. Omo- Eboh	/	/	/
Mr.Femi Akingbe	/	/	x
Mr. Abubakar Jimoh	x	/	x
Mr. Paul Aderibigbe	/	/	x

GOVERNANCE AND REMUNERATION COMMITTEE

The committee is made up of three members who are responsible for the development and evaluation of the company's internal organization and process, identifying qualified senior executives and ensuring that the company's operating and remuneration policies support the successful recruitment, development and retention of directors and managers. The committee held two (2) meetings in the financial year ended 31st March, 2022. Detail of attendance by each of the Members of the Governance and Remuneration Committee are shown in the table below.

MEETINGS	1	2
NAMES	26/1/2022	29/03/2022
Mr. Olugbenga Ladipo	/	/
Mr. Oyewole Olaoye	/	/
Mr. David Pritchard	/	/
Mrs. Folashade B. Omo- Eboh	/	/
Mr. Paul Aderibigbe	x	/

**ACADEMY PRESS PLC
CORPORATE GOVERNANCE REPORT - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2022**

The Committee comprises of eight members as shown in the table below. In accordance with Section 404 of the Companies and Allied Matters Act, 2020, the above members and Directors were elected and nominated. The meetings of the committee were held three (3) times during the year. The functions of the committee are laid down in Section 404 (7) of the Companies and Allied Matters Act, 2020.

AUDIT COMMITTEE

Detail of attendance by each of the Members of the Audit Committee are shown in the table below.

MEETINGS	1	2	3
NAMES	10/6/2021	3/11/2021	16/03/2022
Chief S.B Daranijo	/	/	/
Mr S.A Adedoyin	/	/	/
Oba Y.O Ajadi	/	/	/
Mrs. Folashade B. Omo- Eboh	/	/	x
Mr.Oyewole Olaoye	/	/	/
Mr.Femi Akingbe			
Mr. Abubakar Jimoh	x	/	/

MANAGEMENT TEAM

The day-to-day management of the business is the responsibility of the Managing Director who is assisted by the Management Team made up of two (2) executive directors, four (4) senior managers and Heads of all the Departments in the Company. The management team holds scheduled meetings at least once a month to deliberate on critical issues affecting the day to day running of the Company.

SECURITY TRADING POLICY

Insider trading and dealing in Company's shares

The board has approved a Security Trading Policy which sets out the guidelines on the purchase and sale of security by Directors, employees and associates. The policy is to assist all Directors and employees to understand the restrictions placed on them as insiders of the company with respect to their securities transactions and to avoid the conduct referred to as 'insider trading' during any period as may be specified by the company or the Exchange from time to time.

Also, Directors, employees and other insiders wishing to buy, sell or deal in the Company's securities must obtain approval of the Chairman through the Company Secretary prior to any dealing in the company's securities. Request for approval must state the volume of securities to be purchased and sold.

COMPLAINT MANAGEMENT POLICY

In compliance with the Security and Exchange Commission's Rules relating to the Complaints Management Framework (the 'Framework') which requires every listed company to establish a clearly defined complaint management policy to resolve complaints arising from issues covered under the Investment and Securities Act 2007. The Company has developed a Complaint Management Policy endorsed by the Board of Directors.

BUSINESS CONDUCT

The group and the Company's business are conducted with integrity and with due regard to the legitimate interest of all stakeholders. In furtherance to this, the Company has adopted policies such as Code of Ethics and Business Conduct, as well as a whistle blowing Policy. Directors and all members of staff are expected to strive to maintain the highest standard of ethical conduct and integrity in all respect of their professional life as contained in the Ethics and Business Code Policy which prescribes the common ethical standard, policies and procedures of the Company.

ENVIRONMENTAL POLICY

Environmental Policy statement serves to demonstrate the Group's responsibility to the environment and the pursuit of world-class vision in all aspects of its operations. The Group strives to comply with all present and future environmental laws and regulations and continuously improve the efficiency of its operations to minimize its impact on the environment.

**ACADEMY PRESS PLC
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

The Companies and Allied Matters Act, 2020, requires the Directors of Academy Press Plc to prepare consolidated and separate financial statements for each financial year that give a true and fair view of the state of financial affairs of the group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the group and comply with the requirements of the Companies and Allied Matters Act, 2020;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepare its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the requirements of the Companies and Allied Matters Act, 2020.

The directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and the Company and of its profit or loss for the year ended 31 March 2022. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of internal financial control.

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



Mr. Wahab. B. Dabiri
(Chairman)
FRC/2014/ODN/00000009227



Mr. Olugbenga Ladipo
(Managing Director)
FRC/2014/ICAN/00000003252

23 June, 2022

**ACADEMY PRESS PLC
CERTIFICATE OF ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

We the undersigned hereby certify the following with regards to our Audited consolidated and separate financial statements for the year ended 31 March 2022 that:

- a) We have reviewed the report;
- To the best of our knowledge, the report does not contain any untrue statement of a material fact, or omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made or omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;
 - To the best of our knowledge, the consolidated and separate financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the Group as of, and for the periods presented in this report.
- b) We:
- Are responsible for establishing and maintaining internal controls.
 - Have designed such internal controls to ensure that material information relating to the Group is made known to such officers by others within the entity particularly during the period in which the audited consolidated and separate financial statements report is being prepared;
 - Have evaluated the effectiveness of the Group's internal controls as of date within 90 days prior to the date of the audited consolidated and separate financial statements;
 - Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- c) We have disclosed to the auditors of the Group and Audit Committee:
- All significant deficiencies in the design or operation of internal controls which would adversely affect the Group's ability to record, process, summarize and report financial data and have identified for the Group's auditors any material weakness in internal controls, and
 - Any fraud, whether or not material, that involves management or other employees who have significant role in the Group's internal controls;
- d) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Mr. Moses Oladele
(Chief Finance Officer)
FRC/2020/001/00000020562



Mr. Olugbenga Ladipo
(Managing Director)
FRC/2014/ICAN/00000003252

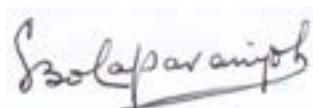
23 June, 2022

**REPORT OF THE AUDIT COMMITTEE FOR THE YEAR
ENDED 31 MARCH 2022**

REPORT OF THE AUDIT COMMITTEE TO THE SHAREHOLDERS OF ACADEMY PRESS PLC

In accordance with the provisions of Section 404 (1) of the Companies and Allied Matters Act, 2020 the members of the Audit Committee of Academy Press Plc. (“the Company”) hereby report as follows:

- i. We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act, 2020 and acknowledge the cooperation of management and staff in the conduct of these responsibilities.
- ii. We are of the opinion that the accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 March 2022 were satisfactory and reinforce the Group’s internal control systems.
- iii. We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management’s responses to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Group’s system of accounting and internal control.



ALHAJI (CHIEF) SINARI B. DARANIJO JP.

FRC/2014/ISCAN/00000007262

Chairman – Audit Committee

15 June, 2022

MEMBERS OF AUDIT COMMITTEE

Alhaji (Chief) Sinari B. Daranijo Jp

Oba Y. Ajadi Olarenwaju

Mr. Samuel A. Adedoyin Mrs

Folashade Omo–Eboh

Mr. Femi Akingbe

Mr. Wole Olaoye

Mr. Abubakar Jimoh



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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ACADEMY PRESS PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the consolidated and separate financial statements of Academy Press Plc ("the Company") and its subsidiaries (together, "the Group") which comprise the consolidated and separate statements of financial position as at 31 March 2022, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Academy Press Plc and its subsidiaries as at 31 March 2022, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, and the relevant provisions of the Companies and Allied Matters Act, 2020 and the requirements of the Financial Reporting Council of Nigeria Act No. 6, 2011.

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing the audit of Academy Press Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Academy Press Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ACADEMY PRESS PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

Key Audit Matter	How the matter was addressed in the audit
Impairment of Trade Receivables	
<p>The group and the Company had trade receivables of N412m and N352m respectively before provisions for impairment of N272m for the Group and N233m for the Company. This represents 66% and 66% of the Group and the Company current assets respectively.</p> <p>The determination of expected credit losses for financial assets like trade receivables under IFRS 9 – Financial Instrument Recognition and Measurement involves management judgement. Specific factors that the management considers include the age of the receivables, location of the customers, existence of disputes, recent historical payment patterns, forward looking information, historical loss rates and other information relating to assessment and evaluation of the creditworthiness of counterparties. Management uses this information to determine the allowance for impairment under the expected credit loss-model.</p> <p>We consider this as key audit matters because of the significance of the amount and involvement of high level of management judgement.</p> <p>The policy on impairment of financial assets is set out in Note 2.31 while the disclosure of impairment of financial assets is set out in Note 22 to the consolidated and separate financial</p>	<p>In assessing the impairment of trade receivables, we:</p> <ul style="list-style-type: none"> - Reviewed the assumptions used to calculate the impairment amount in accordance with the entity's accounting policies and IFRS 9, through detailed analyses of ageing of receivables, credit limits of customers, assessment of significant overdue individual trade receivables and assessing specific local risks, combined with legal documentation and forward-looking information. - Reviewed the various assumptions made by the management in determining the expected credit losses and ensured that the assumptions are in line with current conditions, and that the historical assumptions were duly obtained from relevant and reliable sources. - Reviewed the macro-economic adjustments for probability of default (PD); and the basis for determining PD and loss given default (LGD). - Reviewed the basis of management's judgements for each trade receivable as well as periodic reports prepared to validate management's position. <ul style="list-style-type: none"> - Performed audit reasonableness tests calculation on trade receivables impairment and compared with the Company's estimates. - Performed review of the subsequent collections to validate the accuracy and completeness of the amount recorded as receivables at the reporting date.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the "Academy Press Plc Annual Report for the year ended 31 March 2022", which includes the Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities, Certificate of Account, Report of the Audit Committee, Value Added Statement and Five-Year Financial Summary as required by the Companies and Allied Matters Act, 2020 which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements

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

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



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ACADEMY PRESS PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards issued by IASB, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ACADEMY PRESS PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

Responsibilities of the Directors for the Financial Statements - Continued

· Evaluate 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.

· Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate 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 provide 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 thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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) in our opinion proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books; and
- iii) the Group's and the Company's consolidated and separate statements of financial position and consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.
- iv) In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.


Funmi Ogunlowo, FCA
FRC/2013/ICAN/0000000681
For: Ernst & Young
Lagos, Nigeria
1 July
.....2022



ACADEMY PRESS PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

		Group		Company	
	Note	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Revenue	5	4,110,883	1,677,934	3,754,336	1,449,735
Cost of sales	7	(3,230,108)	(1,507,102)	(2,906,304)	(1,292,539)
Gross profit		880,775	170,832	848,032	157,196
Selling and distribution expenses	8	(76,030)	(41,915)	(62,763)	(39,966)
Administrative expenses	9	(405,650)	(309,627)	(365,682)	(268,617)
Credit loss (expense)/reversal	10	(96,030)	11,241	(89,270)	13,515
Other operating income	11	28,705	18,141	28,331	17,520
Finance costs	12	(106,518)	(152,620)	(106,078)	(134,438)
Profit/(loss) before taxation		225,252	(303,948)	252,570	(254,790)
Income tax (expense)/credit	15	(51,147)	98,496	(54,020)	86,564
Profit/(loss) for the year		174,105	(205,452)	198,550	(168,226)
Other comprehensive income:					
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Remeasurement gain/(loss) on defined benefit plans	26.1	567	(4,020)	-	(4,522)
Related income tax	15.3	-	1,206	-	1,357
Other comprehensive income/(loss) for the year, net of tax		567	(2,814)	-	(3,165)
Total comprehensive income/(loss) for the year, net of tax		174,672	(208,266)	198,550	(171,391)
Profit/(loss) for the year attributable to:					
Equity holders of the parent		182,621	(191,868)	198,550	(168,226)
Non – controlling interest		(8,516)	(13,584)	-	-
		174,105	(205,452)	198,550	(168,226)
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		182,990	(194,810)	198,550	(171,391)
Non – controlling interest		(8,318)	(13,456)	-	-
		174,672	(208,266)	198,550	(171,391)
Earnings/(loss) per share (naira) – Basic and Diluted	16	0.302	(0.317)	0.328	(0.278)

See notes (25 – 82) to the consolidated and separate financial statements

ACADEMY PRESS PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

----	Note	Group		Company	
		2022 ₹'000	2021 ₹'000	2022 ₹'000	2021 ₹'000
Non-current assets					
Property, plant and equipment	17	912,119	1,033,246	519,519	610,913
Intangible asset	18	61	183	61	183
Deferred taxation	15.3	363,578	362,605	267,495	272,071
		<u>1,275,758</u>	<u>1,396,034</u>	<u>787,075</u>	<u>883,167</u>
Current Assets					
Inventories	21	405,738	285,796	250,736	169,824
Right of return assets	5.3	-	20	-	20
Trade and other receivables	22	745,951	593,352	898,488	707,677
Cash and short term deposits	23	30,995	3,656	18,203	2,814
		1,182,684	882,824	1,167,427	880,335
Total assets		<u>2,458,442</u>	<u>2,278,858</u>	<u>1,954,502</u>	<u>1,763,502</u>
Equity					
Issued share capital	27	302,400	302,400	302,400	302,400
Share premium		24,511	24,511	24,511	24,511
Retained earnings		742	(182,248)	126,193	(72,357)
Equity attributable to equity holders of the parent		<u>327,653</u>	<u>144,663</u>	<u>453,104</u>	<u>254,554</u>
Non-controlling interests	30	<u>(142,053)</u>	<u>(133,735)</u>	<u>-</u>	<u>-</u>
Total equity		<u>185,600</u>	<u>10,928</u>	<u>453,104</u>	<u>254,554</u>
Non-current liabilities					
Interest bearing loans and borrowings	19.2	588,714	723,407	359,564	538,607
Employee benefit obligation	26	26,422	26,815	17,240	17,240
Contract liabilities	24	268,056	21,336	264,966	18,046
		<u>883,192</u>	<u>771,558</u>	<u>641,770</u>	<u>573,893</u>

ACADEMY PRESS PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION - Continued
AS AT 31 MARCH 2022

	Note	Group		Company	
		2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Current liabilities					
Trade and other payables	25	1,059,676	1,138,560	553,051	680,829
Refund liabilities	5.3	-	22	-	22
Interest bearing loans and borrowings	19.2	44,473	85,220	39,506	1,053
Income tax payable	15.2	285,501	272,570	267,071	253,151
		1,389,650	1,496,372	859,628	935,055
Total liabilities		2,272,842	2,267,930	1,501,398	1,508,948
Total equity and liabilities		2,458,442	2,278,858	1,954,502	1,763,502

These consolidated and separate financial statements were approved by the Board of Directors on June, 2022 and signed on their behalf by:



Mr. Wahab. B. Dabiri
(Chairman)

FRC/2014/ODN/0000009227



Mr. Moses Oladele
(Chief Finance Officer)

FRC/2020/001/00000020562



Mr. Olugbenga Ladipo
(Managing Director)

FRC/2014/ICAN/00000003252

See notes (25 – 82) to the consolidated and separate financial statements

ACADEMY PRESS PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

Group	Attributable to the equity holders of the parent				Non - controlling interest	Total Equity
	Share capital	Retained earnings	Share premium	Total		
	₦'000	₦'000	₦'000	₦'000		
At 1 April 2021	302,400	(182,248)	24,511	144,663	(133,735)	10,928
Profit/(loss) for the year		182,621	-	182,621	(8,516)	174,105
Other comprehensive income for the year; net of tax	-	369	-	369	198	567
Total comprehensive income/(loss)	-	182,990	-	182,990	(8,318)	174,672
At 31 March 2022	302,400	742	24,511	327,653	(142,053)	185,600
At 1 April 2020	302,400	12,562	24,511	339,473	(120,279)	219,194
Loss for the year	-	(191,868)	-	(191,868)	(13,584)	(205,452)
Other comprehensive (loss)/income for the year; net of tax	-	(2,942)	-	(2,942)	128	(2,814)
Total comprehensive loss	-	(194,810)	-	(194,810)	(13,456)	(208,266)
At 31 March 2021	302,400	(182,248)	24,511	144,663	(133,735)	10,928
Company			Share capital	Retained earnings	Share premium	Total
			₦'000	₦'000	₦'000	₦'000
At 1 April 2021			302,400	(72,357)	24,511	254,554
Profit for the year			-	198,550	-	198,550
Other comprehensive income for the year; net of tax			-	-	-	-
Total comprehensive income			-	198,550	-	198,550
At 31 March 2022			302,400	126,193	24,511	453,104
At 1 April 2020			302,400	99,034	24,511	425,945
Loss for the year			-	(168,226)	-	(168,226)
Other comprehensive loss for the year; net of tax			-	(3,165)	-	(3,165)
Total comprehensive loss			-	(171,391)	-	(171,391)
At 31 March 2021			302,400	(72,357)	24,511	254,554

See notes (25 – 82) to the consolidated and separate financial statements

ACADEMY PRESS PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group		Company	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
Cash flows from operating activities					
Profit/(loss) before taxation		225,252	(303,948)	252,570	(254,790)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows from operating activities:					
Depreciation of property, plant and equipment	17	213,867	194,997	163,555	148,190
Profit on disposal of property, plant and equipment	11	-	(3)	-	-
Capital work-in-progress written off	9	350	-	-	-
Effect of exchange difference	9	12,480	19,947	12,480	19,947
Amortisation of intangible assets	18	122	130	122	130
Finance cost	12	106,518	152,620	106,078	134,438
Write down of inventories	7	3,454	7,962	2,677	6,000
Impairment of trade and other receivables	10	96,030	(11,241)	89,270	(13,515)
Retirement benefit net interest provision	26.1	554	1,350	-	753
		658,627	61,814	626,752	41,153
Working capital adjustment:					
(Increase)/decrease in inventories		(123,396)	43,801	(83,589)	36,035
(Increase)/decrease in trade and other receivables		(248,629)	376,471	(280,081)	255,461
Decrease in trade and other payables		(78,883)	(84,569)	(127,778)	(10,826)
Decrease in right of return assets		20	39	20	39
Increase/(decrease) in contract liabilities		246,720	(4,026)	246,920	(655)
Decrease in refund liabilities		(22)	(88)	(22)	(88)
		454,437	393,442	382,222	321,119
Tax paid	15.2	(39,189)	(37,532)	(35,524)	(37,532)
Benefit paid	26.1	(380)	-	-	-
Net cash flows from operating activities		414,868	355,910	346,698	283,587

ACADEMY PRESS PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS - Continued
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Group		Company	
		2022 ₹'000	2021 ₹'000	2022 ₹'000	2021 ₹'000
Cash flows from investing activities					
Purchase of property, plant and equipment	17	(93,091)	(170,968)	(72,161)	(160,205)
Proceeds from disposal of property, plant and equipment		-	2,751	-	2,520
Net cash flows used in investing activities		(93,091)	(168,217)	(72,161)	(157,685)
Cash flows from financing activities					
Repayment of loans and borrowings	19.4	(183,893)	(44,000)	(149,043)	-
Proceeds from borrowings	19.4	-	34,551	-	34,551
Interest paid	19.4	(151,910)	(165,456)	(151,470)	(147,274)
Net cash flows used in financing activities		(335,803)	(174,905)	(300,513)	(112,723)
Net increase in cash and cash equivalents		(14,026)	12,788	(25,976)	13,179
Effect of exchange difference		32,912	(7,111)	32,912	(7,111)
Cash and cash equivalents at the beginning of the year		(2,364)	(8,041)	1,761	(4,307)
Cash and cash equivalents at the end of the year	23	16,522	(2,364)	8,697	1,761
		=====	=====	=====	=====

See notes (25 – 82) to the consolidated and separate financial statements

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. Corporate information

The consolidated and separate financial statements of Academy Press Plc and its subsidiaries (collectively, the Group) for the year ended 31 March 2022 were authorised for issue in accordance with the approval of the Board of Directors. Academy Press Plc (the Company) is a limited liability Group incorporated and domiciled in Nigeria and became public by listing on 22 October 1991. The registered office is located at 28-32, Industrial Avenue, Ilupeju Industrial Estate, Ilupeju, Lagos State in Nigeria.

The Group is principally engaged in the printing of educational and general books, commercial printing of diaries, labels, calendars, periodicals, annual reports, confidential and other printing works.

2. Significant accounting policies

2.1 Basis of preparation

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

Functional and presentation currency

The consolidated and separate financial statements have been prepared on a historical cost basis. The consolidated and separate financial statements are presented in Naira, which is the Group's functional currency and all values are rounded to the nearest thousand (N000), except when otherwise indicated.

Composition of financial statements

The financial statements comprise:

- Consolidated and separate statements of profit or loss and other comprehensive income
- Consolidated and separate statements of financial position
- Consolidated and separate statements of changes in equity
- Consolidated and separate statements of cash flows
- Notes to the consolidated and separate financial statements

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2.2 Basis of consolidation - Continued

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

In the Group the investment in its subsidiaries are accounted for using the cost method.

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

2.3 Summary of significant accounting policies - Continued

b) Current versus non-current classification- Continued

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.3 Summary of significant accounting policies - Continued

d) Revenue from contracts with customers

The group is principally engaged in the printing of educational and general books, commercial printing of diaries, labels, calendars, periodicals, annual reports, confidential and other printing works.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3

Sale of goods

Revenue from the sale of good is recognised over time, using a measure of progress when control is transferred to the customer, generally as goods are produced and delivered to customers. The normal credit term is 30 days upon delivery.

The Group has assessed that the Group's performance does not create an asset with alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue from sales of goods is recognised over time by measuring progress towards completion using the output method. This measure which is based on production best depicts the Group's transfer of progress as it recognises revenue on the basis of direct measurements of the value to the customer of the service transferred to date relative to the remaining services under the contract. The Group demonstrates that the invoiced amount corresponds directly with the value transferred to the customer in line with the performance completed to date.

The Group recognises revenue from goods sold over time, using an output method to measure progress towards completion using the output method, because the Group's performance does not create an asset with alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and penalties. The rights of return and penalties give rise to variable consideration.

• Right of return

Certain contracts provide a customer with a right to return the goods within a specified period. When customers return defective goods, the group sometimes share the cost of replacement with customers as agreed or negotiated upon return. Such partial refund creates an obligation for reprinting the materials for the customers without collecting the defective books/reports/materials. This includes a right of return that give rise to variable consideration. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

2.3 Summary of significant accounting policies - Continued

d) Revenue from contracts with customers - Continued

• Right of return

Before including any amount of variable consideration in the transaction price, the group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained and that the uncertainty on the variable consideration will be resolved upon delivery of goods which is also the point of invoicing the customer.

• Penalties

Certain contracts with some customers provides that in the event that the group fails to supply goods within the stipulated time, the group will pay a certain rate of penalty of the total contract sum for each week of default to an agreed maximum rate. The penalties to be paid by the group to its respective customers if it fails to deliver goods within the contract period is considered to be a variable consideration since the right to receive the consideration is contingent on the occurrence or non-occurrence of a future event. (i.e., the contract specifies that the group will pay a penalty if it fails to perform according to the agreed upon terms). The penalties should be accounted for as variable consideration.

Before including any amount of variable consideration in the transaction price, the group considers whether the amount of variable consideration is constrained. By nature, penalties will be constrained and recognised when they are liable to be paid. However, since the amount paid are based on the actual performance on the contract, it may be considered similar to warranty payments (e.g., in situations in which an entity pays the customer's direct costs to remedy a defect). The Group determined that the estimates of variable consideration are not constrained and that the uncertainty on the variable consideration will be resolved upon delivery of goods which is also the point of invoicing the customer.

Consideration paid or payable to a customer

Consideration payable to a customer includes cash amounts that a Group pays, or expects to pay, to the customer (or to other parties that purchase the Group's goods or services from the customer). Consideration payable to a customer also includes credit or other items (for example, a coupon or voucher) that can be applied against amounts owed to the Group (or to other parties that purchase the Group's goods or services from the customer).

Significant financing component

Generally, the Group receives short-term advances (deposits) from its customers. Using the practical expedient in IFRS15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Also, for sales transactions, the receipt of the consideration by the Group does not match the timing of the transfer of the good to the customer (e.g., the balance of the consideration is paid after the good has been delivered). Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Warranty obligations

The Group typically warrant that goods printed are of standard quality and free of substantive defects. Customers therefore have a contractual right to return defective products purchased for new prints if it can be proven that such defects occurred at the time of sale. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

2.3 Summary of significant accounting policies - Continued

d) Revenue from contracts with customers - Continued

Contract balances

• Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

• Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under financial instruments – initial recognition and subsequent measurement.

• Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

i. Initial deposits

The Group receives an initial deposit of about 70 to 80% of sales from customers in order to procure materials for the printing jobs. These contracts are wholly unperformed contracts as at the time of receipt of the deposit, hence they create a contract liability as customers are required to pay an initial deposit before production starts. The Group will continually recognise initial deposits for future goods or services as contract liabilities. Revenue will be recognised when the goods or services are delivered or performed.

Assets and liabilities arising from rights of return

• Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

• Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

e) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.3 Summary of significant accounting policies - Continued

f) Taxes

Current income tax

Current income tax assets and liabilities 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 countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.3 Summary of significant accounting policies - Continued

g) Foreign currencies

The Group's consolidated financial statements are presented in Naira, which is also the parent Group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

h) Dividend Distributions

Dividend distributions payable to equity shareholders is recognised as liability after the reporting date when declared and approved by shareholders at the annual general meeting.

i) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The straight-line method is used to depreciate the cost less any estimated residual value of the assets over their expected useful lives. Property plant and equipment as follows:

Property, plant and equipment class	
Leasehold land	Over the remaining lease period
Building and improvement	99
Plant & Machinery	12.5
Furniture, fittings and equipment	20
Motor Vehicle (Commercial vehicles)	20
Motor Vehicles (Private Cars)	25
Tools and spares	12.5

Depreciation is recognized within "cost of sales and administrative expenses" depending on the utilization of the respective assets.

2.3 Summary of significant accounting policies - Continued

i) Property, plant and equipment - Continued

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss when the asset is derecognised.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Computer software

8 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Group software is amortised using a straight line method over a period of 8 years in which the amortisation expense is recognised in the profit or loss as an expense category.

As at 31 March 2021, the group did not have any indefinite intangible assets.

l) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition as, amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

2.3 Summary of significant accounting policies - Continued

l) Financial instruments – Continued

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's financial assets includes financial assets at amortised cost.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and other receivable.

2.3 Summary of significant accounting policies - Continued

l) Financial instruments – Continued

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group 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 Group 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 (if any).

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 intercompany receivables (involving sales in the ordinary course of business), the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

For receivables from related parties (non-trade), and staff loans, the Group applies general approach in calculating ECLs. It is the Group's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

2.3 Summary of significant accounting policies - Continued

i) Financial instruments – Continued

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs, EADs and LGDs. In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Oil price
- Exchange rate
- Inflation rate

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, 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 Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

This category generally applies to interest-bearing loans and borrowings and trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.3 Summary of significant accounting policies - Continued

m) Inventories

Inventories are valued at the lower of cost and net realisable value.

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

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: Raw materials which include purchase cost and other costs incurred to bring the materials to their location
- Work in progress: Cost of work-in-progress includes cost of materials and attributable overheads to the level of completion.

- Spare parts and consumables: Spare parts and other consumables are valued at weighted average cost after making allowance for slow moving stocks while obsolete and damage items are expensed. The spare parts are generic in nature hence they are classified as inventory and are recognized in the profit or loss as consumed.

- Goods-in- transit: Goods-in- transit are carried at purchase cost to date.

See Note 21 for the Group and Company's inventories.

n) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less

costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss.

o) Cash and short-term deposit

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand.

2.3 Summary of significant accounting policies - Continued

p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit and loss net of any reimbursement. Provisions are not recognized for future operating losses.

Contingencies

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

Contingent liabilities are only disclosed by way of note and not recognized as liabilities in the consolidated statement of financial position.

q) Employee Benefits

Employee benefits are all forms of benefits given in exchange for services rendered by employees. These are classified as:

- a) Short-term employee benefits – benefits due to be settled within 12 months after the end of the period in which the employees rendered the related services;
- b) Post-employment benefits are benefits payable after the completion of employment. Such plans (or funds) may be either defined contribution funds or defined benefit funds.

Short-term benefits

The cost of all short-term employee benefits, such as salaries, profit sharing arrangements, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognised during the period in which the employee renders the related service. The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made. During the year the Group companies contributed to employee benefits in the following categories: – remuneration in the form of salaries, wages and bonuses.

Post-employment Retirement Benefit Funds

(a) Defined contribution scheme

In line with statutory provisions of the Pension Reform Act 2014, the Group and its employees contribute to statutory defined contribution pension scheme for its employees. Employees contributions of 8% of their insurable earnings (basic, housing and transport) to the scheme are funded through payroll deductions while the Group's contributions of 10% are charged to profit or loss. The Funds which is defined contribution plans are independently administered with no obligations on the Group other than the defined contribution as a percentage of employees' qualifying remunerations. Both employees' and the group's share of the contributions are charged as staff cost in the administrative expenses in the profit and loss when the employee renders the service.

2.3 Summary of significant accounting policies - Continued

q) Employee Benefits- Continued

(b) Defined benefit scheme

The Group has a defined benefit gratuity scheme for its employees which is funded under this scheme, a specific amount in accordance with the Benefit Scheme Policy is contributed by the Group and charged to profit or loss account over the service life of the employees. These employees' entitlements are calculated based on their actual basic salaries, transport and housing at the end of each month and paid to Academy Press Gratuity Trust Fund.

Other long-term benefits are recognised when an obligation arises. The Group had no other long-term benefit commitments during the year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in the consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and Non-routine settlements
- Net interest expense or income

r) Segment reporting

The chief executive officer has been identified as the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments. The Chief Executive Officer reviews internal management reports on a monthly basis. These internal reports are prepared on the same basis as the consolidated and separate financial statements. The segments' operating results are regularly reviewed by the entity's Chief Executive Officer to make decisions about resources to be allocated to each segment and assess its performance, and for which discrete financial information is available. The identification of operating segments is on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. The Group has identified the Chief Executive Officer as the chief operating decision maker.

s) Pensions and other post-employment benefits

The Group operates a defined contribution plan in line with the provisions of the Pension Reform Act 2014. This plan is in proportion to the services rendered to the Group by the employees with no further obligation on the part of the Group.

The Group and its employees each contribute a minimum of 10% and 8% respectively of employee's total emoluments. Staff contributions to the scheme are funded through payroll deductions while the group's contribution is recorded as personnel expenses in the profit or loss.

t) Key management personnel

For the purpose of related party disclosures, key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of Group. For Caverton Offshore Support Group key management personnel are considered to be designations from Director Level at the Group.

2.3 Summary of significant accounting policies - Continued

u) Earnings per share

The parent presents basic/ diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The group and the Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The group and Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. Effective for annual periods beginning on or after 1 January 2021.

The amendments provide temporary reliefs which address the financial reporting effects when an intergroup offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments is not expected to have a significant impact on the consolidated and separate financial statements of the Group and Company.

Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendments to IFRS 16

In March 2021, the Board amended IFRS 16 to extend the availability of the practical expedient by one year (2021 amendment). The practical expedient in the 2021 amendment applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

Lessees will apply the 2021 amendment retrospectively, recognising the cumulative effect of initially applying it as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which they first apply the amendment. In the reporting period in which a lessee first applies the 2021 amendment, the lessee will not be required to disclose the information required by paragraph 28(f) of IAS 8.

The amendments is not expected to have a significant impact on the consolidated and separate financial statements.

2.4 Changes in accounting policies and disclosures - Continued

2.5 Standards issued but not yet effective - Continued

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated and separate financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements. Effective for annual periods beginning on or after 1 January 2022.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments to IFRS 3 is not expected to have a significant impact on the consolidated and separate financial statements of Group and Company.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

Effective for annual periods beginning on or after 1 January 2022.

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments to IFRS 16 is not expected to have a significant impact on the consolidated and separate financial statements.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. Effective for annual periods beginning on or after 1 January 2022.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgement will be required in determining which costs are "directly related to contract activities", but we believe that guidance in IFRS 15 Revenue from Contracts with Customers will be relevant.

The amendments to IAS 37 is not expected to have a significant impact on the consolidated and separate financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards: Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the Group and of the Company.

2.4 Changes in accounting policies and disclosures - Continued

2.5 Standards issued but not yet effective - Continued

IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the Group and Company.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. Effective for annual periods beginning on or after 1 January 2023.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument

The amendments to IAS 1 is not expected to have a significant impact on the consolidated and separate financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments to IFRS 10 and IAS 28 is not expected to have a significant impact on the consolidated and separate financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements (the PS)*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. Effective for annual periods beginning on or after 1 January 2023.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and;
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Entities should carefully consider whether 'standardised information, or information that only duplicates or summarises the requirements of the IFRSs' is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

2.4 Changes in accounting policies and disclosures - Continued

2.5 Standards issued but not yet effective - Continued

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. Effective for annual periods beginning on or after 1 January 2023.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

The amendments is not expected to have a significant impact on the consolidated and separate financial statements.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements.

i) Revenue from Contracts with Customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of sales of goods

The Group concluded that revenue from contract with customers is to be recognised over time because the Group's performance does not create an asset with alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group has determined that the output method is the best method in measuring progress because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Group's performance completed to date.

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and penalties that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return and penalties, given the large number of customer contracts that have similar characteristics. The Group also determined that the estimates of variable consideration are not constrained and that the uncertainty on the variable consideration will be resolved upon delivery of goods which is also the point of invoicing the customer.

3. Significant accounting judgements, estimates and assumptions - Continued

Estimates and assumptions

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 19.3.

Measurement of the expected credit loss allowance for financial asset

The measurement of the expected credit loss allowance for financial assets measured at amortised cost (due from related companies) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 19.3ii.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Estimates and assumptions

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Taxes

Deferred tax assets are recognised for 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 judgement 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.

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

4 Segment information

For management purposes, the Group is organised into business units based on their products and services. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Executive Management Team reviews internal management reports on at least a quarterly basis.

Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. However, finance costs, credit loss expense, other operating income, selling expenses, administrative expenses, income taxes, assets and liabilities are managed on a group basis and are not allocated to operating segments. There are no transfers between the operating segments hence there are no transfer prices set for any transactions that may arise. The segments managers are assessed based on the performance on sales and cost of sales. They do not have control over the assets and liabilities. Segments results are as shown below:

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment profit or loss

For the year ended 31 March 2022

	Note	Books N'000	Annual reports N'000	Calendar N'000	Diary N'000	Label N'000	Total segments N'000	Adjustments and eliminations N'000	Consolidated N'000
Revenue									
External customers	5	3,774,565	45,305	8,718	232,873	49,422	4,110,883	-	4,110,883
Total revenue		3,774,565	45,305	8,718	232,873	49,422	4,110,883	-	4,110,883
Cost of sales	7	(2,965,848)	(35,598)	(6,850)	(182,979)	(38,833)	(3,230,107)	(1)	(3,230,108)
Finance cost	12	-	-	-	-	-	-	(106,518)	(106,518)
Depreciation and amortisation	7&9	-	-	-	-	-	-	(213,989)	(213,989)
Selling expenses	8	-	-	-	-	-	-	(76,030)	(76,030)
Administrative expenses (excluding depreciation and amortisation)	9	-	-	-	-	-	-	(191,661)	(191,661)
Credit loss reversal	10	-	-	-	-	-	-	(96,030)	(96,030)
Other operating income	11	-	-	-	-	-	-	28,705	28,705
Segment profit		808,717	9,707	1,868	49,894	10,589	880,775	(655,523)	225,252
Total assets		-	-	-	-	-	-	2,458,442	2,458,442
Total liabilities		-	-	-	-	-	-	2,272,842	2,272,842

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

4 Segment information - Continued

Segment profit or loss

For the year ended 31 March 2021

	Note	Books N'000	Annual reports N'000	Calendar N'000	Diary N'000	Label N'000	Total segments N'000	Adjustments and eliminations N'000	Consolidated N'000
Revenue									
External customers	5	1,393,508	51,275	19,660	157,190	56,301	1,677,934	-	1,677,934
Total revenue		1,393,508	51,275	19,660	157,190	56,301	1,677,934	-	1,677,934
Cost of sales	7	(1,251,634)	(46,055)	(17,658)	(141,186)	(50,569)	(1,507,102)	-	(1,507,102)
Finance cost	12	-	-	-	-	-	-	(152,620)	(152,620)
Depreciation and amortisation	7&9	-	-	-	-	-	-	(195,127)	(195,127)
Selling expenses	8	-	-	-	-	-	-	(41,915)	(41,915)
Administrative expenses (excluding depreciation and amortisation)	9	-	-	-	-	-	-	(114,500)	(114,500)
Credit loss expense	10	-	-	-	-	-	-	11,241	11,241
Other operating income	11	-	-	-	-	-	-	18,141	18,141
Segment loss		141,874	5,220	2,002	16,004	5,732	170,832	(474,780)	(303,948)
Total assets		-	-	-	-	-	-	2,278,858	2,278,858
Total liabilities		-	-	-	-	-	-	2,267,930	2,267,930

Adjustments and eliminations

Finance costs, credit loss (reversal)/expense, other operating income, selling expenses, administrative expenses, income taxes, assets and liabilities are not allocated to individual segments as the underlying instruments are managed on a Group basis.

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

4 Segment information- Continued

Reconciliation of profit	2022	2021
	N'000	N'000
Segment profit	880,775	170,832
Finance cost	(106,518)	(152,620)
Depreciation and amortisation	(213,989)	(195,127)
Selling expenses	(76,030)	(41,915)
Administrative expenses (excluding depreciation and amortisation)	(191,661)	(114,500)
Credit loss (expense)/reversal	(96,030)	11,241
Other operating income	28,705	18,141

Profit/(loss) before taxation	225,252	(303,948)
	=====	=====
Reconciliation of assets	2022	2021
	N'000	N'000
Other assets	2,458,442	2,278,858

Total assets	2,458,442	2,278,858
	=====	=====
Reconciliation of liabilities	2022	2021
	N'000	N'000
Other liabilities	2,272,842	2,267,930

Total liabilities	2,272,842	2,267,930
	=====	=====

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

5 Revenue from contracts with customers

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Books	3,774,565	1,393,508	3,683,405	1,322,185
Annual Reports	45,305	51,275	45,305	51,275
Diary	232,873	157,190	16,646	37,251
Calendar	8,718	19,660	8,718	19,660
Label	49,422	56,301	262	19,364
	4,110,883	1,677,934	3,754,336	1,449,735

5.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

GROUP

For the year ended 31 March 2022

Segments						Total N'000
	Books N'000	Annual Reports N'000	Diary N'000	Calendar N'000	Label N'000	
Geographical markets						
Within Nigeria	3,774,565	45,305	232,873	8,718	49,422	4,110,883
Nigeria:						
South West	3,677,508	45,305	232,873	8,718	49,422	4,013,826
North Central	97,057	-	-	-	-	97,057
Total	3,774,565	45,305	232,873	8,718	49,422	4,110,883
Timing of revenue recognition						
Services transferred over time	3,774,565	45,305	232,873	8,718	49,422	4,110,883
Total	3,774,565	45,305	232,873	8,718	49,422	4,110,883

For the year ended 31 March 2021

Segments						Total N'000
	Books N'000	Annual Reports N'000	Diary N'000	Calendar N'000	Label N'000	
Geographical markets						
Within Nigeria	1,393,508	51,275	157,190	19,660	56,301	1,677,934
Nigeria:						
South West	1,294,301	51,275	157,190	19,660	56,301	1,578,727
North Central	39,841	-	-	-	-	39,841
North West	59,366	-	-	-	-	59,366
Total	1,393,508	51,275	157,190	19,660	56,301	1,677,934
Timing of revenue recognition						
Services transferred over time	1,393,508	51,275	157,190	19,660	56,301	1,677,934
Total	1,393,508	51,275	157,190	19,660	56,301	1,677,934

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

5 Revenue from contracts with customers - Continued

Set out below is the disaggregation of the Company's revenue from contracts with customers:

COMPANY						
For the year ended 31 March 2022						
Segments	Annual					Total
	Books	Reports	Diary	Calendar	Label	
	N'000	N'000	N'000	N'000	N'000	N'000
Geographical markets						
Within Nigeria	3,683,405	45,305	16,646	8,718	262	3,754,336
Nigeria:						
South West	3,586,348	45,305	16,646	8,718	262	3,657,279
North Central	97,057	-	-	-	-	97,057
Total	3,683,405	45,305	16,646	8,718	262	3,754,336
Timing of revenue recognition						
Services transferred over time	3,683,405	45,305	16,646	8,718	262	3,754,336
Total	3,683,405	45,305	16,646	8,718	262	3,754,336
For the year ended 31 March 2021						
Segments	Annual					Total
	Books	Reports	Diary	Calendar	Label	
	N'000	N'000	N'000	N'000	N'000	N'000
Geographical markets						
Nigeria:						
South West	1,222,978	51,275	37,251	19,660	19,364	1,350,528
North Central	39,841	-	-	-	-	39,841
North West	59,366	-	-	-	-	59,366
Total	1,322,185	51,275	37,251	19,660	19,364	1,449,735
Timing of revenue recognition						
Services transferred over time	1,322,185	51,275	37,251	19,660	19,364	1,449,735
Total	1,322,185	51,275	37,251	19,660	19,364	1,449,735

5.2 Contract balances

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Trade receivables (Note 22)	411,906	399,770	352,073	333,513
Contract liabilities (Note 24)	268,056	21,336	264,966	18,046

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2022, N178 million and N139 million (2021: N108 million and N76 million) was recognised as provision for expected credit losses on trade receivables for the Group and the Company respectively. See Note 22.1.

Contract liabilities consists of advance payments from customers.

5.3 Right of return

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Right of return assets	-	20	-	20
Refund liabilities - Arising from rights of return	-	22	-	22

Right of return asset records a provision for the return of purchases of raw materials made from vendors by the client.

6 Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's liabilities.

Fair value measurement hierarchy for liabilities as at 31 March 2022:

	Date of valuation	Fair value measurement using			
		Total N'000	Quoted prices in active markets (Level 1) N'000	Significant observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Liabilities for which fair values are disclosed:					
The Group					
Interest-bearing loans and borrowings	31-Mar-22	520,691	-	-	520,691
The Company					
Interest-bearing loans and borrowings	31-Mar-22	319,501	-	-	319,501

The fair value of the Group's interest-bearing loans and borrowings is determined by using discounted cashflow models that use market interest rates at the end of the period. There were no transfers between Level 1 and Level 2 during 2022.

Fair value measurement hierarchy for liabilities as at 31 March 2021:

	Date of valuation	Fair value measurement using			
		Total N'000	Quoted prices in active markets (Level 1) N'000	Significant observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Liabilities for which fair values are disclosed:					
The Group					
Interest-bearing loans and borrowings	31-Mar-21	661,563	-	-	661,563
The Company					
Interest-bearing loans and borrowings	31-Mar-21	451,803	-	-	451,803

The fair value of the Group's interest-bearing loans and borrowings is determined by using discounted cashflow models that use market interest rates at the end of the period. There were no transfers between Level 1 and Level 2 during 2021.

For financial instruments such as trade receivables & other receivables and trade payables, the carrying amount approximates it's fair value.

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

7	Cost of Sales	Group		Company	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
	Materials consumed	2,577,469	1,025,188	2,357,114	897,499
	Salaries and related staff cost- Production	142,558	111,951	120,783	89,388
	Electricity and fuel	185,708	84,944	160,270	74,460
	Repairs and maintenance of Plant , Machinery and Building	95,681	66,503	91,511	58,459
	Vehicle repairs and maintenance- Production	28,534	18,292	26,270	18,292
	Cleaning and waste management	9,639	6,384	7,517	6,384
	Depreciation	180,089	182,451	134,593	138,718
	Inventory write off	3,454	7,962	2,677	6,000
	Other production overheads	6,976	3,427	5,569	3,339
		3,230,108	1,507,102	2,906,304	1,292,539

Other production overheads are mainly from fuel for vehicles used in the production environment and local travelling costs. Depreciation represents depreciation on plant and machinery and tools and spares for the purpose of cost of sales.

8	Selling and distribution expenses	Group		Company	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
	Salaries and related staff cost – sales	31,667	18,130	22,601	16,181
	Travelling expenses – sales	1,387	567	1,358	567
	Vehicle repairs and maintenance	4,298	790	3,120	790
	Advertising and publicity	38,678	22,428	35,684	22,428
		76,030	41,915	62,763	39,966

9	Administrative expenses	Group		Company	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
	Amortisation of intangible assets (Note 18)	122	130	122	130
	Audit fee	10,500	10,500	9,000	9,000
	Bank charges	5,123	3,410	4,544	2,976
	Capital work-in-progress written off	350	-	-	-
	Depreciation of property, plant & equipment (Note 17)	33,778	12,546	28,962	9,472
	Directors' emoluments (Note 32.1)	21,778	12,213	14,602	11,480
	Donation	-	50	-	50
	Unrealised foreign exchange loss	12,480	19,947	12,480	19,947
	General expenses (Note 9.2)	48,541	38,833	47,288	27,082
	Legal and other professional fees	7,621	6,350	7,195	5,630
	Printing and stationery	11,971	10,338	11,518	4,293
	Rates and insurance	14,314	10,769	14,206	10,685
	Repairs, maintenance and up-keeps	22,578	16,380	14,523	11,031
	Salaries and related staff cost	203,302	160,684	189,110	151,535
	Subscription	1,385	1,131	1,292	1,131
	Travelling expenses	11,807	6,346	10,840	4,175
		405,650	309,627	365,682	268,617

Depreciation represents depreciation on property, plant and equipment used for administrative purposes.

During the year, the company's auditor, Ernst and Young, did not offer any non –audit services to the company.

Other professional fees represent tax consultancy and accounting support services rendered to the company during the year.

9.1	Depreciation, amortisation and cost of inventories included in the statement of profit or loss	Group		Company	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
	Included in cost of sales:				
	Costs of inventories recognised as an expense	482,054	362,889	321,229	242,993
	Depreciation (Note 7)	180,089	182,451	134,593	138,718
	Included in administrative expenses:				
	Depreciation and amortisation (Note 9)	33,900	12,676	29,084	9,602

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

9.2 General expenses	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Communication	4,956	11	4,245	-
Entertainment	5,966	7,684	5,783	1,249
Fuel	5,074	10,837	4,716	10,771
Other expenses	32,545	20,301	32,544	15,062
	48,541	38,833	47,288	27,082

Other expenses include cost of uniforms, cost of training, recruitment and other miscellaneous expenses.

10 Credit loss expense/(reversal)

The table below shows the ECL charges and reversal on financial instruments for the year recorded in the income statement:

2022	Group			Company		
	Stage 1 Collective N'000	Simplified Model N'000	Total N'000	Stage 1 Collective N'000	Simplified Model N'000	Total N'000
Trade receivables	-	69,867	69,867	-	63,107	63,107
Related party receivables	-	26,169	26,169	-	26,169	26,169
Staff loan	(6)	-	(6)	(6)	-	(6)
	(6)	96,036	96,030	(6)	89,276	89,270

2021	Group			Company		
	Stage 1 Collective N'000	Simplified Model N'000	Total N'000	Stage 1 Collective N'000	Simplified Model N'000	Total N'000
Trade receivables	-	(44,185)	(44,185)	-	(46,459)	(46,459)
Related party receivables	-	32,940	32,940	-	32,940	32,940
Staff loan	4	-	4	4	-	4
	4	(11,245)	(11,241)	4	(13,519)	(13,515)

11 Other operating income	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Sales of waste	27,185	18,138	26,811	17,520
Profit on disposal of asset	-	3	-	-
Other income	1,520	-	1,520	-
	28,705	18,141	28,331	17,520

Sales of waste represents scrap materials sold. Other income majorly comprises of rental income from leasehold land.

12 Finance cost

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Interest on bank overdraft & other facilities	102,618	148,654	102,178	130,472
Interest on commercial notes	3,900	3,966	3,900	3,966
	106,518	152,620	106,078	134,438

See Note 19.2 with respect to other facilities.

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

13 Employee benefits expense

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Included in cost of sales:				
Salaries and related staff cost	142,558	111,951	120,783	89,388
Included in selling and distribution expenses:				
Salaries and related staff cost	31,667	18,130	22,601	16,181
Included in cost of administrative expenses:				
Salaries and related staff cost	203,302	160,684	189,110	151,535
Total employee benefits expense	377,527	290,765	332,494	257,104
	=====	=====	=====	=====

14 Profit/(loss) before taxation

Profit/(loss) before taxation is stated after charging:

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Depreciation of property, plant and equipment (Note 7 and 9)	213,867	194,997	163,555	148,190
Amortisation of intangible assets (Note 9)	122	130	122	130
Directors' emoluments (Note 9)	21,778	12,213	14,602	11,480
Auditor's remuneration (Note 9)	10,500	10,500	9,000	9,000
Personnel expenses (Note 13)	377,527	290,765	332,494	257,104
Other income (Note 11)	(28,705)	(18,141)	(28,331)	(17,520)

Personnel expenses represents salaries and related staff costs which include allowances, overtime, staff support cost and gratuity.

Other income majorly comprises of rental income from leasehold properties.

15 Taxation

15.1 Current income tax:

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Current income tax charge	41,332	573	39,547	-
Education tax	10,776	76	9,885	-
NPF Levy	12	-	12	-
Minimum tax	-	3,674	-	3,674
	52,120	4,323	49,444	3,674
Deferred tax (credit)/expense	(973)	(102,819)	4,576	(90,238)
Income tax expense/(credit)	51,147	(98,496)	54,020	(86,564)
	=====	=====	=====	=====
Deferred tax on OCI				
Deferred tax on actuarial loss	-	(1,206)	-	(1,357)
	=====	=====	=====	=====

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

15.1 Current income tax - Continued
Reconciliation of effective tax rate

Reconciliation between tax expense and the product of accounting profit multiplied by Academy Press Plc domestic tax rate for the year ended 31 March 2021 and 2020 is as follows:

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Accounting profit/(loss) before tax	225,252	(303,948)	252,570	(254,790)
Statutory income tax @ 30%	67,576	(91,184)	75,771	(76,437)
Education tax @ 2% of assessable profit	10,776	76	9,885	-
NPF Levy @ 0.005%	12	-	12	-
Non Deductible expenses	(27,217)	(11,062)	(31,648)	(10,127)
Impact of minimum tax rule	-	3,674	-	3,674
Income tax expense/(credit) reported in the profit or loss	51,147	(98,496)	54,020	(86,564)
Effective tax rate	23%	32%	21%	34%

15.2 Reconciliation of current tax liabilities

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
At 1 April	272,570	305,779	253,151	287,009
Charge for the year	52,120	4,323	49,444	3,674
Payments in the year	(39,189)	(37,532)	(35,524)	(37,532)
At 31 March	285,501	272,570	267,071	253,151

15.3 Reconciliation of Deferred tax asset
Deferred tax asset

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
At 1 April	362,605	258,580	272,071	180,476
Credit for the year	973	102,819	(4,576)	90,238
Recognised in profit or loss	-	1,206	-	1,357
At 31 March	363,578	362,605	267,495	272,071

15.4 Deferred tax reconciliation - Statement of financial position

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Property, plant and equipment	203,199	243,033	121,481	140,342
Unutilised capital allowances	(476,021)	(524,613)	(315,331)	(361,953)
Trade and other receivables	(75,374)	(51,017)	(69,956)	(43,174)
Unrealised exchange loss	(3,744)	(5,984)	(3,744)	(5,984)
Intangible assets	55	55	55	55
Employee benefit obligation	-	(1,693)	-	(1,357)
Unutilised tax losses	(11,693)	(22,386)	-	-
	(363,578)	(362,605)	(267,495)	(272,071)

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

15.5 Deferred tax reconciliation - Statement of profit or loss and other comprehensive income

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Property, plant and equipment	(23,055)	(18,451)	(17,506)	(7,844)
Utilised capital allowances	46,623	(40,573)	46,623	(38,597)
Trade and other receivables	(26,781)	(43,856)	(26,781)	(43,174)
Unrealised exchange loss	2,240	(988)	2,240	(678)
Intangible assets	-	55	-	55
Employee benefit obligation	-	(1,355)	-	(1,357)
Unutilised tax losses	-	1,143	-	-
	-----	-----	-----	-----
Deferred tax credit for the year	(973)	(104,025)	4,576	(91,595)
	=====	=====	=====	=====

16 Earnings/(loss) per Share

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Weighted average number of ordinary shares	604,800	604,800	604,800	604,800
	=====	=====	=====	=====
Earnings/(loss) attributable to ordinary equity holders	182,621	(191,868)	198,550	(168,226)
	=====	=====	=====	=====
Basic/diluted earnings/(loss) per share (naira)	0.302	(0.317)	0.328	(0.278)
	=====	=====	=====	=====

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

17 Property, plant and equipment (Group)

	Leasehold Land N'000	Building & Improvement N'000	Plant and Machinery N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Tools & Spares N'000	Asset under Construction N'000	Total N'000
Costs								
At 1st April, 2020	87,099	269,122	3,535,897	71,369	74,665	25,483	23,718	4,087,353
Addition	-	-	85,700	26,616	56,916	1,736	-	170,968
Disposal	-	-	(242)	(3,150)	(41,070)	-	(23,368)	(67,830)
At 31st March, 2021	87,099	269,122	3,621,355	94,835	90,511	27,219	350	4,190,491
Addition	-	8,356	37,480	651	26,184	20,420	-	93,091
Write - off	-	-	-	-	-	-	(350)	(350)
At 31st March, 2022	87,099	277,478	3,658,835	95,486	116,695	47,639	-	4,283,232
Depreciation								
At 1st April, 2020	9,871	45,790	2,792,105	63,029	72,572	20,595	-	3,003,962
Charge for the year	317	3,467	180,571	2,512	6,250	1,880	-	194,997
Disposal	-	-	(14)	(630)	(41,070)	-	-	(41,714)
At 31st March, 2021	10,188	49,257	2,972,662	64,911	37,752	22,475	-	3,157,245
Charge for the year	359	3,555	174,814	6,974	22,890	5,275	-	213,867
At 31st March, 2022	10,547	52,812	3,147,476	71,885	60,642	27,751	-	3,371,113
Carrying amount								
At 31st March, 2022	76,552	224,666	511,359	23,601	56,053	19,888	-	912,119
At 31st March, 2021	77,228	223,332	743,792	8,340	2,093	4,888	23,718	1,033,246

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

17 Property, plant and equipment (Company)

	Leasehold Land N'000	Building N'000	Plant and Machinery N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Total N'000
Costs						
At 1st April, 2020	33,474	102,042	3,069,916	58,549	68,324	3,332,305
Addition	-	-	85,700	25,506	48,999	160,205
Disposal	-	-	-	(3,150)	(41,070)	(44,220)
At 31st March, 2021	33,474	102,042	3,155,616	80,905	76,253	3,448,290
Addition	-	8,356	37,481	140	26,184	72,161
At 31st March, 2022	33,474	110,398	3,193,097	81,045	102,437	3,520,451
Depreciation						
At 1st April, 2020	9,871	23,061	2,579,250	51,421	67,284	2,730,887
Charge for the year	317	1,881	138,718	2,026	5,248	148,190
Disposal	-	-	-	(630)	(41,070)	(41,700)
At 31st March, 2021	10,188	24,942	2,717,968	52,817	31,462	2,837,377
Charge for the year	359	1,968	134,594	6,389	20,245	163,555
At 31st March, 2022	10,547	26,910	2,852,562	59,206	51,707	3,000,932
Carrying amount						
At 31st March, 2022	22,927	83,488	340,535	21,839	50,730	519,519
At 31st March, 2021	23,286	77,100	437,648	28,088	44,791	610,913

There are no restrictions on title to the items of property, plant and equipment. The Group and the Company has not pledged any item of property, plant and equipment as security for liabilities in the year ended 31 March 2022 (2021:Nil).

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 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

18 Intangible assets

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Costs				
At 1st April	2,773	2,773	2,773	2,773
Addition	-	-	-	-
At 31st March	2,773	2,773	2,773	2,773
Amortisation				
At 1st April	2,590	2,460	2,590	2,460
Charge for the year	122	130	122	130
At 31st March	2,712	2,590	2,712	2,590
Carrying amount				
At 31st March	61	183	61	183

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

19 Financial assets and financial liabilities

19.1 Financial assets

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Debt instruments at amortised cost				
Cash and bank balances (Note 23)	30,995	3,656	18,203	2,814
Trade and other receivables (Note 22)	307,894	432,090	478,282	562,320
Total financial assets	338,889	435,746	496,485	565,134

Trade and other receivables include trade receivables, receivables from related parties, staff loans and allowance for expected credit losses.

19.2 Financial liabilities

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Current interest bearing loans and borrowings	44,473	85,220	39,506	1,053
Non-current interest loans and borrowings	588,714	723,407	359,564	538,607
Other financial liabilities (Note 25)	905,374	952,749	490,151	583,366
	1,538,561	1,761,376	889,221	1,123,026

Other financial liabilities includes trade payables and due to related parties.

Interest bearing loans and borrowings

	Ref.	Group		Company	
		2022	2021	2022	2021
		N'000	N'000	N'000	N'000
Unsecured borrowings at amortised cost					
Commercial Notes					
Bank overdraft		14,473	6,020	9,506	1,053
Enterprise Development Company Ltd	i.	30,000	30,000	30,000	30,000
Secured borrowings at amortised cost					
Hambleside International Limited	ii.	312,330	424,230	312,330	424,230
Union Bank of Nigeria Plc	iii.	229,150	264,000	-	-
Sterling Assets Management and Trustees Ltd	iv.	40,028	63,871	40,028	63,871
Wema bank	v.	7,206	20,506	7,206	20,506
		633,187	808,627	399,070	539,660
Current portion		44,473	85,220	39,506	1,053
Non-current portion		588,714	723,407	359,564	538,607

Refer to Note 19.4 for changes in financial liabilities arising from financing activities and for movements in interest bearing loans and borrowings.

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

19.2 Financial liabilities - Continued

	Ref.	Interest Rate	Maturity	Group	
				2022	2021
				₦'000	₦'000
Bank Overdraft				14,473	6,020
Other borrowing/lenders commercial notes:					
Enterprise Development Group Ltd	i.	13%	Undated	30,000	30,000
Hambleside International	ii.	5%	Dec-24	312,330	424,230
Union Bank of Nigeria Plc	iii.	7% & 10%	Feb-23	229,150	264,000
Sterling Assets Management and Trustees Ltd	iv.	19%	Dec-23	40,028	63,871
Wema bank	v.	17%	Sep-22	7,206	20,506
				-----	-----
				633,187	808,627
				=====	=====
	Ref.	Interest Rate	Maturity	Company	
				2022	2021
				₦'000	₦'000
Bank Overdraft				9,506	1,053
Other borrowing/lenders commercial notes:					
Enterprise Development	i.	13%	Undated	30,000	30,000
Hambleside International	ii.	5%	Dec-24	312,330	424,230
Sterling Assets Management and Trustees Ltd	iv.	19%	Dec-23	40,028	63,871
Wema bank	v.	17%	Sep-22	7,206	20,506
				-----	-----
				399,070	539,660
				=====	=====

i. Enterprise Development Group Ltd

The commercial note facility of N30,000,000 was obtained from a related party – Enterprise Development Company Nigeria Limited towards enhancement of the Company's working capital with no definite repayment date. The facility was granted at an interest rate of 13% per annum. Either party is required to give 90 days notice of intention to terminate.

ii. Hambleside International Limited

In September 2016, Hambleside International Limited proposed the conversion of the Company's exposure on bills to Medium Term Liability (MTL) on new terms and conditions. Upon conversion, it stood at N616,000,000 after a waiver of GBP107,796 was granted at an interest rate of 5% per annum, while the repayment period is 42 equal monthly instalments, commencing from October 2016. In 2020, the loan was reviewed. The Company reached an agreement to further extend the loan for another 5 years beginning January 2020 with the same interest rate. Repayment for the Group on a monthly basis will be NGN13,475,000 with the Company's portion to be NGN 8,277,500.

iii. Union Bank of Nigeria Plc

This represents a facility that was restructured in 2019 to make a final payment of N350,000,000 over a period of 4 years.

iv. Sterling Assets Management and Trustees Ltd (SAMTL)

This Company gave out a loan for the acquisition of motor vehicles for the group of company which amounted to 52,000,000 whereas N1,906,113.04 being principal and interest repayment on the facility on a monthly basis for 36 months .

v. Wema bank plc

The Company gave out a loan to Academy Press Plc to finance the acquisition of 5 Generators which amounted to N18,776,568.58. Wema bank is to get an interest of N2,698,421.19 for the 18months duration of the agreement.

19.3 Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, due from related parties, staff loans and cash and bank balances that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks. The group's risk management is governed by the Board, through the Board Financial, Risk and Audit committee. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include: current loans and borrowings and deposits.

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's interest – bearing loans and borrowings and the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) . Management has set up a policy requiring the Group to manage their foreign currency risk against their functional currency. The Group is required to manage its entire foreign currency risk exposure with the Group finance. To manage their foreign currency risk arising from future commercial transactions and recognized assets and liabilities, companies in the Group ensure that significant transaction are contracted in the Group's functional currency. Foreign currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the group's functional currency. The group is mostly affected by changes in USD and British Pounds rates than any other foreign currency.

The table below shows the sensitivity analysis of the Group's profit before tax based on changes in exchange rates:

Group and Company		Effect on profit before tax:	
		Naira strengthening	Naira weakening
		₦'000	₦'000
31 March 2022			
USD Dollar	10%	31,233	(31,233)
British Pounds	10%	-	-
31 March 2021			
USD Dollar	10%	54,737	(54,737)
British Pounds	10%	(224)	224

A weakening of the Naira against the above currencies at reporting date would have had the equal opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

19.3 Financial instruments risk management objectives and policies - Continued

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Group's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 22. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within treasury limits assigned to each of the counterparty. Counterparty treasury limits are reviewed by the Group's Financial Controller periodically and may be updated throughout the year subject to approval of the Financial Controller. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

19.3 Financial instruments risk management objectives and policies - Continued

i Impairment of financial assets

Trade receivables

For trade receivables, the Group applied the simplified approach in computing ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Group	TRADE RECEIVABLES FROM CUSTOMERS							
	Trade receivables Days past due							Total
31 March 2022	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	>120 days	Credit impaired	
	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000
Expected credit loss rate	34.17%	0.87%	1.71%	2.62%	0.00%	74.20%	0.00%	
Estimated total gross carrying amount at default	3,500	139,379	31,475	1,911	-	235,641	-	411,906
Expected credit loss	1,196	1,218	539	50	-	174,840	-	177,843
31 March 2021	Trade receivables Days past due							Total
	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	>120 days	Credit impaired	
	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000	₱'000
Expected credit loss rate	7.19%	11.50%	12.12%	12.46%	15.39%	26.45%	100.00%	
Estimated total gross carrying amount at default	113,880	17,624	17,536	70,845	3,626	122,379	53,880	399,770
Expected credit loss	8,188	2,027	2,125	8,824	558	32,374	53,880	107,976

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

19.3 Financial instruments risk management objectives and policies - Continued

i Impairment of financial assets - Continued

Company

31 March 2022

	Trade receivables							Total
	Days past due							
	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	>120 days	Credit impaired	
	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000
Expected credit loss rate	34.17%	0.87%	1.71%	2.62%	0.00%	77.20%	0.00%	
Estimated total gross carrying amount at default	3,500	139,379	31,475	1,911	-	175,808	-	352,073
Expected credit loss	1,196	1,218	539	50	-	135,722	-	138,725

31 March 2021

	Trade receivables							Total
	Days past due							
	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	>120 days	Credit impaired	
	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000
Expected credit loss rate	4.50%	5.83%	6.98%	8.93%	12.53%	26.07%	100.00%	
Estimated total gross carrying amount at default	113,880	17,624	17,536	24,792	3,626	122,379	33,676	333,513
Expected credit loss	5,123	1,027	1,225	2,213	454	31,900	33,676	75,618

TRADE RECEIVABLES FROM RELATED PARTIES

GROUP

31 March 2022

	Trade receivables from related parties							Total
	Days past due							
	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	>120 days	Credit impaired	
	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000	₺'000
Expected credit loss rate	63.40%	0.00%	0.00%	0.00%	0.00%	53.7%	0.00%	
Estimated total gross carrying amount at default	146,564	-	-	-	-	2,861	-	149,425
Expected credit loss	92,924	-	-	-	-	1,536	-	94,460

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

19.3 Financial instruments risk management objectives and policies - Continued

i Impairment of financial assets - Continued

GROUP

31 March 2021

	Trade receivables from related parties							Total ₹'000
	Current ₹'000	Days past due					Credit impaired ₹'000	
		0 - 30 days ₹'000	31 - 60 days ₹'000	61 - 90 days ₹'000	91 - 120 days ₹'000	>120 days ₹'000		
Expected credit loss rate	12.34%	12.34%	12.34%	67.31%	67.31%	67.31%	100.00%	
Estimated total gross carrying amount at default	-	20,987	101,386	35,733	-	-	29,133	187,239
Expected credit loss	-	2,591	12,514	24,053	-	-	29,133	68,291

Company

31 March 2022

	Trade receivables from related parties							Total ₹'000
	Current ₹'000	Days past due					Credit impaired ₹'000	
		0 - 30 days ₹'000	31 - 60 days ₹'000	61 - 90 days ₹'000	91 - 120 days ₹'000	>120 days ₹'000		
Expected credit loss rate	0.02%	0%	0%	53.70%	0%	53.7%	0%	
Estimated total gross carrying amount at default	165,104	-	-	172,988	-	2,861	-	340,953
Expected credit loss	29	-	-	92,895	-	1,536	-	94,460

31 March 2021

	Trade receivables from related parties							Total ₹'000
	Current ₹'000	Days past due					Credit impaired ₹'000	
		0 - 30 days ₹'000	31 - 60 days ₹'000	61 - 90 days ₹'000	91 - 120 days ₹'000	>120 days ₹'000		
Expected credit loss rate	12.34%	12.34%	12.34%	12.34%	12.34%	36.06%	100.00%	
Estimated total gross carrying amount at default	-	20,987	101,386	53,701	149,277	-	29,133	354,484
Expected credit loss	-	2,591	12,514	6,629	17,424	-	29,133	68,291

19.3 Financial instruments risk management objectives and policies - Continued

ii Expected credit loss measurement - Staff loans

The Group applied the general approach in computing expected credit losses (ECL) for staff loans. The Group 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 Group expects to receive, discounted at an approximation of the original effective interest rate.

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).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The reconciliation of these balances are as stated above.

iii Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.3| Summary of significant accounting policies and in Note 3 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

The following tables outline the impact of multiple scenarios on the allowance:

	Group	Company
	Staff loans	Staff loans
	₦'000	₦'000
31 March 2022		
Upside (10%)	-	-
Base (80%)	4	2
Downside (10%)	-	-
	-----	-----
Total	4	2
31 March 2021		
Upside (10%)	1	-
Base (80%)	8	8
Downside (10%)	1	-
	-----	-----
Total	10	8

19.3 Financial instruments risk management objectives and policies - Continued

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and bank loans. The Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 10% of the Company's debt will mature in less than one year at 31 March 2021 (2020: 10%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Group	Carrying amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Contractual cash flows
Year ended 31 March 2022	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	633,187	44,473	35,251	-	728,714	-	808,438
Trade and other payables	314,528	-	-	314,528	-	-	314,528
	947,715	44,473	35,251	314,528	728,714	-	1,122,966

Trade and other payables are non-interest bearing and includes trade payables and amount due to related parties.

Year ended 31 March 2021	Carrying amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Contractual cash flows
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	808,627	6,020	4,436	78,756	865,418	-	954,630
Trade and other payables	335,168	-	-	335,168	-	-	335,168
	1,143,795	6,020	4,436	413,924	865,418	-	1,289,798

Trade and other payables are non-interest bearing and includes amount due to related parties.

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

19.3 Financial instruments risk management objectives and policies - Continued

Financial liabilities - Continued

Company

Year ended 31 March 2022	Carrying amount N'000	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1 to 5 years N'000	> 5 years N'000	Contractual cash flows N'000
Interest-bearing loans and borrowings	399,070	39,506	24,042	-	337,032	-	400,580
Trade and other payables	252,047	-	-	252,047	-	-	252,047
	651,117	39,506	24,042	252,047	337,032	-	652,627

Trade and other payables are non-interest bearing and includes amount due to related parties.

Year ended 31 March 2021	Carrying amount N'000	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1 to 5 years N'000	> 5 years N'000	Contractual cash flows N'000
Interest-bearing loans and borrowings	539,660	1,053	4,346	-	601,418	-	606,817
Trade and other payables	308,799	-	-	308,799	-	-	308,799
	848,459	1,053	4,346	308,799	601,418	-	915,616

Trade and other payables are non-interest bearing and includes amount due to related parties.

19.4 Changes in liabilities arising from financing activities

Group	1 April 2021 N'000	Additional loan N'000	Interest expense N'000	Loan repayment N'000	Bank overdraft N'000	Interest paid N'000	Exchange difference N'000	31 March 2022 N'000
Interest bearing loans and borrowings	808,627	-	106,518	(183,893)	8,453	(151,910)	45,392	633,187
Total liabilities from financing activities	808,627	-	106,518	(183,893)	8,453	(151,910)	45,392	633,187
Group	1 April 2020 N'000	Additional loan N'000	Interest expense N'000	Loan repayment N'000	Bank overdraft N'000	Interest paid N'000	Exchange difference N'000	31 March 2021 N'000
Interest bearing loans and borrowings	822,745	34,551	152,620	(44,000)	(4,669)	(165,456)	12,836	808,627
Total liabilities from financing activities	822,745	34,551	152,620	(44,000)	(4,669)	(165,456)	12,836	808,627

ACADEMY PRESS PLC
 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

19.4 Changes in liabilities arising from financing activities - Continued

Company	1 April 2021	Additional loan	Interest expense	Loan repayment	Bank overdraft	Interest paid	Exchange difference	31 March 2022
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings	539,660	-	106,078	(149,043)	8,453	(151,470)	45,392	399,070
Total liabilities from financing activities	539,660	-	106,078	(149,043)	8,453	(151,470)	45,392	399,070
Company	1 April 2020	Additional loan	Interest expense	Loan repayment	Bank overdraft	Interest paid	Exchange difference	31 March 2021
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings	509,783	34,551	134,438	-	(4,674)	(147,274)	12,836	539,660
Total liabilities from financing activities	509,783	34,551	134,438	-	(4,674)	(147,274)	12,836	539,660

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

19.5 Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and retained earnings attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 50% and 70%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and bank balances.

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings (Note 19.2)	633,187	808,627	399,070	539,660
Trade and other payables (Note 25)	1,059,676	1,138,560	553,051	680,829
Less: cash and short term deposit (Note 23)	(30,995)	(3,656)	(18,203)	(2,814)
Net debt	1,661,868	1,943,531	933,918	1,217,675
Total Capital: Equity	327,653	144,663	453,104	254,554
Capital and net debt	1,989,521	2,088,194	1,387,022	1,472,229
Gearing ratio	83.53%	93.07%	67.33%	82.71%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 2020.

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

20 Investment in subsidiaries

	Group		Company	
	2022	2021	2022	2021
	₹ 000	₹ 000	₹ 000	₹ 000
Investment in Academy Press Specialised Print Services Limited	-	-	44,500	44,500
Investment in Lithotec Limited	-	-	5,050	5,050
Impairment of investment in subsidiary	-	-	(49,550)	(49,550)
	-----	-----	-----	-----
	-	-	-	-
	=====	=====	=====	=====

Investment in subsidiary has been fully impaired.

21 Inventories

	Group		Company	
	2022	2021	2022	2021
	₹ 000	₹ 000	₹ 000	₹ 000
Paper	133,616	99,325	88,251	70,005
Bindery, Lithographic materials, etc	36,370	36,709	33,119	22,104
Ink and chemicals	44,796	46,104	32,194	21,942
Work-in-progress	46,326	920	1,041	920
Machinery spare part	179,488	144,725	162,062	122,180
Consumables	3,571	4,235	2,537	3,257
Goods-in-transit	37,887	30,871	2,025	2,585
	-----	-----	-----	-----
	482,054	362,889	321,229	242,993
Inventory write-down	(76,316)	(77,093)	(70,493)	(73,169)
	-----	-----	-----	-----
	405,738	285,796	250,736	169,824
	=====	=====	=====	=====

22 Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	₹ 000	₹ 000	₹ 000	₹ 000
Financial assets				
Trade receivables	411,906	399,770	352,073	333,513
Due from related parties	149,425	187,239	340,953	354,484
Staff loans	18,868	21,358	18,443	18,242
	-----	-----	-----	-----
	580,199	608,367	711,469	706,239
Allowance for expected credit losses	(272,305)	(176,277)	(233,187)	(143,919)
	-----	-----	-----	-----
	307,894	432,090	478,282	562,320
Non-financial assets				
Advances and prepayments	257,708	38,947	254,446	37,162
Other receivables	180,349	122,315	165,760	108,195
	-----	-----	-----	-----
	745,951	593,352	898,488	707,677

22 Trade receivables and other receivables - Continued

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Other receivables relate to withholding tax receivables as regards the entity's invoices to their customers.

The staff loans represent interest free loans given to members of staff of Academy Press Plc. The loans repayments are usually monthly or quarterly; depending on the agreement with individual members of staff. The loans are carried at amortised cost using the effective interest method and are tested for impairment for uncollectibility. The terms are:

- The fair value (i.e present value of the future cash flow) of the loan was determined using the market interest rate or the Central prime lending rate.
- A monthly deduction is made from payroll over the tenor of the loan.
- Terms of repayment are agreed with any staff that is existing in the business but have outstanding loan receivables.

22.1 Allowance for expected credit losses**Trade receivables**

An analysis of changes in the aggregate ECL allowances on trade receivables is as follows:

	Group		Company	
	2022	2021	2021	2020
ECL allowance on trade receivables:	₹'000	₹'000	₹'000	₹'000
As at 1 April	107,976	152,161	75,618	93,961
Provision for expected credit losses	69,867	(44,185)	63,107	(46,459)
	-----	-----	-----	-----
As at 31 March	177,843	107,976	138,725	75,618
	=====	=====	=====	=====

Receivables from related parties

An analysis of changes in the gross carrying amount and the aggregate ECL allowances on receivables from related parties is as follows:

	Group		Company	
	2022	2021	2022	2021
Gross carrying amount for related parties:	₹'000	₹'000	₹'000	₹'000
As at 1 April	187,239	209,568	354,484	341,285
New assets originated or purchased	160,104	36,383	160,104	36,383
Assets derecognised or repaid (excluding write offs)	(197,918)	(58,712)	(173,635)	(23,184)
	-----	-----	-----	-----
As at 31 March	149,425	187,239	340,953	354,484
	=====	=====	=====	=====

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

22 Trade receivables and Other receivables - Continued

22.1 Allowance for expected credit losses - Continued

	Group		Company	
	2022	2021	2022	2021
ECL allowance on related parties:	¥'000	¥'000	¥'000	¥'000
As at 1 April	68,291	35,351	68,291	35,351
Provision for expected credit losses	26,169	32,940	26,169	32,940
As at 31 March	94,460	68,291	94,460	68,291

Other financial assets - Staff loan

An analysis of changes in the gross carrying amount and the aggregate ECL allowances on staff loan is as follows:

	Group		Company	
	2022	2021	2022	2021
Gross carrying amount for staff loan:	¥'000	¥'000	¥'000	¥'000
As at 1 April	21,358	16,613	18,242	14,566
New assets originated or purchased	8,231	6,169	8,231	4,669
Assets derecognised or repaid (excluding write offs)	(10,721)	(1,424)	(8,030)	(993)
As at 31 March	18,868	21,358	18,443	18,242

	Group		Company	
	2022	2021	2022	2021
ECL allowance on staff loan:	¥'000	¥'000	¥'000	¥'000
As at 1 April	10	6	8	4
Provision for expected credit losses	-	4	-	4
Unused amount reversed	(6)	-	(6)	-
As at 31 March	4	10	2	8

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

23 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	₹'000	₹'000	₹'000	₹'000
Cash on hand	453	286	427	212
Cash at bank	30,542	3,370	17,776	2,602
Cash and bank balances	30,995	3,656	18,203	2,814

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following at 31 March:

	Group		Company	
	2022	2021	2022	2021
	₹'000	₹'000	₹'000	₹'000
Cash and bank balance	30,995	3,656	18,203	2,814
Bank overdraft (Note 19.2)	(14,473)	(6,020)	(9,506)	(1,053)
Cash and cash equivalents	16,522	(2,364)	8,697	1,761

24 Contract liabilities

	Group		Company	
	2022	2021	2022	2021
	₹'000	₹'000	₹'000	₹'000
Deposit by customers	268,056	21,336	264,966	18,046
Deposit by customers	268,056	21,336	264,966	18,046

Deposit by customers

This represents advances received from customers in respect of projects that have not been carried out. This is a non-interest bearing liability.

Contract liabilities consists of advance payments from customers. Movements in contract liabilities for the year ended are as follows:

	Group		Company	
	2022	2021	2022	2021
	₹'000	₹'000	₹'000	₹'000
As at 1 April	21,336	25,362	18,046	18,701
Advance payments received from customers	2,600,274	1,746	2,600,274	1,746
Revenue recognized in the period from:				
Advance payments applied to current period	(2,353,554)	(5,772)	(2,353,354)	(2,401)
As at 31 March	268,056	21,336	264,966	18,046

25 Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	₹'000	₹'000	₹'000	₹'000
Financial liabilities				
Trade payable	251,620	319,623	202,068	297,470
Due to related parties	62,908	15,545	49,979	11,329
Other creditors and accruals (Note 25.2)	590,846	617,581	238,104	274,567
	905,374	952,749	490,151	583,366
Non-financial liabilities				
Other payables (Note 25.1)	154,302	185,811	62,900	97,463
	1,059,676	1,138,560	553,051	680,829

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

25.1 Other payables

	Group		Company	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'000
Withholding tax payable	34,469	28,442	34,469	28,442
Value added tax	113,695	108,663	26,539	35,464
Housing fund	196	6,408	196	5,688
Pension	5,942	42,298	1,696	27,869
	-----	-----	-----	-----
	154,302	185,811	62,900	97,463
	=====	=====	=====	=====

26.2 Other creditors and accruals

	Group		Company	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'000
Professional fees	56,243	102,796	48,966	95,519
Directors' fee	16,152	13,032	14,880	11,772
Finders fee	68,224	33,344	60,514	25,279
AP cooperative society	36,194	27,880	35,666	27,352
Industrial training fund	11,501	13,475	5,775	7,917
IPP electricity	24,514	24,514	24,514	24,514
Hambleside Limited	227,399	223,718	-	-
General	150,619	178,822	47,789	82,214
	-----	-----	-----	-----
	590,846	617,581	238,104	274,567
	=====	=====	=====	=====

General consists of sundry accruals such as accrued discount, secretariat fee and Nigeria Social Insurance Trust Fund.

Hambleside limited relates to amount payable to the subsidiaries vendor for the supply of raw materials

Finders fee relates to amounts payable to contacts that refer jobs to both Academy press and its Subsidiary

26 Employee benefit obligation

	Group		Company	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'000
Defined benefit obligation	(26,422)	(139,044)	(17,240)	(129,469)
Fair value of plan assets	-	112,229	-	112,229
	-----	-----	-----	-----
Net employee defined benefit obligation	(26,422)	(26,815)	(17,240)	(17,240)
	-----	-----	-----	-----
31 March	(26,422)	(26,815)	(17,240)	(17,240)
	=====	=====	=====	=====
Non Current	(26,422)	(26,815)	(17,240)	(17,240)
	-----	-----	-----	-----
	(26,422)	(26,815)	(17,240)	(17,240)
	=====	=====	=====	=====

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

26.1 Employee benefit obligation

The employee benefit scheme for Academy Press Plc closed future benefit accrual and converted to defined contribution arrangement as at 30 August 2016. Hence, the liabilities are calculated as the gratuity benefits members are entitled to as at 30 August 2016 rolled up with returns to the valuation date. Consequently, there has been no current service cost or similar charges since the closure.

Group

2022 changes in the defined benefit obligation and fair value of plan assets

	1-Apr-21	Net Interest	Sub-total included in profit or loss	Contributions by employer	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in economic assumptions	Sub-total included in OCI	Benefits paid	31-Mar-22
	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000
Defined benefit obligation	(139,044)	(554)	(554)	380	-	567	567	112,229	(26,422)
Fair value of plan assets	112,229	-	-	-	-	-	-	(112,229)	-
Benefit liability	(26,815)	(554)	(554)	380	-	567	567	-	(26,422)

2021 changes in the defined benefit obligation and fair value of plan assets

	1-Apr-20	Net Interest	Sub-total included in profit or loss	Contributions by employer	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in economic assumptions	Sub-total included in OCI	Benefits paid	31-Mar-21
	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000	₹ 000
Defined benefit obligation	(142,805)	(8,839)	(8,839)	-	-	7,613	7,613	4,987	(139,044)
Fair value of plan assets	121,360	7,489	7,489	-	-	(11,633)	(11,633)	(4,987)	112,229
Benefit liability	(21,445)	(1,350)	(1,350)	-	-	(4,020)	(4,020)	-	(26,815)

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

26.1 Employee benefit obligation - Continued
Company

2022 changes in the defined benefit obligation and fair value of plan assets

	1-Apr-21	Net Interest	Sub-total included in profit or loss	Contributions by employer	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in economic assumptions	Sub-total included in OCI	Benefits paid	31-Mar-22
	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000
Defined benefit obligation	(129,469)	-	-	-	-	-	-	112,229	(17,240)
Fair value of plan assets	112,229	-	-	-	-	-	-	(112,229)	-
Benefit liability	(17,240)	-	-	-	-	-	-	-	(17,240)

2021 changes in the defined benefit obligation and fair value of plan assets

	1-Apr-20	Net Interest	Sub-total included in profit or loss	Contributions by employer	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in economic assumptions	Sub-total included in OCI	Benefits paid	31-Mar-21
	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000	₺ 000
Defined benefit obligation	(133,325)	(8,242)	(8,242)	-	-	7,111	7,111	4,987	(129,469)
Fair value of plan assets	121,360	7,489	7,489	-	-	(11,633)	(11,633)	(4,987)	112,229
Benefit liability	(11,965)	(753)	(753)	-	-	(4,522)	(4,522)	-	(17,240)

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

26.2 Employee benefits assumptions

The principal assumptions used in determining gratuity plan benefit obligations for the Group's plan are shown below:

	Gratuity plan 2022	Gratuity plan 2021
Average long term discount rate (p.a)	7%	5.9%
Average benefit increase (p.a)	1%	1%

	Annual rate of Withdrawal	Annual rate of Retirement
Withdrawal from service (Age band):		
18–29	4.5%	0.0%
30–44	6.0%	0.0%
45–49	0.0%	2.5%
50–59	0.0%	2.0%
60	0.0%	100.0%

Employee benefits plan

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:

Assumptions	Discount rate		Future salary increases	
	1%	1%	1%	1%
Sensitivity Level	Increase	Decrease	Increase	Decrease
	₹'000	₹'000	₹'000	₹'000
Impact on the net defined benefit obligation	(558)	558	4,025	(4,025)

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Assumptions	Discount rate		Future salary increases	
	1%	1%	1%	1%
Sensitivity Level	Increase	Decrease	Increase	Decrease
	₹'000	₹'000	₹'000	₹'000
Impact on the net defined benefit obligation	(558)	558	4,025	(4,025)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Note: Inflation rate has no significant changes that would affect the defined benefit obligation.

The following is the benefits payments for members leaving the company using the rates stated below:

Years of service	Gratuity benefit
0 – 4 years	Nil
5 – 9 years	1 month basic salary for each completed year of service
10 years	12 months basic salary
11 years	13 months basic salary
12 years	14 months basic salary
13 years	15 months basic salary
14 years	16 months basic salary
15 – 35 years	1 month total salary for each completed year of service

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

26.3 Plan assets

The fair values of each major class of plan assets are as follows:

	Group		Company	
	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Equity investment	-	43,296	-	43,296
Bank deposit	-	2,329	-	2,329
Corporate debtors	-	66,604	-	66,604
	-	112,229	-	112,229

Corporate debtors represent a portion of plan assets issued to West African Book Publishers Limited as loan.

27 Share Capital

	Group		Company	
	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
604,800,000 (2020: 604,800,000) Issued and fully paid share capital at N0.05K each	302,400	302,400	302,400	302,400

28 Retained earnings

	Group		Company	
	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
At 1 April	(182,248)	12,562	(72,357)	99,034
Profit/(loss) for the year	182,621	(191,868)	198,550	(168,226)
Other comprehensive loss; net of tax	369	(2,942)	-	(3,165)
At 31 March	742	(182,248)	126,193	(72,357)

29 Distributions made and proposed

	Group		Company	
	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
Cash dividends on ordinary shares declared and paid:				
Final dividend for 2021 paid in 2022	-	-	-	-

The directors have recommended payment of dividend of N60,480,000 at N10.00 per share for the year ended 31 March 2022 which is subject to approval by the shareholders at the forthcoming Annual General Meeting (2021: Nil).

30 Non-Controlling Interest

	Group	
	2022 ₦'000	2021 ₦'000
At 1 April	(133,735)	(120,279)
Loss for the year	(8,516)	(13,584)
Other comprehensive income; net of tax	198	128
At 31 March	(142,053)	(133,735)

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

30.1 Material partly owned subsidiary

Financial information of subsidiary that have material non-controlling interest is provided below;

Proportion of equity interests held by non-controlling interests

Name	Country of incorporation	2022	2021
Academy Press Specialised Printing Services Limited (APSPSL)	Nigeria	34.84%	34.84%

	2022	2021
	₦'000	₦'000

Accumulated balances of material non-controlling interests

Academy Press Specialised Printing Services Limited	(142,053)	(133,735)
---	-----------	-----------

Loss allocated to material non-controlling interest

Academy Press Specialised Printing Services Limited	(8,516)	(13,584)
---	---------	----------

The summarised financial information of this subsidiary is provided below. This information is based on amount before intercompany eliminations.

Summarised statement of profit or loss

	APSPSL	
	2022	2021
	₦'000	₦'000
Revenue from contract with customer	356,547	228,198
Costs of sales	(320,922)	(209,089)
Selling expenses	(13,267)	(1,949)
Administrative expenses	(49,608)	(50,512)
Finance cost	(440)	(18,182)
Other income	374	612
Loss before taxation	(27,316)	(50,922)
Income tax expense	2,874	11,932
Loss for the year	(24,442)	(38,990)
Other comprehensive income; net of tax	567	351
Total comprehensive income	(23,875)	(38,639)
	=====	=====
Attributable to;		
Non-controlling interest	(8,318)	(13,456)

Summarised statement of financial position as at 31 March

	APSPSL	
	2022	2021
	₦'000	₦'000
Inventories, cash and bank balances and other current assets	198,785	233,959
Property, plant and equipment and other non-current asset	467,306	403,653
Trade and other payables and other liabilities	(681,596)	(594,391)
Interest bearing loans and borrowings	(229,150)	(264,000)
Total equity	(244,655)	(220,779)
	=====	=====
Attributable to;		
Equity holders of parent	(102,602)	(87,044)
	=(142,053)	=(133,735)
Non-controlling interest		
	=====	=====

ACADEMY PRESS PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

30.1 Material partly owned subsidiary - Continued

	APSPSL	
	2022	2021
	₦'000	₦'000
Operating	75,547	78,821
Investing	(20,580)	(10,763)
Financing	(43,018)	(68,451)
	11,949	(393)
	=====	=====

31 Related Companies

Group	Nature of Transaction	2022		2021	
		Balance receivables	Balance payables	Balance receivables	Balance payables
		₦'000	₦'000	₦'000	₦'000
Lithotec Limited	Payments to Suppliers	14,020	-	11,239	-
Edcon	Interest Repayment on Commercial paper	-	(47,579)	-	(8,749)
Richware	Interest Repayment on Commercial paper	-	(2,902)	-	(2,836)
Academy Press Business Forms	Payments to Suppliers	6,960	(6,960)	6,101	(3,960)
West African Book Publisher	Payments for printing jobs	128,445	(5,467)	169,899	-
		-----	-----	-----	-----
		149,425	(62,908)	187,239	(15,545)
Allowance for expected credit losses (Note 22.1)		(94,460)	-	(68,291)	-
		-----	-----	-----	-----
		54,965	(62,908)	118,948	(15,545)
		=====	=====	=====	=====

Company	Nature of Transaction	2022		2021	
		Balance receivables	Balance payables	Balance receivables	Balance payables
		₦'000	₦'000	₦'000	₦'000
Academy Press Specialised Printing Services Limited	Payments to Suppliers	35,068	-	146,830	-
Lithotec Limited	Payments to Suppliers	-	(47,077)	32,288	-
Enterprise Development Company Nigeria	Interest Repayment on Commercial paper	-	(2,902)	-	(8,493)
Richware	Interest Repayment on Commercial paper	177,440	-	-	(2,836)
West African Book Publisher	Payments for printing jobs	128,445	-	175,366	-
		-----	-----	-----	-----
		340,953	(49,979)	354,484	(11,329)
Allowance for expected credit losses (Note 22.1)		(94,460)	-	(68,291)	-
		-----	-----	-----	-----
		246,493	(49,979)	286,193	(11,329)
		=====	=====	=====	=====

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Nature of relationship with related entities

Lithothec limited

Lithothec limited is a Company domiciled in Nigeria. Academy press plc owns 65.16% of Lithothec limited shares.

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

31 Related Companies - Continued

Academy Press Specialised Printing Services Limited

Academy Press Specialised Printing Services Limited is a Company domiciled in Nigeria that provides specialized printing services i.e. Flexography printing. Academy press plc owns 63.57% of their shares. They have three directors in common Olugbenga Ladipo (Chairman), Akingbe Femi and Pritchard David

West African Book Publisher

West African Book Publisher is a publishing Company that owns 10.40% of shares in Academy press plc. They have two directors in common Olugbenga Ladipo and Mrs. Folashade. B. Omo-Eboh

Enterprise Development Company Nigeria

Enterprise Development Company Nigeria is a holding Company that has one director in common with Academy Press Plc.

Below are related party transactions during the year:

Company	2022		2021	
	₦'000 Sales	₦'000 Expenses	₦'000 Sales	₦'000 Expenses
Academy Press Specialised Printing Services Limited	-	-	-	-
West African Book Publisher	42,001	25,746	209,299	113,349
	42,001	25,746	209,299	113,349
	=====	=====	=====	=====

32 Information relating to employees and the Directors during the year

	Group		Company	
	2022 ₦'000	2021 ₦'000	2022 ₦'000	2021 ₦'000
32.1 Directors				
Short term benefits				
Fees	11,484	3,312	4,818	2,862
Post – employment benefits	2,240	1,818	2,240	1,818
Sitting allowance	8,054	7,083	7,544	6,800
	21,778	12,213	14,602	11,480
	=====	=====	=====	=====

32 Information relating to employees and the Directors during the year - Continued

Fees and other emoluments paid to:

The chairman	2,400	1,830	2,250	1,830
Other directors	19,378	10,383	12,352	9,650
	21,778	12,213	14,602	11,480
	=====	=====	=====	=====

32.2 Emoluments of Directors and their number within the specified range are as follows:-

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
₦ Below 1,000,000	3	3	3	3
1,000,001 – 2,500,000	5	5	4	4
2,500,001 – 7,500,000	5	5	1	1
Above 7,500,000	1	1	1	1
	14	14	9	9
	=====	=====	=====	=====

With effect from 1 January, 2010, all Directors who are staff of the Company are not entitled to remuneration.

ACADEMY PRESS PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED

32 Information relating to employees and the Directors during the year - Continued

	Group		Company	
	2022	2021	2022	2021
32.3 Employee benefits	₦'000	₦'000	₦'000	₦'000
Salaries and wages	374,556	271,908	309,534	240,543
Post – employment benefits	2,971	18,857	22,960	16,561
	-----	-----	-----	-----
	377,527	290,765	332,494	257,104
	=====	=====	=====	=====

32.4 The average number of persons employed by Academy Press Plc during the year is as follows:

	2022	2021
	Number	Number
Managerial and senior staff	4	8
Junior staff	11	27
	-----	-----
	15	35
	=====	=====

32.5 The number of employees excluding Directors in receipt of emoluments including allowances and pension contributions within the following ranges were:

₦	₦	2022	2021
		Number	Number
<2,000,000		203	215
2,000,000 – 3,000,000		6	4
		-----	-----
		209	219
		=====	=====

33 Commitments and contingencies

There were no known commitments and contingencies as at 31 March 2022 (2021: Nil). The directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of these financial statements.

34 Events after reporting period

There were no events after the reporting date which could have a relevant impact on the financial statements of the Group and Company that had not been adequately provided for or disclosed in the financial statements.

ACADEMY PRESS PLC
FIVE YEAR FINANCIAL SUMMARY

Company

Non-current assets	2022	2021	2020	2019	2018
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	519,519	610,913	601,418	738,579	938,545
Intangible assets	61	183	313	443	657
Deferred taxation assets	267,495	272,071	180,476	162,651	145,435
Employee benefit assets	-	-	-	6,037	37,701
Net current assets/(liabilities)	307,799	(54,720)	178,460	(27,963)	(75,108)
	1,094,874	828,447	960,667	879,747	1,047,230
Interest bearing loans and borrowings	(359,564)	(538,607)	(504,056)	(389,666)	(574,125)
Contract liabilities	(264,966)	(18,046)	(18,701)	(18,825)	-
Employee benefit obligation	(17,240)	(17,240)	(11,965)	-	-
Net assets	453,104	254,554	425,945	471,256	473,105
Share capital	302,400	302,400	302,400	302,400	302,400
Share premium	24,511	24,511	24,511	24,511	24,511
Retained earnings	126,193	(72,357)	99,034	144,345	146,193
Total shareholders' equity	453,104	254,554	425,945	471,256	473,105
Revenue	3,754,336	1,449,735	2,201,835	2,037,092	1,892,738
Profit/(loss) before taxation	252,570	(254,790)	17,550	73,640	95,374
Income tax credit/(expense)	(54,020)	86,564	(19,403)	(42,191)	98,643
Profit/(loss) after taxation	198,550	(168,226)	(1,853)	31,449	194,017
Naira per share:					
Basic earnings/(loss) per share	0.328	(0.278)	(0.003)	0.500	0.320
Diluted earnings/(loss) per share	0.328	(0.278)	(0.003)	0.500	0.170

Note:

Basic earnings, dividend, and net assets per share for the five years have been calculated on the basis of ordinary shares of 50kobo each in issue at the end of the respective years.

ACADEMY PRESS PLC
FIVE YEAR FINANCIAL SUMMARY

Group

Non-current assets	2022	2021	2020	2019	2018
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	912,119	1,033,246	1,083,391	1,240,475	1,482,004
Intangible assets	61	183	313	443	657
Deferred taxation assets	363,578	362,605	258,580	214,129	144,927
Employee benefit assets	-	-	-	-	19,375
	1,275,758	1,396,034	1,342,284	1,455,047	1,646,963
Deferred taxation liabilities	-	-	-	-	(24,732)
Interest bearing loans and borrowings	(588,714)	(723,407)	(719,656)	(620,666)	(574,126)
Contract liabilities	(268,056)	(21,336)	(25,362)	(22,085)	-
Employee benefit obligation	(26,422)	(26,815)	(21,445)	(3,501)	-
Net current liabilities	(206,966)	(613,548)	(356,627)	(499,384)	(739,531)
Net assets	185,600	10,928	219,194	309,411	308,574
Share capital	302,400	302,400	302,400	302,400	302,400
Share premium	24,511	24,511	24,511	24,511	24,511
Retained earnings	742	(182,248)	12,562	77,158	41,344
Attributable to equity holders of the parent	327,653	144,663	339,473	404,069	368,255
Non controlling interest	(142,053)	(133,735)	(120,279)	(94,658)	(59,681)
Total shareholders' equity	185,600	10,928	219,194	309,411	308,574
Revenue	4,110,883	1,677,934	2,439,612	2,432,783	2,177,587
Profit/(loss) before taxation	225,252	(303,948)	(53,966)	1,323	(10,273)
Income tax (expense)/credit	(51,147)	98,496	6,021	33,370	73,911
Profit/(loss) after taxation	174,105	(205,452)	(47,945)	34,693	63,638
Non controlling interest	(8,516)	(13,584)	(26,053)	(25,828)	(38,487)
Profit/(loss) attributable to members	182,621	(191,868)	(21,892)	60,521	102,125
Naira per share:					
Basic earnings/(loss) per share	0.302	(0.317)	(0.036)	0.100	0.170
Diluted earnings/(loss) per share	0.302	(0.317)	(0.036)	0.100	0.170

Note:

Basic earnings, dividend, and net assets per share for the five years have been calculated on the basis of ordinary shares of 50kobo each in issue at the end of the respective years.