

NCR (NIGERIA) PLC



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NCR (NIGERIA) PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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NCR (NIGERIA) PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

BOARD OF DIRECTORS, PROFESSIONAL ADVISERS, ETC.

REGISTRATION NUMBER: RC 751

BOARD OF DIRECTORS:

		Nationality	Resigned
Otunba Adekunle Ojora OFR, CON, FNIM, JP	Chairman	Nigerian	
Christiana Nnawo Yisa	Country Manager/CEO - Executive Director	Nigerian	
Michael Vallier	Non-Executive Director	American	
Matthew Akinlade FCA	Independent Non-Executive Director	Nigerian	12-Jan-22
Louise Georgiou	Non-Executive Director	Cypriot	

REGISTERED OFFICE:

NCR (Nigeria) Plc
NCR House
6, Broad Street
P.O. Box 509
Lagos State.
Nigeria

COMPANY SECRETARIES:

Alesc Nominees Limited
St. Nicholas House
10th, 12th & 13th Floors
Catholic Mission Street
Lagos State.
Nigeria
Tel: 01 - 2774920, 08033529393

INDEPENDENT AUDITORS:

Grant Thornton Nigeria
(Chartered Accountants)
2A Ogalade Close
Off Ologun Agbaje Street, Off Adeola Odeku Street
Victoria Island
Lagos State.

REGISTRAR:

Apel Capital Registrars Limited
Apel House,
8, Alhaji Bashorun Street,
Off Norman Williams,
South-West Ikoyi, Lagos
Nigeria
Tel: 01 -2932121, 07046277071

SOLICITOR:

Olaniwun Ajay
The Adunola, Plot L2, Banana Island,
Ikoyi, Lagos
Nigeria

BANKERS:

Access Bank Plc
CitiBank
EcoBank Plc
Fidelity Bank Plc
First Bank Nigeria Plc
First City Monument Bank Plc
Guaranty Trust Bank Plc
Keystone Bank Plc
Stanbic IBTC Plc
Sterling Bank Plc
Union Bank Plc
United Bank of Africa Plc
Wema Bank Plc
Zenith Bank Plc

NCR (NIGERIA) PLC
FINANCIAL HIGHLIGHTS

	2021 ₦'000	2020 ₦'000	Change %
Revenue	2,540,792	5,125,508	(50)
Profit/(Loss) before taxation	317,480	(198,785)	(260)
Taxation	(309,928)	(92,345)	236
Profit/(Loss) after taxation	7,552	(291,130)	(103)
Total comprehensive income/(Loss)	5,303	(306,793)	(102)
Earnings/(Loss) per share (₦)	0.07	(2.70)	(103)
Total assets	5,128,424	6,394,022	(20)
Authorised share capital (50k per share)	100,000	100,000	-
Issued and fully paid share capital (Units)	108,000	108,000	-

Dividend payment was not declared during the year.

NCR (NIGERIA) PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report to the members of NCR (Nigeria) Plc together with the audited financial statements for the year ended 31 December 2021, which disclose the state of affairs of the company.

Legal Form

The company was incorporated on 9 December 1949 under the Companies Act of 1922 and is domiciled in Nigeria. The Company commenced operations under the name National Cash Register Company (West Africa) Limited and changed its name to NCR (Nigeria) Limited in 1974. The company was granted a listing on the Nigerian Stock Exchange on 30 May 1979. In 1990, the name of the Company was later changed to NCR (Nigeria) Public Liability Company in compliance with the Companies and Allied Matters Decree 1990. The name of the Company was changed to AT&T Global Information Solutions (Nigeria) Plc in 1994 and on 16 July 1996 the Company adopted its present name of NCR (Nigeria) Plc.

The company is a subsidiary of NCR Corporation (NYSE: NCR), the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables more than 550 million transactions daily across retail, financial, travel, hospitality, telecom and technology, and small business. NCR solutions run the everyday transactions that make your life easier.

The company introduced the first ATM in Nigeria in 1989.

NCR is headquartered in Atlanta, United States of America with over 38,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States of America ("NCR Corporation") and other countries.

61.76% of the share capital of the Company is held by NCR Corporation while the balance of 38.24% is held by Nigerians.

Principal Activity

The company's principal activity includes provision of technology and services that help businesses connect, interact and transact with their customers. The company is a technology Company that provides innovative products which include:

- * ATM (Automated Teller Machines)
- * ATM Value-add Software
- * Retail Point of Sales terminals (Point of Sale)
- * Self Service Kiosks ▪ Self-check-in/out

NCR (Nigeria) Plc provides technology and services that help business connect, interact and transact with their customers. The company is a technology company that provides innovative products and services to help business build stronger relationships with their customers, through our presence at customer interaction points such as Automated Teller Machines (ATM), Interactive Teller Machine (ITM), Retail Point of Sales (POS), Workstations, Self Service Kiosk, Self check-in/out systems and DVD Kiosks.

Changes in the Reporting Framework

The nature and effect of the changes as a result of adoption of the new accounting standards are described in the accompanying financial statements.

Several amendments and interpretations apply for the first time in 2021, but do not have a significant impact on the financial statements of the Company. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective

State of Affairs

In the opinion of the Directors, the state of the Company's affairs is satisfactory and no events have occurred since the reporting date, which would affect the financial statements as presented.

Operating Results

	2021	2020
	₦'000	₦'000
Revenue	2,540,792	5,125,508
Profit/(Loss) before tax	317,480	(198,785)
Tax expense	(309,928)	(92,345)
Profit/(Loss) for the year	7,552	(291,130)

NCR (NIGERIA) PLC

**DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors Report (Cont'd)

Directors

The directors who held office during the year and to the date of this report were:

		Nationality	Resigned
Otunba Adekunle Ojora OFR, CON, FNIM, JP	Chairman	Nigerian	
Christiana Nnawo Yisa	Country Manager/CEO - Executive Director	Nigerian	
Michael Vallier	Non-Executive Director	American	
Matthew Akinlade FCA	Independent Non-Executive Director	Nigerian	12-Jan-22
Louise Georgiou	Non-Executive Director	Cypriot	

Directors and Other Shareholding

The direct interests of directors in the issued share capital of the company as recorded in the register of directors shareholding and/or as notified by the directors for the purposes of sections 301 of the Companies and Allied Matters Act 2020 are:

Directors	Year 2021		Year 2020	
	Direct	%	Direct	%
	No. of Shares	Shareholdings	No. of Shares	Shareholdings
Otunba Adekunle Ojora OFR, CON, FNIM, JP	1,233,650	1.14%	1,222,700	1.14%
Christiana Nnawo Yisa	-	0.00%	-	0.00%
Michael Vallier	-	0.00%	-	0.00%
Matthew Akinlade FCA	44,349	0.04%	44,349	0.04%
Louise Georgiou	-	0.00%	-	0.00%
	1,277,999	1.18%	1,267,049	1.18%

Indirect interest in shares

The directors do not have any indirect interest in the issued share capital of the company as at 31 December 2021 (2020 - Nil).

Substantial Interest in shares

According to the register of members no one person or organization other than NCR Corporation, USA held more than 5% of the issued share capital of the Company as at 31 December 2021.

	2021		2020	
	Number of Shares	%	Number of Shares	%
NCR Incorporation	66,705,456	61.76	66,705,456	61.76
Free Float				
Strategic Shareholders	7,017,424	6.5	7,017,424	6.50
Parent Company	66,705,456	61.76	66,705,456	61.76
Free Float	34,277,120	31.74	34,277,120	31.74
	108,000,000	100	108,000,000	100

Analysis of shareholding

The issued and fully paid-up share capital of the Company is N54,000,000 divided into 108,000,000 ordinary shares of 50k each. Of these 66,705,456 shares, equivalent to 61.76 percent are held by NCR Corporation, USA, while 41,294,544 shares equivalent to 38.24 percent are held by Nigerian shareholders as at 31 December 2021.

The shareholding range analysis as at 31 December 2021 is as shown below;

Beginning Range	Ending Range	Total Shareholders	% of Shareholders	Total Shareholders	% of Shareholding
1	1,000	2,637	0.341	1,116,909	1.00%
1,001	5,000	3,973	0.515	8,550,757	7.90%
5,001	10,000	641	0.083	4,443,222	4.10%
10,001	50,000	385	0.05	6,881,994	6.40%
50,001	100,000	45	0.006	3,139,867	2.90%
100,001	500,000	41	0.005	8,460,572	7.80%
500,001	1,000,000	3	0	1,888,313	1.80%
1,000,001	5,000,000	4	0.001	6,812,910	6.30%
10,000,001	9,999,999,999	1	0	66,705,456	61.80%
		7,730	100.00%	108,000,000	100.00%

We hereby state that the Company's free float is in compliance with The Exchange's free float requirements for the Main Board.

NCR (NIGERIA) PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors Report (Cont'd)

Directors interests in contracts

For the purpose of section 303 of the Companies and Allied Matters Act 2020, none of the directors has notified the company of any direct or indirect interest in contracts or proposed contracts with the company during the year.

Dividend

The board has not proposed any dividend in respect of the financial year ended 31 December 2021 (2020: Nil).

Donations and Charitable Gifts

There were no donations made during the year.

Distribution of the company's products

The Company markets its products through its sales personnel and distributors. The distributor used by the Company during the year was Tricontinental Limited.

Human Resources

Conflict Resolution

NCR recognizes that conflicts may arise among individuals who bring different skills, qualities, and personalities into the workplace. Early resolution of these conflicts is in everyone's best interest. Throughout the Company, NCR provides processes and procedures to help employees and managers resolve conflicts in the workplace. We encourage all employees to seek information about conflict resolution from their managers or HR Central.

Workplace Violence

NCR is committed to providing a safe and secure work environment for its employees and visitors. All individuals on NCR premises must treat one another with respect and courtesy. NCR will not tolerate acts or threats of violence. To support NCR's "zero tolerance" position toward workplace violence, both employees and visitors to NCR's facilities must report instances of actual or threatened violence on NCR premises.

NCR's Workplace Violence Policy provides guidelines on the appropriate actions if employees and visitors witness actual or threatened acts of violence. Depending upon the nature and severity of the incident, NCR will engage law enforcement authorities, on-site security guards, community mental health advisors, or Human Resources to take prompt action to remove, discipline, counsel or prosecute any individual on NCR premises who poses a safety risk or commits an act of violence. NCR prohibits the possession of weapons in the workplace.

Non-Discrimination

NCR is committed to providing a work environment free from any illegal discrimination based on race, colour, religion, national origin, gender, age, disability, sexual orientation, marital status, or any other unlawful factor to the fullest extent required by law. Decisions concerning hiring, performance appraisals, and promotions will be based only on those factors permitted by law, such as an employee's qualifications, skills, and achievements.

NCR's policy is to comply with applicable human rights and employment laws. We do not tolerate unlawful discrimination in any aspect of employment, including employment terms and conditions, recruiting, hiring, compensation, promotion, or termination.

Harassment

NCR is committed to providing a working environment that is free from harassment based on personal characteristics, including race, colour, religion, national origin, gender, age, disability, sexual orientation, marital status, or any other characteristic protected by applicable law. We do not tolerate conduct that creates an intimidating or offensive work environment.

Employment of disabled persons

The company continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The company's policy prohibits discrimination of disabled person in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the company continues and appropriate training arranged to ensure that they fit into the company's work environment.

NCR (NIGERIA) PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors Report (Cont'd)

Health, safety and welfare at work

The company enforces strict health and safety rules and practices at work environment, which are reviewed and tested regularly. The company retains top-class private hospitals where medical services are provided for staff at the company's expense.

Fire prevention and Fire-fighting equipment are installed in strategic locations within the company's premises.

The company operates both Company Personal Accident and contributing to the Nigeria Social Insurance Trust Fund in compliance with the requirements of Employees Compensation Act (ECA), 2010. It also operates a contributory pension plan in line with the Pension Reform Act, 2014.

Employee involvement and training

The company ensures, through various fora, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

In accordance with the company's policy of continuous development, training facilities are provided in the company's training school. In addition, employees of the company are nominated to attend both locally and internationally organized courses. These are complemented by on-the job training.

The company is committed to training and career growth. NCR University (NCRU) provides training resources and education programs to increase employee productivity and ensure professional growth. Management, professional and technical expertise are the Company's major assets and investment in their further development continues. The company believes that success depends on ability to develop a productive, capable organization committed to ongoing learning; employee development is therefore an integral part of the way the business is managed. The company invests in tools and opportunities that empower employees to take charge of their own personal and professional growth and development. Training is carried out at various levels through both in-house and professional training at its corporate technical training centres located in Cyprus, United Kingdom and United States of America.

Business Conducts and Ethics

NCR is a principle-based Company, the reputation of our Company is formed by each and every experience that customers, business partners, suppliers and the community have with us. We treat each other and our business partners with respect, honesty and fairness. We value the unique qualities, abilities and perspectives each person brings to a challenge or opportunity, and we also know that as a team we can achieve together what would remain out of reach for us individually. We communicate openly and candidly with each other and extend our respect and team spirit to customers, partners, suppliers and the communities in which we live and work.

- **Customer Dedication:** We genuinely care about our customers and are dedicated to serving them well. We learn their markets, understand their specific goals and objectives, and develop solutions that deliver business value.
- **Performance:** We commit to high performance in all functions. We take personal ownership for the success of our Company and work together to continuously improve and achieve best-in-class performance.
- **Innovation:** Throughout our history, NCR's ability to harness the power of new ideas and put them to work for our customers in the real world has defined our Company and fuelled our leadership; innovation powers the engine that drives our success now and in the future.
- **Supplier and Customer Relations:** We require our vendors, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our ethical standard of business operation

Anti-bribery and Anti-corruption Laws

The Corrupt Practices and other Related Offences Act 2000, Anti-bribery and anti-corruption laws around the world, including the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act, and other antibribery and anti-corruption laws (collectively, "Anti-corruption Law

NCR expects all NCR directors, officers and employees, as well as its consultants, agents, channel partners and other third-party representatives to observe and comply with all Anti-Corruption Laws.

NCR (NIGERIA) PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

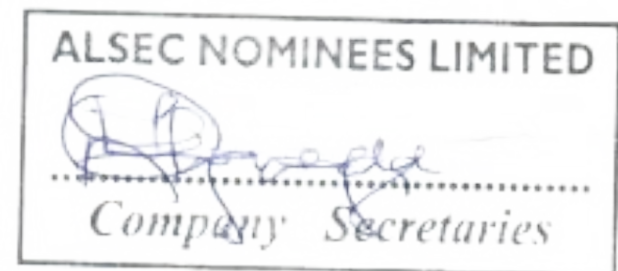
Directors Report (Cont'd)

Gifts and Hospitality

Gift-giving practices vary around the world. Generally, gifts are given to foster goodwill and, in some parts of the world, declining a gift may insult the giver. On the other hand, accepting or giving a gift may create a conflict of interest or the appearance of a conflict, and may also violate applicable Anti-Corruption Laws

Independent Auditors

In accordance with Section 401(2) of the Companies and Allied Matters Act 2020, Messrs. Grant Thornton (Chartered Accountants) will be appointed to office as Auditors to the Company having indicated their willingness to do so.



OLUBUKOLA OLONADE-AGAGA
FRC/2020/002/00000021128

BY ORDER OF THE BOARD

Alsec Nominees Limited
COMPANY SECRETARIES
St. Nicholas House
10th, 12th & 13th Floors
Catholic Mission Street
Lagos State.

NCR (NIGERIA) PLC

SUSTAINABILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

NCR (Nigeria) Plc's sustainability strategy is fully aligned with NCR Corporation's global strategy. We take our responsibilities as a member of the business community very seriously. We're committed to conducting all aspects of business in an environmentally sound manner. We're vigilant when it comes to the safety and health of our employees. We also look out for the needs of our customers and the general public.

We strive to minimize the environmental footprint of our operations and products, while also delivering innovative technologies and solutions designed to help businesses and consumers reduce their own environmental footprint.

NCR has a rich history of providing high-quality, innovative solutions that meet our customers' needs in an ever-changing market-place. But a great Company is more than the product it sells. We believe a great company is focused on long-term and sustainable growth, placing just as much emphasis on growing its product line as it does on growing its employees and the communities it serves.

As a member of the community, NCR acts responsibly toward our customers and the environment in which our products, operations and services are deployed.

NCR is committed to complying with legislative requirements that cover product recycling, recovery, treatment, management and disposal of electrical and electronic equipment.

NCR's end-of-life hardware management services ensure secure and environmentally responsible product decommissioning, recycling, treatment, and compliant disposal. Our decommissioning and recycling programs are compliant with international recycling legislation.

NCR is committed to complying with applicable health and safety regulations related to protecting employees and providing working conditions that are free from recognized hazards. NCR's workplace programs are designed to protect the safety and health of employees and to prevent and mitigate workplace incidents that could arise from abnormal operating conditions and potential emergency situations. As with other areas of the business, NCR strives for continuous improvement in the area of workplace health and safety.

NCR is a place where people want to come to work because they are continuously invigorated by new ideas and are engaged in improving how we do business. It is a place that recognizes its profound responsibility to the communities where it does business, striving to help those communities thrive by supporting local institutions and employing people who make volunteer work a priority. It is an organization that sees environmental stewardship not as the latest new trend, but as a critical issue in sustaining the future- ensuring our natural resources are protected and preserved.

This is who we are. This is NCR. And we expect business partners throughout our supply chain to embrace the same principles we, as an organization, share. Because being a responsible corporate citizen is born from both the actions we take as individuals and together as an organization.

Though these are not new ideas at NCR, we want to renew our focus by capturing your imagination, creativity and good sense to help us promote these key areas:

a. Employees

NCR strives to provide a positive and engaging work environment, tools and rewards that support success for our people. We are committed to diversity and inclusion, upholding recognized human rights and labour standards, providing safe and healthy working conditions, and providing employee development opportunities.

Goals

The following goals have been established to improve our workplace environment:

- Develop and communicate NCR's diversity strategy to employees.
- Design and implement a global employee engagement survey.
- Increase use of NCR University Online.
- Develop and communicate policies on human rights to managers.

b. Community

NCR is committed to supporting the economic, cultural, social and educational well-being of communities where the Company has a significant presence, by investing in innovative programs, approaches and solutions in the civic, arts, education, and health and human services areas and developing products and solutions that provide benefit to communities at large.

Goals

The following goals have been established to continuously improve NCR's performance in the area of community support:

- Support community investment.
- Promote innovative application of self-service solutions to social development initiatives.
- Promote employee volunteerism and community engagement.

NCR (NIGERIA) PLC

**SUSTAINABILITY STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Sustainability Statement (Cont'd)

c. Environment

NCR operates with a continuous commitment to ensure the on-going protection of the environment. We strive to minimize the environmental footprint of our operations and products, while also delivering innovative technologies and solutions designed to help businesses and consumers reduce their own environmental footprint.

Goals

The following goals have been established to continuously improve NCR's environmental performance and reduce our environmental footprint:

- Reduce waste generated from NCR facilities, operations and products.
- Reduce direct and indirect greenhouse gas emissions related to NCR facilities and operations.
- Increase energy efficiency of NCR products and services.
- Increase end-of-life recycling of NCR products and service parts.

d. Supply Chain

NCR is committed to working with suppliers who comply with all applicable laws and regulations and embrace the highest standards of ethical behaviour. We will work for positive environmental, social and ethical impacts in our supply chain, treating suppliers with fairness and respect, and valuing their diversity. We will work with suppliers in innovative ways that create added value for our customers.

Goals

We have established the following goals to continuously improve NCR's responsible supply chain management performance:

- Develop and communicate a Supplier Code of Conduct to all NCR first-tier suppliers.
- Implement a supplier screening program based on the NCR Supplier Code of Conduct requirements

NCR (NIGERIA) PLC

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

NCR (Nigeria) Plc is committed to high standards of corporate governance. The company has continued to embrace the best governance practices required to deliver sustainable value to our shareholders.

During the year ended 31 December 2021, NCR (Nigeria) Plc complied with Best Practices on Corporate Governance and the NCR Principles of Ethics and Compliance.

The primary purpose of the Board is to create and deliver sustainable long-term value to shareholders through its general supervision of the Company's business.

As part of this goal, NCR has always maintained different and separate roles for the Chairman and the Chief Executive Officer. Presently the Company has a five (5) member Board led by the Chairman who is a nonexecutive Director. There are four non – executive Directors and one executive Director on the Board.

All the Directors bring various and varied competencies to bear on all Board deliberations. The board meets regularly and is responsible for effective control and monitoring of the Company's strategy. The Chairman directs the Board, ensuring that it operates effectively, while fully discharging its legal and regulatory obligations.

The company's corporate governance framework is in conformity with the existing corporate governance codes and is in line with universally accepted best practices. Under this framework, the Board delegates responsibility for the day to day management of the Company to the Chief Executive Officer

It is the responsibility of the Board of Directors to ensure that all records are accurate and correctly reflect the financial position of the Company. Management implements system controls, comprising policies, standards and procedures to ensure the safety of assets and the reduction of risk, error, fraud and other irregularities. Both the internal auditor and the external auditors independently appraise the adequacy of internal controls.

The board places great emphasis on effective communication with its shareholders. It recognizes the importance of ensuring an appropriate balance in meeting the many needs of its shareholders and at the same time building enduring relationships with them.

The directors direct and indirect shareholdings in the Company where it exists are disclosed elsewhere in this report as required by law.

Employee compliance with the NCR Code of Conduct training and certification which subscribes to high standards of fair competition is monitored globally.

1 Composition of the Board of Directors

The board is currently made up of Four (4) Non-Executive Directors and One (1) Executive Director. All the Directors have access to the advice and services of the Company Secretary and advice and services of other professionals in financials where such advice will improve the quality of their contribution to Board decision making process.

2 Induction and training

The Company has in place a formal induction program for newly appointed Directors. As part of this induction, each new Director is provided with core materials and asked to complete a series of introductory meetings to become knowledgeable about the Company's business and be familiar with the senior management team. A summary of the Board Performance Evaluation in the 2021 financial year is that the Board is comprised of experienced individuals who are conversant with their oversight functions. The Chairman of the Board encourages and supports the active participation and contribution of Board members at meetings. The Board takes its oversight functions seriously, is committed to the business of the Company and detailed level of thoroughness goes into every decision taken by the Board. It was however noted that there is room for improvement in the area of meetings of Board Committees and succession planning for critical roles to ensure business continuity and performance. The recommendations of the performance evaluation have been considered by the Board and are being implemented as required.

NCR (NIGERIA) PLC

**CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

3 Record of Directors Attendance of Board Meetings:

The Board held a total of five (5) meetings during the year. In accordance with Section 284 (2) of the Companies and Allied Matters Act, 2020; the record of the Directors' attendance at Directors' meetings during 2021 is available for inspection at the Annual General Meeting.

Directors	Date of Meetings			
	28-Apr-21	12-Jul-21	27-Oct-21	6-Dec-21
Otunba Adekunle Ojora OFR, CON, FNIM, JP	P	P	P	P
Christiana Nnawo Yisa	P	P	P	P
Michael Vallier	P	P	P	P
Matthew Akinlade FCA	P	P	P	P
Louise Georgiou	P	P	P	P

Attendance Keys P - Present A - Absent

The meetings of the Board were presided over by the Chairman. In all cases, written notices of the meetings along with the agenda were circulated at least 14 days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

4 Business conduct and code of governance for directors

The NCR Code of Conduct (the "Code") is our guide and point of reference for upholding NCR's Shared Values. NCR's corporate policies and procedures, as well as our individual commitment to ethical and legal behaviour, also guide NCR employees and Directors. The Code applies to all employees of NCR and its affiliates (collectively "NCR") and to NCR's Board of Directors. The Code affirms our commitment to the highest standards of integrity in our relationships with one another and with our customers, suppliers, strategic partners, and shareholders. We expect our suppliers, contractors, representatives and agents to embrace these same values and standards.

5 Insider trading

Securities laws and NCR policy prohibit employees, Directors, Members of the Audit Committee of the Company, External Advisers and their related persons from trading, directly or indirectly, in NCR securities while in possession of "material non-public information" about the Company. Material non-public information is generally defined as any information that has not been widely disclosed to the public and is likely to influence an investor to buy, sell, or hold a company's stock. Material non-public information can take many forms. Examples include acquisition or divestiture plans; actual or projected financial information not yet public; new contracts, products, or discoveries; major organizational changes; or other business plans.

NCR employees and officers as well as members of the Company's Board of Directors, Members of the Audit Committee and External Advisers of the Company and their related parties, are also prohibited from directly or indirectly trading in the securities of other publicly held companies, such as customers and vendors, on the basis of material non-public information. It is also illegal and against Company policy for NCR employees to share material non-public information about NCR or another Company with your friends, family members, or other third parties (this is called "tipping").

All employees and officers of NCR (Nigeria) Plc as well as members of the Company's Board of Directors, Members of the Audit Committee and External Advisers of the Company and their related persons with material non-public information about NCR and other companies, including customers and vendors are to comply with NCR's insider trading policy:

- Never provide material non-public information about NCR or other companies known to you through your work at NCR
- Restrict access to material non-public information about NCR or other companies to those employees
- who "need-to-know" that information for business reasons (such persons may be identified in a non-disclosure agreement)

- Do not advise or encourage another person to trade in a company's stock if you have material non-public information about that company; and
- Never buy or sell NCR securities or another company's publicly traded stock while in possession of material information, whether or not a blackout period is pending.

NCR (NIGERIA) PLC

**CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

6 Whistle blowing

NCR (Nigeria) Plc (“the “Company”) Whistle Blower Policy are established guidelines, wherein Directors, employees of the Company, contractors and the general public can report serious actual or suspected concerns or happenings considered unethical, inappropriate or illegal

The company is committed to the highest standards of integrity in employees’ relationships with one another and with customers, suppliers, strategic partners and shareholders. All suppliers, contractors, representatives and agents are expected to embrace these same values and standards.

The Policy is designed to ensure that Directors, employees of the Company, contractors and the public can raise their concerns about wrongdoing or malpractice within the Company without fear of victimization, subsequent discrimination, disadvantage or dismissal.

Anyone who comes across a breach should immediately notify their Line Manager, Human Resources, Global Security, the Law Department or report either through our confidential whistleblowing helpline or by email to complianceoffice.ethics@ncr.com. Our approach to breach management is embedded in the global NCR Ethics & Compliance Policy and local Disciplinary Processes. The company takes reports of potential violations of the Code, the law or other NCR policy or procedures seriously, including those made anonymously. All matters reported will be investigated and appropriate action will be taken.

A whistle blower must exercise sound judgment to avoid baseless allegations. A whistle blower who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination. There shall be no retaliatory action against a whistle blower for any report made in good faith. In so far as possible, the confidentiality of the whistle-blower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defence. The company will not tolerate retaliation against persons who make reports in good faith.

7 The Audit Committee

The Audit Committee is composed of five members made up of three shareholders’ representatives elected at the 2020 Annual General Meeting for a tenure of one year until the conclusion of the 2021 Annual General Meeting and two representatives of the Board of Directors nominated by the Board. The Chairman of the Audit Committee is Alhaji Mustapha I. Jinadu.

During the year under review, the Committee held Six (6) meetings. The functions of the Audit Committee are governed by the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020.

Members of Audit Committee	Appointed	Resigned
Mustapha I. Jinadu (FIOD)		
Tomiwa Oriyomi Assan		26-May-21
Mathew A. Adedoyin		
Matthew Akinlade (FCA)		12-Jan-22
Michael Vallier		
Ezekiel Onimole	26-May-21	
Louise Georgiou		

Members	Date of Meetings					
	28-Jan-21	29-Mar-21	28-Apr-21	9-Jul-21	27-Oct-21	6-Dec-21
Mustapha I. Jinadu (FIOD)	P	P	P	P	P	P
Tomiwa Oriyomi Assan	P	P	P	A	A	A
Mathew A. Adedoyin	P	P	P	P	P	P
Matthew Akinlade (FCA)	P	P	P	P	P	P
Michael Vallier	P	P	P	P	P	P
Ezekiel Onimole	A	A	A	P	P	P
Louise Georgiou	P	P	P	P	P	P

Attendance Keys P - Present A - Absent

The resignation of Mathew Akinlade - Director and Tomiwa Assan - shareholder was to ensure that the company complies with the provision of CAMA 2020 which states that the audit committee should comprise of 3 shareholders and 2 directors.

NCR (NIGERIA) PLC

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Corporate governance report (Cont'd)

8 Committee of the Board

In conformity with the Code of Best practices in Corporate Governance, the Board has established the following committees to function in respect of issues too complex and/or numerous to be handled by the entire Board. All Board Committees make recommendations for approval by the full Board:

a. Financial and general purpose committee

The committee is established to provide independent and expert advice to assist the Board to discharge its financial and risk management responsibilities.

The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within the Company, or the reporting lines and responsibilities of either internal audit or external audit functions.

The committee is also responsible for dealing with urgent business which needs to be dealt with at short notice. The company maintains adequate insurance cover to protect the Company against liability and asset loss.

Members of the committee are as follows:		Resigned
➤ Mr. Michael Vallier	Chairman	
➤ Mr. Matthew Akinlade FCA	Member	12-Jan-22
➤ Ms. Louise Georgiou	Member	

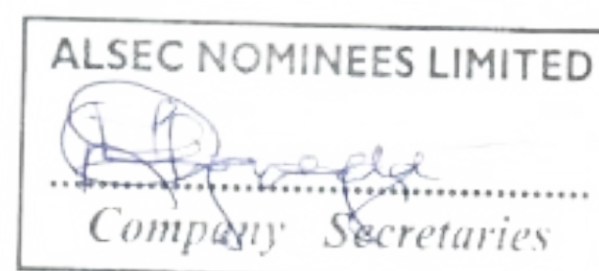
There was no formal meeting of the committee during the year ended 31 December 2021.

b. Appointment, discipline and remuneration committee

The Committee is to set the over-arching principles, parameters and governance framework of the Company's remuneration policy and the remuneration of Senior Executives (being those whose appointment requires Board approval; employees who perform a significant influence function; employees whose activities have or could have a material impact on the Company's risk profile; and any other employee as determined by the Committee from time to time) and to review the structure, size and composition of the Board (including the skills, knowledge, independence, experience and diversity) and the appointment of members to the Board and make recommendations to the Board as appropriate.

Members of the committee are as follows:		Resigned
➤ Ms. Louise Georgiou	Chairman	
➤ Mr. Michael Vallier	Member	
➤ Mr. Matthew Akinlade FCA	Member	12-Jan-22

There was no formal meeting of the committee during the year ended 31 December 2021.



OLUBUKOLA OLONADE-AGAGA
FRC/2020/002/00000021128

BY ORDER OF THE BOARD

Asec Nominees Limited
COMPANY SECRETARIES
St. Nicholas House
10th, 12th & 13th Floors
Catholic Mission Street
Lagos State.

NCR (NIGERIA) PLC

COMPLAINTS MANAGEMENT POLICY FOR THE YEAR ENDED 31 DECEMBER 2021

The Complaint Management Policy of NCR (Nigeria) Plc has been prepared pursuant to the requirements of the Securities & Exchange Commission's Rules relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") issued on 16 February 2019 and The Nigerian Stock Exchange Directive (NSE/LARD/LRD/CIR6/15/04/22) to all Listed Companies ("the NSE Directive") issued on 22 April 2019.

This policy has been prepared in recognition of the importance of effective engagement in promoting shareholder/ investor confidence in the Company. This Policy sets out the broad framework by which the Company and its Registrar provide assistance regarding shareholder issues and concerns. It also provides opportunity for shareholders to provide feedback to the Company on matters that affect shareholders.

This policy only relates to the shareholders of NCR (Nigeria) Plc and does not extend to its customers, suppliers or other stakeholders. This policy is designed to ensure that complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.

This policy will be made available to shareholders of the Company at General Meetings.

Guiding principles for managing complaints

The following principles shall guide the Company in managing the complaints of shareholders

1 Commitment

NCR (Nigeria) Plc is committed to the resolution of complaints and or disputes received from shareholders. The company shall proffer solutions that are fair and reasonable to all parties. The company shall objectively manage and deal fairly with all complaints lodged by shareholders without bias. The rights of any shareholder, who has lodged a complaint, shall be adequately protected. However, it shall be within the sole discretion of the Company to take a decision on the investigation of a complaint considered to be trivial, vexatious or abusive. The company shall take necessary steps to guard against the victimisation in respect of all complaints received.

2 Confidentiality

All complaints shall be handled in strict confidence and personal information of complainants shall be adequately protected

3 Procedure for complaints/enquiries

A Complaint Lodgement Form shall be provided to all shareholders to lodge their complaint. All complaints made through authorised third parties or complaints anonymous in nature, shall be duly recognised and addressed.

Shareholders can make complaints/enquiries and access relevant information in the following manner:

- Contact the Registrar: Shareholders who wish to make a complaint/ enquiry shall in the first instance contact the Registrar, Apel Capital & Trust (Registrars) Limited at 18b, Nnobi Street, Masha, Surulere, Lagos. The Registrar manages all the registered information relating to all shareholdings, including shareholder name(s), shareholder address and dividend payment instructions amongst others. Upon receipt of a complaint or an enquiry, the Registrar shall immediately provide the relevant details of such complaint or enquiry to NCR (Nigeria) Plc for monitoring, record keeping and reporting purposes.
- a.**
- b.** Contact the Company Secretary: If the Registrar is unable to satisfactorily address shareholders' enquiries and resolve their complaints, then shareholders should contact the office of the Company Secretary.

NCR (NIGERIA) PLC

**COMPLAINTS MANAGEMENT POLICY
FOR THE YEAR ENDED 31 DECEMBER 2021**

Complaints Management Policy (Cont'd)

4 Feedback

Where a complaint or an enquiry is sent directly to the Company, NCR shall upon receipt of the complaint or enquiry use its best endeavours to ensure that

- i** Relevant details of the complaint or enquiry are immediately recorded.
- ii** A response is provided by the Company or the Registrar within the specified time frame.
- iii** Complaints or enquiries received by e-mail are acknowledged within two (2) working days of receipt.
- iv** Complaints or enquiries received by post are responded to within five (5) working days of receipt.
- v** Complaints or enquiries are resolved within ten (10) working days of receipt
- vi** The Nigerian Stock Exchange is notified, within two (2) working days, of the resolution of a complaint or enquiry
Where a complaint/ enquiry cannot be resolved within the stipulated time frame set out above, the shareholder shall be notified that the matter is being investigated. Delays may be experienced in some situations, including where documents need to be retrieved from storage.
- vii** The same or similar medium that was used for the initial enquiry shall be utilized in providing a response (whether by email, phone, post or fax), unless otherwise notified to or agreed with the shareholder.

5 Electronic complaints register and quarterly reporting obligation

NCR (Nigeria) Plc shall maintain an electronic complaint register. The electronic complaints register shall include the following information:

- The date that the enquiry or complaint was received.
- Complainant's information (including name, address, telephone number, e-mail address).
- Nature and details of the enquiry or complaint.
- Action taken/ Status.
- Date of the resolution of the complaint.

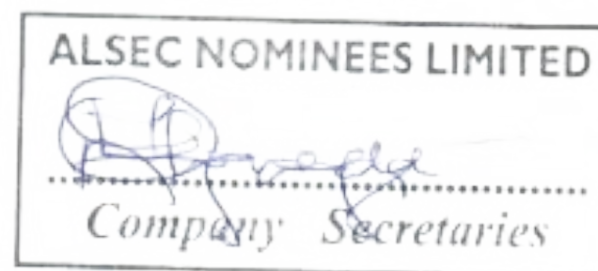
6 Access to policy

This policy and procedures concerning shareholder enquiries, complaints and feedback may from time to time be reviewed by the Company.

- This policy shall be available on the Company's website. www.ncr.com.ng
- A copy of the policy may be requested by contacting the Office of the Company Secretary.
- This policy shall be made available at general meetings of the Company.

7 Review of policy

This policy and procedures concerning shareholder enquiries, complaints and feedback may from time to time be reviewed by the Company.



OLUBUKOLA OLONADE-AGAGA
FRC/2020/002/00000021128

BY ORDER OF THE BOARD

Alsec Nominees Limited
COMPANY SECRETARIES
St. Nicholas House
10th, 12th & 13th Floors
Catholic Mission Street
Lagos State.

NCR (NIGERIA) PLC

**STATEMENT OF DIRECTORS RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

- Keeps proper accounting records that disclose with accuracy, the financial position of the company and comply with the requirement of the Companies and Allied Matters Act 2020;
- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the International Financial Reporting Standards (IFRS), Financial Reporting Council Act 2011 and the Companies and Allied Matters Act 2020.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

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



Otunba Adekunle Ojora OFR, CON, FNIM, JP
Chairman
FRC/2013/IODN/0000002581



Christiana Nnawo Yisa
Country Manager/CEO
FRC/2020/003/00000020685

NCR (NIGERIA) PLC

**STATEMENT OF CORPORATE RESPONSIBILITY FOR FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

In line with the provision of Section 405 of the Companies and Allied Matters Act 2020, we have reviewed the audited financial statements of the company for the year ended 31 December 2021 and based on our knowledge confirm as follows:

- i) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;
- ii) The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for the year ended 31 December 2021;
- iii) The company's internal controls have been designed to ensure that all material information relating to the company is received and provided to the auditors in the course of the audit;
- iv) The company's internal controls are effective and have remained so within the period of 90 days prior to the date of the audited financial statements;
- v) That we have disclosed to the company's auditors the following information:
 - a) there are no significant deficiencies in the design or operation of the company's internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and have discussed with company's auditors any weaknesses in internal controls observed in the course of the audit,
 - b) there is no fraud involving management or other employees who have a significant role in the company's internal control.
- vi) There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

Date this 28 day of March 2022

Christiana Nnawo Yisa
Country Manager/CEO
FRC/2020/003/00000020685

Chuwueke Onyekachi Caleb
Financial Controller
FRC/2015/ICAN/00000013361

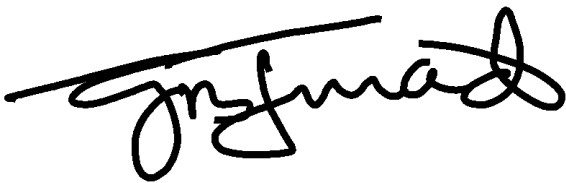
NCR (NIGERIA) PLC

**AUDIT COMMITTEE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act, 2020, we the Members of the Audit Committee of NCR (Nigeria) Plc confirm that we have carried out our statutory functions under the Act and have examined the Auditor's Report for the year ended 31 December 2020 and hereby state as follows:

1. The scope and planning of the audit are adequate.
2. The accounting and reporting policies of the Company conform with the statutory requirements and agreed ethical practices.
3. The internal control was being constantly and effectively monitored
4. We have reviewed the Auditor's findings on management matters and are satisfied with the management responses thereon

Date this 28 day of March 2022



Mustapha I. Jinadu (FIOD)
Chairman Audit Committee
FRC/2013/IODN/00000001516

Members of Audit Committee

		Appointed	Resigned
Mustapha I. Jinadu (FIOD)	Chairman		
Tomiwa Oriyomi Assan	Member		26-May-21
Mathew A. Adedoyin	Member		
Matthew Akinlade (FCA)	Member		12-Jan-22
Michael Vallier	Member		
Ezekiel Onimole	Member	26-May-21	
Louise Georgiou	Member		

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NCR (NIGERIA) PLC

Opinion

We have audited the financial statements of **NCR (Nigeria) Plc (the “Company”)** which comprise of the statement of financial position as at **31 December 2021**, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council of Nigeria Act No. 6, 2011 and the provision of the Companies and Allied Matters Act, 2020

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. We have communicated the key audit matters to those charged with governance (TCWG). The key audit matters are not a comprehensive reflection of all matters discussed. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. 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 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 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 financial statements.

Chartered Accountants

Grant Thornton Nigeria

2A Ogalade Close
Off Ologun Agbaje Str.
Off Adeola Odeku Str.
Victoria Island, Lagos
P. O. Box 5996 Surulere,
Lagos - Nigeria.

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T +2349071259650

T +2348057849477

Linkedin: grantthorntonnigeria

www.grantthornton.com.ng

Key audit matter	How our audit addressed the key audit matter
<p>Accounting for Long Term Employee Benefits</p> <p>As at 31 December 2021, NCR (Nigeria) Plc calculated and recorded long term employee benefits (Defined Benefit Obligation) of ₦25.3 million for its employees. The benefits are made available to qualified employees of the Company based on graduated periods of uninterrupted service.</p> <p>Management engaged an independent actuary to assist them in the computation of the long-term employee benefits.</p> <p>We considered the long-term benefits to be a key audit matter due to the assumptions used in the estimate and judgement in calculation of the long-term employee benefits. The estimation involves assumptions, particularly with regards to the determination of the discount rates, future salary increases, inflation rates, mortality rates and future pension increases. Changes in a number of these key assumptions used to value the Company's long term benefits could have a material impact on the estimation of the liability.</p> <p>On Note 23 of the financial statements, management has disclosed the estimates on long term employee benefits.</p>	<p>Our audit procedures on the long-term employee benefits include among others:</p> <ul style="list-style-type: none"> • We assessed the competence, independence and objectivity of the actuarial specialist engaged by the company. • We involved our specialist to assist in performing the following procedures among others: <ul style="list-style-type: none"> ○ Tested the appropriateness of assumptions used in the valuation of the long-term employee benefits, including salary increases and mortality rate assumptions, by reference to market and entity specific data, both individually and in combination with other assumptions. ○ Assess the assumptions for salary increases against the Company's historical trend and expected future outlook. ○ Evaluate the key assumptions used in the discount rate and inflation rate assumptions used which in our view, have significant impact on the scheme valuation and require significant level of management judgement. • We tested the accuracy and completeness of the underlying data used in the actuarial valuations by checking the financial bases and demographic assumptions and other data. • We also reviewed the appropriateness of disclosure for compliance with relevant standards.

Other Information

The directors are responsible for the other information. The other information comprises of the Managing Director's Foreword, Chairman's Statement, Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities, Report of the Statutory Audit Committee and Other National Disclosures, 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. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements do 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard. When we read the Annual Report, if we conclude that there is a material

misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- i) 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.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose

of expressing an opinion on the effectiveness of the Company's internal control.

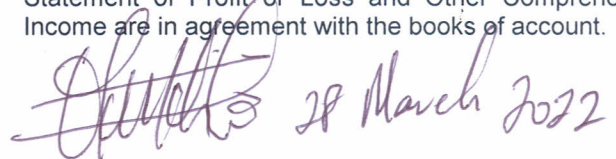
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

The Companies and Allied Matters Act, 2020 requires that in carrying out our audit we consider and report to you on the following matters. 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 purpose of our audit.
- ii) In our opinion, proper books of account have been kept by the company; and
- iii) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of account.



28 March 2022

Uchenna Okigbo, FCA
FRC/2016/ICAN/00000015653
For: Grant Thornton
(Chartered Accountants)
LAGOS, NIGERIA.



NCR (NIGERIA) PLC

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 ₦'000	2020 ₦'000
Revenue	7	2,540,792	5,125,508
Cost of sales	8	(2,239,122)	(4,833,330)
Gross Profit		301,670	292,178
Other income	9	875,657	214,518
Selling & distribution expenses	10	(69,881)	(56,131)
Administrative & general expenses	11	(789,966)	(649,351)
Operating Profit/(Loss)		317,480	(198,785)
Profit/(Loss) Before Income Tax		317,480	(198,785)
Tax expense	12	(309,928)	(92,345)
Profit/(Loss) for the Year		7,552	(291,130)
Other Comprehensive Income			
Items that will not be reclassified			
Actuarial loss		(2,249)	(15,663)
Other Comprehensive Income for the Year		(2,249)	(15,663)
Total Comprehensive Profit/(Loss) for the Year		5,303	(306,793)
Basic earnings/(loss) per share (₦)		0.07	(2.70)

The statement of accounting policies and notes on pages 25 to 64 form an integral part of these financial statements.

NCR (NIGERIA) PLC

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Notes	2021 ₦'000	2020 ₦'000
Assets			
Non-current Assets			
Property, plants & equipment	14	40,849	522,492
Retirement benefit assets	23.2.4	25,389	14,431
		66,238	536,923
Current Assets			
Prepayments	15	11,498	41,549
Inventory	16	423,082	686,859
Trade and other receivables	17	1,926,787	2,550,992
Cash and cash equivalents	18	2,700,818	2,577,699
		5,062,186	5,857,099
Total Assets		5,128,424	6,394,022
Equity and Liabilities			
Equity			
Share capital	19	54,000	54,000
Other reserves		(90,477)	(88,228)
Retained loss		(802,377)	(809,929)
Total Equity		(838,854)	(844,157)
Liabilities			
Non-current Liabilities			
Trade and other payables	20.1	2,583,097	3,203,771
		2,583,097	3,203,771
Current Liabilities			
Trade and other payables	20.2	2,816,584	3,321,481
Contract liability	21	244,191	509,219
Provisions	22	13,477	114,411
Current tax liabilities	12.2	309,928	89,297
		3,384,181	4,034,408
Total Liabilities		5,967,278	7,238,179
Total Equity and Liabilities		5,128,424	6,394,022

These accounts were approved by the Board of Directors on **28 March 2022** and signed on its behalf by:



Otunba Adekunle Ojora OFR, CON, FNIM, JP
Chairman
FRC/2013/IODN/00000002581



Christiana Nnawo Yisa
Contry Manager/CEO
FRC/2020/003/00000020685



Chuwueke Onyekachi Caleb
Financial Controller
FRC/2015/ICAN/00000013361

The statement of accounting policies and notes on pages 25 to 64 form an integral part of these financial statements.

NCR (NIGERIA) PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share Capital ₦'000	Other Reserves ₦'000	Retained Loss ₦'000	Total ₦'000
Year Ended 31 December 2020				
Balance as at 1 January 2020	54,000	(72,565)	(518,799)	(537,364)
Actuarial loss		(15,663)		(15,663)
Loss for the year	-	-	(291,130)	(291,130)
Balance as at 31 December 2020	54,000	(88,228)	(809,929)	(844,157)
Year Ended 31 December 2021				
Balance as at 1 January 2021	54,000	(88,228)	(809,929)	(844,157)
Profit for the year	-	-	7,552	7,552
Actuarial loss		(2,249)		
Balance as at 31 December 2021	54,000	(90,477)	(802,377)	(836,605)

NCR (NIGERIA) PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	₦'000	₦'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	317,480	(198,785)
Adjustments:		
Depreciation	44,598	61,850
Exchange loss/(gain)	23,598	176,259
Loss on assets disposal	451,189	-
Allowance and impairment loss	(37,600)	(181,291)
Operating Profit Before Working Capital Changes	799,265	(141,967)
Working Capital Changes:		
Changes in prepayment	30,051	10,257
Changes in inventory	263,777	1,319,674
Changes in trade and other receivables	624,205	(573,564)
Changes in trade and other payables	(1,203,962)	(606,408)
Changes in contract liabilities	(265,028)	(504,248)
Changes in provision	(100,934)	(36,808)
	147,373	(533,064)
Tax paid	3,048	(38,312)
Net Cash Flows from Operating Activities	150,421	(571,376)
Cash Flows from Investing Activities:		
Acquisition of PPE	(14,145)	(22,448)
Interest income	10,440	1,202
Rental income	-	32,026
Net Cash Flows from Investing Activities	(3,704)	10,780
Cash Flows from Financing Activities:		
Interest expenses	-	-
Net Cash Flows from Financing Activities	-	-
Net Cashflows for the Year	146,717	(560,596)
Cash and cash equivalents, at 1 January	2,577,699	3,314,554
Effects of exchange difference	(23,598)	(176,259)
Cash and Cash Equivalents as at 31 December	2,700,818	2,577,699
Cash and Cash Equivalents as at 31 December	2,700,818	2,577,699

The statement of accounting policies and notes on pages 25 to 64 form an integral part of these financial

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Nature of Operations

The nature of business operations involves providing technology and services that help business connect, interact and transact with their customers. The company is a technology company that provides innovative products and services to help business build stronger relationships with their customers, through our presence at customer interaction points such as Automated Teller Machines (ATM), Interactive Teller Machine (ITM), Retail Point of Sales (POS), Workstations, Self Service Kiosk, Self check-in/out systems and DVD Kiosks.

2 General Information, statement of compliance with IFRS and going concern assumption

NCR (Nigeria) Plc was incorporated as a Limited Liability Company and commenced business on 9 December 1949 under the name National Cash Register Company (West Africa) Limited and changed its name to NCR (Nigeria) Limited in 1974. The Company was granted a listing on the Nigerian Stock Exchange on 30 May 1979 and became known as NCR (Nigeria) Plc on 16 July 1996.

NCR (Nigeria) Plc is a Company domiciled in Nigeria. The company's principal activity includes provision of technology and services that help businesses connect, interact and transact with their customers. NCR (Nigeria) Plc is a technology company that provides innovative products which include:

- ATM (Automated Teller Machines)
- Retail Point of Sales terminals
- Self Service Kiosks
- Self-check-in/out systems
- Sale of computer consumables

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption that the Company operates on a going concern basis. The company's audited balances for the year under review are comparable with the prior year balances in all aspects.

The financial statements for the year ended 31 December 2021 were approved and authorised for issue by the board of directors of NCR (Nigeria) Plc on **28 March 2022**.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

3 New or revised standards or interpretations

3.1 New standards adopted as at 1st January 2021

IFRS 16 - Lease

COVID 19 related rent concessions (Amendment to IFRS 16 - Effective 1 April 2021)

Some accounting pronouncements which have become effective from 1 January 2021 and have therefore been adopted do not have a significant impact on the financial results or position. These amendments do not have a significant impact on these Financial Statements and therefore the disclosures have not been made

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company.

IFRS 17 - Insurance Contracts

• Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

IAS 16 - Property, Plant & Equipment

• Proceeds before Intended Use (Amendments to IAS 16) - Effective 1 January 2022

Prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

IAS 37 - Provisions, Contingent Liabilities & Contingent Assets

• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) - Effective 1 January 2022

Specifies which costs an entity includes when assessing whether a contract will be loss-making. It outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).

IAS 1 - Preparation of Financial Statements

• Classification of Liabilities as Current or Non-current (Amendments to IAS 1) - Effective 1 January 2023

IAS 1 requires an entity that has an unconditional right to delay settlement of a liability for at least 12 months from the end of the reporting period, then it can be classified as non-current, if not it is classified as current. Some preparers have found this statement confusing and consequently similar liabilities have been classified differently, making comparisons by investors difficult.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

The amendments clarify the guidance in IAS 1 by:

- clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period
- stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability
- adding guidance about lending conditions and how these can impact classification
- including requirements for liabilities that can be settled using an entity's own instruments.

IAS 12 - Income Taxes

- Deferred Tax related to Assets and Liabilities from a Single Transaction - Effective 1 January 2023

In specific circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. There had been some diversity in practice as to whether the exemption applied to transactions such as leases and decommissioning obligations. These are transactions where entities recognise both an asset and a liability.

The amendments require an entity to recognise deferred tax on certain transactions (eg leases and decommissioning liabilities) that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

The amendments clarify that the initial recognition exemption set out in IAS 12 'Income Taxes' does not apply and entities are required to recognise deferred tax on these transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

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

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have not been adopted early by the company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4 Significant Accounting Policies

4.1 Basis of preparation

The financial statements have been prepared on an accrual basis and under the historical cost convention. Monetary amounts are expressed in Nigerian currency (₦). The monetary amount are rounded to the nearest thousands, except for earnings per share.

4.2 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Nigerian naira (₦) which is also the functional currency of the company. The presentation of the financial statement in Naira is in compliance with the requirements of the Financial Reporting Council of Nigeria (FRCN).

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the financial statements, all assets, liabilities and transactions with functional currencies other than the Naira are translated into Naira upon presentation. The functional currency of the company have remained unchanged during the reporting period.

4.3 Revenue from contract with customers

The Company is in the business of providing technology and services that help businesses connect, interact and transact with their customers. It provides innovative products which include, ATM (Automated Teller Machines), Retail Point of Sales terminals, Self Service Kiosks, Self-check-in/out systems and sale of computer consumables. These contracts are divided into three revenue streams namely:

- Financial Service Group - Revenue is derived from sale of equipment and other hardware devices such as ATMs
- World Customer Services- Revenue is derived from provision of hardware and software maintenance services.

To determine whether to recognise revenue, the Company follows a 5-step process:

- * The company has identified the contract(s) with the customer;
- * The company has identified the performance obligations in the contracts;
- * The transaction price can be determine by the company.
- * Allocation of transaction price to the performance obligations; and
- * Recognition of revenue when (or as) the entity satisfies a performance obligation.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Revenue (Cont'd)

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 Company 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 or services 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 17.

The Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Company has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorised the different revenue stream detailed below.

4.3.1 Sale of equipment and other hardware devices

Revenue from sale of equipment and other hardware devices are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment/devices. The normal credit term is 30 to 90 days upon delivery.

The Company 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). In determining the transaction price for the sale of hardware, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Significant financing component

Using the practical expedient in IFRS 15, the Company 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. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Revenue (Cont'd)

Warranty competition

The company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on provisions. The company provides a one-year warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of hardware.

Contracts for bundled sales of equipment and a service-type warranty comprise two performance obligations because the promises to transfer the equipment and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

Installation and maintenance services

The company provides installation and maintenance services that are either sold separately or bundled together with the sale of equipment to a customer. The installation/maintenance services can be obtained from other providers and do not significantly customise or modify the equipment. Contracts for bundled sales of equipment, installation and maintenance services are comprised of three performance obligations because the promises to transfer equipment and provide installation/maintenance services are capable of being distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The company recognises revenue from installation services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from the sale of the equipment are recognised at a point in time, generally upon delivery of the equipment

4.3.2 Contract balances

Trade receivables

A receivable represents the Company'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).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4.4 Cost of Sales

Cost of sales includes purchase cost of merchandise and directly attributable overheads.

4.5 Operating expenses

Operating expenses are recognised in profit or loss upon utilization of the service or as incurred. Expenditure for warranties is recognised when the company incurs an obligation, which is typically when the related goods are sold.

4.6 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Country Head/ Chief Executive Officer.

For management purposes, the company is organised into business units based on its products and services. The strategic business unit offer different products and services and are managed separately because they require different marketing strategies.

The entity's operating segments are as follows

- * Financial service group
- * World customer services

The company's Country Head/ Chief Executive Officer monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Business unit performance is evaluated based on revenue and cost of sales. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

31 December 2021	Financial service group	World customer services	Total
	₦'000	₦'000	₦'000
Revenue	865,562	1,675,230	2,540,792
Cost of sales	1,076,810	1,206,976	2,283,787
Gross profit	(211,249)	468,254	257,005
Margin	-24.41%	27.95%	10.12%
31 December 2020			
	₦'000	₦'000	₦'000
Revenue	3,224,061	1,901,447	5,125,508
Cost of sales	3,265,603	1,567,727	4,833,330
Gross profit	(41,542)	333,720	292,178
Margin	-1.29%	17.55%	5.70%

There is no disclosure of the (loss)/ profit for the period, depreciation and amortisation, assets and liabilities for each operating segment because management based its performance assessment on the gross margin from each operating segment and assets and liabilities of the Company are not directly related to a segment.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4.7 Earnings Per Share, Interests and dividends

Basic earnings per share have been calculated using the profit attributable to shareholders of the company as the numerator, i.e. no adjustments to profit were necessary in 2021 or 2020. Diluted earnings per share are calculated by dividing profit or loss for the year by the fully-diluted number of ordinary shares outstanding during the year. Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established.

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established. Dividend income from investment is recognised when the shareholder's right to receive payment has been established (provided that it is probable that economic benefits will flow to the company and the amount of income can be measured reliably).

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.9 Property plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Depreciation is not charged on these assets until the assets are available for their intended use.

Depreciation is charged to profit or loss using the straight-line method so as to write off the cost to their residual values over their estimated useful lives on the following bases:

	Estimated useful lives - years
Furniture and fittings	5
Buildings	34
Improvements on buildings	5 - 10
Computer equipment	4
Plant, machinery and equipment	5

Land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The Building was constructed on a land outrightly purchased by the company. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Property plant and equipment (Cont'd)

Expenses on repairs and maintenance for instance day to day service cost and ongoing maintenance cost are recognized in profit or loss immediately. Major repairs and overhaul costs are capitalized if it will result in future economic benefits. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

4.10 Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of materials is the purchased cost determine at first-out basis. Inventories are stated at the lower of cost and net realizable value using the First-In-First-Out (FIFO) method. Net realizable value represents the estimated selling price of inventories less estimated cost to make the sale.

4.11 Financial instruments

4.11.1 Recognition, and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

4.11.2 Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented, the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- * the entity's business model for managing the financial asset
- * the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4.11.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The category also contains an equity investment. The company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unquoted securities and listed equity securities at fair value through other comprehensive income (FVOCI). The equity investment in unquoted securities was measured at cost less any impairment charges in the comparative period under IAS 39, as it was determined that its fair value could not be estimated reliably. In the current financial year, the fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The company accounts for financial assets at FVOCI, if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4.11.4 Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

Trade receivables are carried at amortised cost less allowance for impairment losses. Invoices are due for payment as soon as they are raised except when customers are pre-billed or allowed an extended credit period. No interest is charged on the overdue receivables. The company has recognised a provision for expected credit loss of 100% against all receivables over 360 days because historical experience has been that receivables that are past due beyond 360 days are not likely to be recoverable. When trade receivable, or the oldest portion of an instalment or sales receivable, has been due for 450 days (15 months); it is assumed to be uncollectible and the entire receivable is written off.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Credit limits are reviewed periodically by the Financial Controller.

Provision for expected credit losses

Provisions are made for credit losses on all receivables in order to reduce the Company's financial exposure to any losses on bad debts. There are no trade receivables which are past due at the reporting date against which an allowance has not been made. Allowance for credit losses are reversed if all amounts are recovered. The impairment recognized represents the difference between the carrying amount of these trade receivables and the amounts that are deemed recoverable by the Company. The company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty. In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4.11.5 Classification and measurement of financial liabilities

The financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Loans & borrowings

This is the category most relevant to the company. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains or losses is recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Primarily in the last 5 years of the company's operations, its major financial liabilities has been trade and other payables, which are not interest bearing and of which the effective interest method may not necessarily apply.

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

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

4.12 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the company does not recognize deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Withholding tax

The Nigerian Government requires an entity paying for services rendered by the Company to withhold or deduct tax from the payment and pay that tax to the Government. This is considered an advance payment of Company income tax by the Company (who rendered the service) and is paid by the customer receiving the service on behalf of the Company. The company is entitled to receive a Tax Credit Note from the customer who received the service as evidence that the withholding tax has been paid. The company can then utilize these Credit Notes to reduce the amount of income tax payable. Without receipt of Credit note from the customer, the Company is unable to benefit from the prepayment of tax in the form of the withholding tax. The company recognizes a withholding tax receivable once the service has been rendered and the withholding tax has been deducted by the customer from payment due to the Company. The company assesses the recoverability of the Tax Credit Notes from the customers relating to the amounts deducted by its customers. The company makes appropriate allowances for estimated irrecoverable amounts when there is objective evidence that the Withholding Tax Credit Notes may not be received. These impairment allowances are recognized in profit or loss under distribution expense.

4.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days or less from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, less restricted cash as they are considered an integral part of the Company's cash management. The restrictions are in respect of Advance Performance Guarantees provided by some banks for some customers pending the performance of the contractual obligations by the Company and excess amount with Central Bank of Nigeria being the unutilized LC's amount made for the purpose of bidding for foreign exchange to finance LCs for the Company which were yet to be refunded as at reporting date. The cash is restricted for a period of 12 months after year end.

4.14 Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits and share-based employee remuneration.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4.15 Post-employment benefits and short-term employee benefits

Post-employment

The company provides post-employment benefits through defined contribution.

Defined contribution plans

The company pays fixed contributions into independent entities in relation to several state plans and insurances for individual employees. The company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

The company makes provision for retirement benefits in accordance with the Pension Reform Act 2014. The contribution by the employer and employee is 10% and 8% respectively of the employees' basic salary, housing and transport allowances.

Defined benefit plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined by independent actuaries using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement gains or losses arising from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments are immediately recognised in other comprehensive income.

The defined benefit asset or liability recognised in the statement of financial position represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and in the case of quoted securities, it is the published bid price.

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the company expects to pay as a result of the unused entitlement.

4.16 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

4.17 Provisions, contingent assets and contingent liabilities

Provisions for legal disputes, onerous contracts or other claims are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

The expense relating to any provision is recognised and presented in the statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of time value of money is material, provision are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, increase in the provision due to the passage of time is recognised as part of finance cost in income statement.

Warranty obligation

The company provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions relate to these assurance-type warranties are recognized when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

5 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are the judgements made by management in applying the accounting policies of the company that have the most significant effect on the financial statements.

5.1 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

5.2 Revenue from contracts with customers

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

Identifying performance obligations in a bundled sale of equipment, installation and maintenance services

The company provides installation and maintenance services that are either sold separately or bundled together with the sale of equipment to a customer. The installation and maintenance services are a promise to transfer services in the future and are part of the negotiated exchange between the Company and the customer.

The company determined that the equipment, maintenance and installation services are capable of being distinct. The fact that the Company regularly sells both equipment, maintenance and installation on a stand-alone basis indicates that the customer can benefit from each of products on their own. The company also determined that the promises to transfer the equipment and to provide installation and maintenance are distinct within the context of the contract. The equipment, maintenance and installation are not inputs to a combined item in the contract. The company is not providing a significant integration service because the presence of the equipment, maintenance and installation together in this contract do not result in any additional or combined functionality and neither the equipment, maintenance nor the installation modify or customise the other.

In addition, the equipment, maintenance and installation are not highly interdependent or highly interrelated, because the Company would be able to transfer the equipment even if the customer declined installation or maintenance and would be able to provide installation/maintenance in relation to products sold by other distributors. Consequently, the Company allocated a portion of the transaction price to the equipment, maintenance service and the installation services based on relative stand-alone selling prices.

Determining the timing of satisfaction of installation/maintenance services

The company concluded that revenue for installation/maintenance services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Company. The fact that another entity would not need to re-perform the service that the Company has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The company determined that the input method is the best method in measuring progress of the installation/maintenance services because there is a direct relationship between the Company's effort (i.e., labour hours incurred) and the transfer of service to the customer. The Company recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

Determining the timing of satisfaction of sales of equipment and other hardware devices

The company concluded that revenue for sales of hardware is to be recognised as a point in time; when the customer obtains control of the equipment. The company assess when control is transferred using the indicators below:

- The company has a present right to payment for the product;
- The customer has legal title to the product;
- The company has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the product; and
- The customer has accepted the asset

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

5.3 Classification of Intercompany payable as non-current payable

In determining whether intercompany payable can be classified as non-current payable, the Company made some assumptions and judgements regarding the estimated future cash flow, discount rate and expected repayment period. Based on the modification of repayment period from one year to three years, the intercompany payable due for repayment after 12 months was reclassified to non-current.

Estimates and assumptions

5.4 Provision for expected credit losses (ECL) of trade receivables

The company 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 geography, product type, and customer type).

The provision matrix is initially based on the Company's historical observed default rates. The company 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 company'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 Company's trade receivables is disclosed in Note 17.

5.5 Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and computer equipment.

5.6 Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market-driven changes that may reduce future selling prices.

5.7 Defined benefit plans

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future gratuity increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is determined on the Company's reporting date by reference to market yields on high quality Government bonds. The discount rate should reflect the duration of the liabilities of the benefit programme. See Note 23 for details.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

5.8 Impairment losses on other financial assets

The measurement of impairment losses under IFRS 9 requires estimates that are driven by a number of factors, changes in which can result in different levels of allowances. The company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, Gross Domestic Products and inflation rate, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

5.9 Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5.10 Taxes

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

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

6 Financial Risk Management

6.1 Introduction

The company uses its financial skills to provide competitive product pricing and delivery to a broad range of customers.

Risk Management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long-term value proposition.

Key elements of risk management are:

- Strong corporate governance including relevant and reliable management information and internal control processes;
- Ensuring significant and relevant skills and services are available consistently to the company;
- Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

The company has exposure to significant risks which are categorised as follows:

- (i) Regulatory (capital adequacy, legal, accounting and taxation);
- (ii) Business environment (reputation and strategic);
- (iii) Operational (people, information technology and internal control processes);
- (iv) Market (equity prices, interest rate and currency); and
- (v) Liquidity

6.2 Detailed discussion of significant risks

6.2.1 Regulatory risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry that pertain to the business of the company. In order to manage this risk, the company is an active participant in the petroleum industry and engages in discussions with policy makers and regulators.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

6.2.2 Legal risk

Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for.

The company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract.

All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31 December 2020, the directors are not aware of any significant obligation not provided for.

6.2.3 Taxation risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

Taxation risk occurs in the following key areas:

- Transactional risk;
- Operational risk;
- Compliance risk; and
- Financial accounting risk.

- Transactional risk

The risk which concerns specific transactions entered into by the company, including restructuring projects and reorganisations.

- Operational risk

The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

- Compliance risk

The risk associated with meeting the company's statutory obligations.

- Financial accounting risk

The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the company's taxation risk, the company tax policy is as follows:

The company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Compliance with this policy is aimed at ensuring that:

- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
- The company continually reviews its existing operations and planned operations in this context; and
- The company ensures that, where clients participate in company products, these clients are either aware of the probably tax consequences, or are advised to consult with independent professionals to assess these consequences, or both.

The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

6.2.4 Accounting risk

Accounting risk is the risk that the company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting system and to have proper accounting policies;
- Establish proper internal accounting controls;
- Prepare periodic consolidated financial statements that reflect an accurate financial position; and
- Be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the company.

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately reflecting the financial position, results and cash flows of the company.

6.3 Business environment

6.3.1 Reputational risk

Reputational risk is the risk of loss caused by a decline in the reputation of the company or any of its specific business units from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

6.3.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the company is exposed to credit risk are:

- * Certain classes of financial assets such as bonds, term deposits and cash and cash equivalent; and
- * Certain accounts within trade and other receivables.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Financial assets

Various debt instruments are entered into by the company in order to invest surplus shareholder funds. The company is exposed to the issuer's credit standing on these instruments.

The following policy and procedure is in place to mitigate the company's exposure to this credit risk:

* Exposure to outside financial institutions concerning financial instrument is monitored in accordance with parameters which have been approved by the company's board.

31 December 2021	1 - 12 Months ₦'000	13 Months & above ₦'000
Trade and other receivables	1,926,787	-
Cash and cash equivalents	2,700,818	-
Total	4,627,605	-
<hr/>		
31 December 2020		
Trade and other receivables	2,550,992	-
Cash and cash equivalents	2,577,699	-
Total	5,128,691	-

6.3.3 Liquidity risk

Liquidity risk is that the company might be unable to meet its obligations. The company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on 360-day lookout period are identified monthly. Net cash requirements are compared to available the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Treasury maintains flexibility in funding by keeping committed credit lines available.

31 December 2021	1 - 12 Months ₦'000	13 Months & above ₦'000
Trade and other payables	2,816,584	2,583,097
Contract liabilities	244,191	
Provisions	13,477	
Total	2,816,584	2,583,097
<hr/>		
31 December 2020		
Trade and other payables	3,321,481	3,203,771
Contract liabilities	509,219	
Provisions	114,411	
Total	3,945,111	3,203,771

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

6.3.5 Market risk

Market risk includes asset and liability matching risk, currency risk, and interest rate risk. The company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk are interest rate risk and foreign currency risk. These risks arise from open positions in interest rate, and foreign currency, all of which are exposed to general and specific market movements.

Foreign currency risk

In respect of other monetary assets and liabilities held in currencies other than the Naira, the company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates, where necessary, to address short-term imbalances.

The company undertakes certain transactions dominated in foreign currencies. Hence, exposure to exchange rate fluctuation arises. There have been no changes to the company's exposure to market risks or the manner in which these risk arise. The company is mainly exposed to the currency of Nigeria naira.

Interest rate risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates. Interest rate arises from movement in interest rate which could have effect on the company's net income or financial position. Changes in interest rates may cause variation in interest income and expenses resulting from interest bearing assets and liabilities.

6.3.6 Capital Risk Management

The primary objective of the company's capital management is to safeguard the company's ability to continue as a going concern and to maintain healthy capital ratios to support its business and maximize shareholders value.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings. The company is not subject to any externally imposed capital requirements.

The company manages its capital structure and makes adjustments to it, as needed response to changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective policies or processes for managing capital during the years ended 31 December 2021 & 2020. The company calculate net debt using total liabilities (borrowings, trade & other payables, provisions, contract liability and other liabilities.), less cash and cash equivalents.

	2021 ₦'000	2020 ₦'000
Total liabilities	5,967,278	7,238,179
Less: Cash & cash equivalents	(2,700,818)	(2,577,699)
Net Debt	3,266,460	4,660,481
Equity	(838,854)	(844,157)
Capital & Net Debt	-25.68%	-18.11%

NCR (NIGERIA) PLC

**NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	2021	2020
	₦'000	₦'000
7 Revenue		
Financial service group	865,562	3,224,061
World customer services	1,675,230	1,901,447
	2,540,792	5,125,508

Disaggregated revenue information

	31 December 2021		
	Financial service group	World customer services	Total
	₦'000	₦'000	₦'000
Goods or Services			
Sale of equipment	382,348		382,348
Sale of software	56,637		56,637
PS consulting	294,893		294,893
Installation services	42,049		42,049
Maintenance services	89,635		89,635
Service warranty		1,675,230	1,675,230
Total revenue from contracts	865,562	1,675,230	2,540,792

	31 December 2020		
	Financial service group	World customer services	Total
	₦'000	₦'000	₦'000
Goods or Services			
Sale of equipment	2,872,842	-	2,872,842
Sale of hardware devices	62,384	-	62,384
Installation services	196,327	-	196,327
Maintenance services	-	1,901,447	1,901,447
Service warranty	92,508	-	92,508
Total revenue from contracts	3,224,061	1,901,447	5,125,508

Performance Obligations

Information about the Company's performance obligations are summarised below:

Sale of equipment and hardware device

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 30 to 90 days from delivery.

In some contracts, a one-year warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied over one-year based on time elapsed.

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**NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

Installation and maintenance services

The performance obligation is satisfied over-time and payment is generally due upon completion of installation/maintenance and acceptance of the customer.

The Company has applied the practical expedient in paragraph 121 of IFRS 15 and did not disclose information about remaining performance obligations that have original expected durations of one year or less.

		2021 ₦'000	2020 ₦'000
Contract balance	Note		
Trade receivable	17	573,583	977,876
Contract liabilities	21	244,191	509,219
		817,775	1,487,095

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2021, ₦6,315,498 (2020: ₦40,483,003) was recognized as provision for expected credit losses on trade receivables.

Contract liabilities include advances received from customers in respect of projects.

8 Cost of Sales

Allowance for slow moving inventories		-	70,311
Depreciation		44,598	61,850
Direct cost		1,477,415	3,971,823
Salaries and wages		717,109	729,346
		2,239,122	4,833,330

Cost of sales represent items listed above. Direct cost relates to the cost of purchasing the ATM and other equipment.

9 Other Income

Investment income		10,440	1,202
Rent income		-	32,026
Provision no longer required	11.1	37,600	181,291
Debt forgiveness		827,617	
		875,657	214,518

Other operating income relates to income earned from other activities other than the company's principal activities. Rental/investment income represents income earned from sublet of some floors of the Company's building and income from investment in short-term deposits.

The debt forgiveness relates to intercompany loan of \$10 million from NCR Service Centre - USA. Due to change in economic conditions within the Nigeria business environment, the company applied for relief. A relief was granted in form of debt forgiveness amounting to \$2 million.(N827 million).

NCR (NIGERIA) PLC

**NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	2021	2020
	₦'000	₦'000
10 Selling & Distribution Expenses		
Bank charges	2,132	1,119
Fuel and motor running	1,100	2,931
Legal fees	9,990	12,870
Promotion and advertisement	817	1,911
Rent and rates	24,127	5,446
Security	16,403	16,716
Travelling & accommodation	15,312	15,138
	69,881	56,131
11 Administrative & General Expenses		
Fair value loss on non-current intercompany payables	206,943	357,198
Audit fee	7,500	13,181
Exchange loss	23,598	176,259
Insurance	3,344	3,344
Legal fees	22,946	37,407
Professional fees	4,055	5,446
General office expenses	29,431	15,669
Loss on assets disposal	14.4	451,189
Retirement benefit expenses	22,020	19,366
Repairs and maintenance	8,849	5,288
Telephone and internet	10,090	16,193
	789,966	649,351
<p>The company's employee benefit expenses relates to cost incurred on staff remuneration and other related employee expenses. Depreciation expenses relate to the reduction of the depreciable amount of the respective assets. Impairment loss has been provided based on the recoverability of the asset being less than the carrying value of NCR (Nigeria) Plc company's assets. General office expenses include expenses relating to postages, office supplies, office running expenses and other miscellaneous charges.</p>		
11 Allowance and impairment loss		
Trade receivables	17	(34,168)
Rent receivables		(180,414)
Short term deposit		(4,795)
Intercompany receivables		-
		103
		3,815
Total (write-back) / loss on receivables		(37,600)
		(181,291)

NCR (NIGERIA) PLC

**NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	2021	2020
	₦'000	₦'000
12 Taxation		
12.1 Income Tax Recognised in Income Statement		
Current Tax		
Income tax	285,268	86,044
Education tax	24,660	6,301
	309,928	92,345
Deferred Tax		
Deferred tax expense recognised	-	-
	309,928	92,345
Total Income Tax Expenses Recognised in the current year	309,928	92,345
<p>The tax rate used for the 2021 tax computation is 30% payable by Corporate Entities in Nigeria and 2% for Education Tax.</p>		
12 Current Tax Liabilities		
At 1 January	89,297	459,233
Charge for the year	309,928	92,345
	399,225	551,578
Paid during the year	(6,301)	(38,312)
WHT utilised	(86,044)	(423,969)
Prior provision adjustment	3,048	-
At 31 December	309,928	89,297

12 Deferred Tax

Deferred tax asset are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax computation for the year resulted in deferred tax asset of ₦357,240,257. However, in line with IAS 12 (Paragraph 29), the company's deferred tax assets have not been recognized in the financial statements as the Directors are of the opinion that it is not probable that sufficient taxable profits would be available against which the timing differences can be utilized.

Reconciliation of income tax expense for the year to the accounting profit as per profit or loss:

Accounting profit/(loss) before tax	317,480	(198,785)
Income tax @ 30%	95,244	(59,636)
Non-deductible expenses	271,239	217,615
Non-taxable income	(81,215)	(71,935)
Education tax	24,660	6,301
	309,928	92,345
Effective tax rate	97.62%	-46.45%

NCR (NIGERIA) PLC

**NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

13 Earnings/Loss Per Share

Basic earnings/loss per share is calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS/LPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The loss and share data used in the calculation of basic and diluted earnings per share are:

	2021	2020
	₦'000	₦'000
Profit/Loss attributable to ordinary equity holders	7,552	(291,130)
	Number	Number
Weighted average of ordinary shareholders		
Basic & diluted EPS	108,000	108,000
Basic/Diluted earnings/loss per share	<u>0.07</u>	<u>(2.70)</u>

Basic and diluted EPS/LPS are the same because there is no dilutive instrument as at reporting date.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

14 Property, Plants & Equipment

	Buildings	Plant & Machinery	Computer Equipment	Furnitures & fittings	Work-in- progress	Total
Cost	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2021	682,325	232,755	74,417	32,630	640	1,022,768
Additions	-	-	14,145	-	-	14,145
Transfers	-	640	-	-	(640)	(0)
Disposal	(682,325)	-	-	-	-	(682,325)
As at 31 December 2021	-	233,396	88,561	32,630	-	354,587
Depreciation						
As at 1 January 2021	211,358	201,522	56,979	30,417	-	500,276
Charge for the year	19,778	14,361	9,298	1,161	-	44,598
Disposal	(231,136)	-	-	-	-	(231,136)
As at 31 December 2021	-	215,883	66,277	31,578	-	313,738
Carrying Amount						
As at 31 December 2021	-	17,513	22,284	1,052	-	40,849
As at 31 December 2020	470,968	31,233	17,437	2,213	-	522,492

14.1 Impairment losses recognised in the year

No impairment loss has been recognized during the year ended 31 December 2021 as none of the property, plant and equipment has suffered impairment (2020: Nil).

14.2 Assets pledged as security

The company does not have any asset pledged as security for liabilities as at 31 December 2021 (2020: Nil).

14.3 Contractual Commitments

There is no other contractual commitment for the purchase of items of property, plant and equipment that has not been accounted for.

14.4 Disposal

NCR House building was disposed off due to forfeiture/termination of a 25 years lease agreement as at 30 November 2021 at a loss of N451 million.

NCR (NIGERIA) PLC

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	2021	2020
	₦'000	₦'000
15 Prepayments		
Insurance	861	1,843
other prepaid expenses	10,638	39,707
	11,498	41,549
Prepayment comprises of operational expenses paid in advance.		
16 Inventories		
Finished equipment	-	52,677
Service parts - reworkable	58,892	63,924
Service parts - non-reworkable	524,900	759,047
	583,792	875,648
Allowance for slow moving inventories	(160,710)	(188,789)
16.1	423,082	686,859
16.1 Allowance for slow moving inventories		
Service parts - reworkable	(136,213)	(166,650)
Service parts - non-reworkable	(24,497)	(22,139)
	(160,710)	(188,789)
Movement in allowance for slow moving inventories		
As at 1 January	188,789	182,944
Charge during the year	-	70,311
Scrapped during the year	(28,079)	(64,466)
Balance as at 31 December	160,710	188,789
17 Trade and Other Receivables		
Trade receivable	579,899	1,018,359
Provision for expected credit loss	(6,315)	(40,483)
	573,583	977,876
Rent/service charge receivables	1,669	7,363
WHT receivables	1,291,412	1,201,888
Receivables from related parties	60,123	363,866
	1,926,787	2,550,992

Trade and other receivables consist of items listed above and the carrying amount is at amortised cost. Withholding tax credit notes received is an advance payment of income tax which can be used to offset future income tax liability. It has no expiry date.

NCR (NIGERIA) PLC

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

	2021 ₦'000	2020 ₦'000
17.1 Rent/Service charge receivables		
As at 1 January	7,363	87,439
Received during the year	(9,127)	-
Provision for ECL	3,432	(80,076)
Balance as at 31 December	1,669	7,363
 Provision for ECL - movement		
As at 1 January	80,076	89,643
Write-back / charge for the year	(83,509)	(9,567)
Balance as at 31 December	(3,432)	80,076

Trade receivables

Trade receivables disclosed above are carried at amortised cost less allowance for impairment losses.

Invoices are due for payment as soon as they are raised except when customers are pre-billed or allowed an extended credit period. No interest is charged on the overdue receivables. The company has recognised a provision for expected credit loss of 100% against all receivables over 360 days because historical experience has been that receivables that are past due beyond 360 days are not likely to be recoverable. When trade receivable, or the oldest portion of an instalment or sales receivable, has been due for 450 days (15 months); it is assumed to be uncollectible and the entire receivable is written off.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Credit limits are reviewed periodically by the Financial Controller.

Provision for expected credit losses

Provisions are made for expected credit losses on all receivables in order to reduce the Company's financial exposure to any losses on bad debts. There are no trade receivables which are past due at the reporting date against which an allowance has not been made. Allowance for credit losses are reversed if all amounts are recovered. The impairment recognized represents the difference between the carrying amount of these trade receivables and the amounts that are deemed recoverable by the Company. The company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

17.2 Collectively impaired

As at 1 January	40,483	220,897
Charge for the year	(34,168)	(180,414)
Balance as at 31 December	6,315	40,483

NCR (NIGERIA) PLC

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Concentration risk

The company's receivables are due from 10 Companies (2020: 11 Companies) operating in the banking sector and 100% (2020: 90%) of the receivables are due from 10 customers (2020: 4 customers). Concentration risk is minimized by ensuring that customers make over 50% deposit of entire project amount before placing order thereby reducing account receivable exposure. Effort is high on penetrating new accounts and dominating the account to neutralize the concentration on few larger customers

	2021 ₦'000	2020 ₦'000
18 Cash and Cash Equivalents		
Cash in hand	268	181
Cash at bank	2,422,927	1,927,116
Restricted cash	181,724	554,606
Short term deposit	95,899	95,899
Impairment on short term deposit	-	(103)
	2,700,818	2,577,699

The carrying amount of Cash and short-term deposits in the Statement of financial position is approximately equal to their fair value. The company does not have bank overdrafts. At 31 December 2021, the Company had restriction on ₦181.7 million (2020: ₦554.6 million) in its Guarantee Collateral Account. The restrictions are in respect of Advance Performance Guarantees provided by some banks for some customers pending the performance of the contractual obligations by the Company and excess amount with Central Bank of Nigeria being the unutilized LC's amount made for the purpose of bidding for foreign exchange to finance LCs for the Company which were yet to be refunded as at reporting date. The cash is restricted for a period of 12 months after year end.

The short-term deposit relates to investment in fixed deposit with maturity period of 29 days.

19 Share Capital		
Authorised		
200,000,000 ordinary share of 50K each	200,000	200,000
Issued and fully paid		
108,000,000 ordinary share of 50K each	54,000	54,000
Other Reserve	(90,477)	(88,228)

This represents re-measurement gain or loss on defined benefit plan.

NCR (NIGERIA) PLC

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	2021	2020
	₦'000	₦'000
20 Trade and Other Payables		
20.1 Non-current		
Intercompany payables	2,583,097	3,203,771
	<u>2,583,097</u>	<u>3,203,771</u>
Intercompany payables		
As at 1 January	3,203,771	2,846,573
Debt forgiveness	(827,617)	-
Fair value gain/loss	206,943	357,198
Balance as at 31 December	<u>2,583,097</u>	<u>3,203,771</u>
<p>In 2018, the parent company agreed to defer payment of the outstanding long term intercompany payable of N2.85 billion (\$10.07 million) beyond 12 months. Hence, the portion was reclassified to noncurrent liability. The obligation was discounted to present value in line with IFRS 9. In 2021, the parent Company agreed to further defer the outstanding balance of ₦2.58 billion amounting to \$10.07 million payable beyond 12 months and a fair value loss of ₦186.6 million (2020: ₦357.2 million) was recognized in profit or loss. The liabilities was given at free interest rate, however an effective market interest rate of 23.7% was used in discounting to present value.</p> <p>The debt forgiveness relates to intercompany loan of \$10 million from NCR Service Centre - USA. Due to change in economic conditions within the Nigeria business environment affecting profit, the company applied for relief. A relief was granted in form of debt forgiveness amounting to \$2 million.(N827 million).</p>		
20.2 Current		
Trade payable	2,094,538	2,817,261
Accruals & other payables	334,274	225,437
Unclaimed dividend	95,964	95,964
VAT payables	30,733	32,254
WHT payables	261,076	150,565
	<u>2,816,584</u>	<u>3,321,481</u>

Accruals and other payables relate to statutory liabilities such as Value added tax, Withholding tax, Pay As You Earn and accrued expenses.

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. No interest is charged on the trade payables. The company has financial risk management policies in place to ensure that all payables are settled within the pre-agreed credit terms.

The fair value of trade and other payables approximate its carrying amount.

NCR (NIGERIA) PLC

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	2021	2020
	₦'000	₦'000
21 Contract Liability		
Deferred income	59,441	160,139
Deposit by customers	184,750	349,081
	<u>244,191</u>	<u>509,219</u>
21.1 Deferred income		
As at 1 January	160,139	62,561
Recognised as revenue during the year	(100,698)	(288,656)
Addition during the year		386,234
Balance as at 31 December	<u>59,441</u>	<u>160,139</u>

In some contracts, a one-year warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied over one-year based on time elapsed.

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. Deposit by customers are short term advance payment for supply of ATMs in the future. The 2021 opening balance of ₦164 million from ₦349 million have been recognized as revenue in 2021.

22 Provision

Warranty & legal claim	13,477	114,411
	<u>13,477</u>	<u>114,411</u>

The company had two (2) litigation suits as at 31 December 2020. The claims against the Company from the suits amount to N35.2 million as of the reporting date. Provision has been made for these claims in the financial statements. As at 31 December 2021, the company has no litigations because one of case was struck out by the court, while the company won the second case in court.

NCR (NIGERIA) PLC

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

23 Retirement Benefit Plan

23.1 Defined contribution plan

The company makes provision for retirement benefits in accordance with the Pension Reform Act of 2014. The contribution by the employer and employee is 10% and 8% respectively of the employees' basic salary, housing and transport allowances. The total expense recognized in profit or loss of ₦35 million (2020: ₦63 million) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

23.2 Defined benefit plan

The company operates a staff gratuity scheme for all its' confirmed staff. The scheme provides for gratuity benefits at exit of the staff as described below;

Years of service	Benefits
Less than 5 years	Nil
5 years and above	1 month gross salary for each year of service

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2021 by Ganiyu Shefiu FRC/2020/NAS/00000017548 of Logic Professional Services, Associate, Society of Actuaries, United States of America.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. Defined benefit plan is not mandated by Nigerian law; it is a voluntary plan for the Company. ARM Pension Fund Administrator is designated for the management of the fund. The Defined Benefit Plan scheme is funded scheme.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

23.2.1 Financial assumptions	2021	2020
Long term average		
Discount rate per annum	13%	8%
Average pay increase per annum	12%	8%

The company assumes that salaries will increase at a real rate of 12% (2020 :8%) per annum above inflation rate

23.2.2 Amount recognised in profit or loss in respect of these defined benefit plans are as follows:

	₦'000	₦'000
Current service cost	23,539	22,516
Interest on obligation	13,443	19,002
Interest return on plan assets	(14,962)	(22,152)
	22,020	19,366

The expense for the year is included in the retirement benefits expense in administration expenses.

NCR (NIGERIA) PLC

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

Defined benefit plan (Cont'd)

	2021	2020
	₦'000	₦'000
23.2.3 Amount recognised in other comprehensive income		
Actuary loss on liability due to change in financial assumptions	(20,212)	11,865
Actuarial gains/(loss) on liability due to experience adjustments	9,298	(14,796)
Actuarial losses on plan assets during the year	13,163	18,594
Actuarial loss recognised in OCI net of deferred tax	2,249	15,663

During the year, deferred tax asset of N4.7 million (2019: N13.6 million) on actuarial losses for the year was not recognized due to the fact that the entity made loss in the current and it is not probable that the entity will make profits in the future.

23.2.4 The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

Present value of funded defined benefits obligation	(174,843)	(170,107)
Fair value of plan asset	200,232	184,538
Net defined benefit assets	25,389	14,431

The net benefit asset arising from the defined benefit obligation and the plan asset represents present value of economic benefit available in form of reduction in future contribution. Management has assessed if there is asset ceiling by comparing the present value of those future benefits with the surplus in the defined benefit plan. The latter was lower than the former, hence no need for asset ceiling.

23.2.5 Reconciliation of amount reported on the statement of financial position

Balance sheet asset - opening balance	14,431	22,494
Total amount charge/recognised in profit or loss	(22,020)	(19,366)
Employer contribution	35,227	21,653
Benefit paid directly by the company	-	5,313
Total amount recognised in other comprehensive income	(2,249)	(15,663)
	25,389	14,431

23.2.6 Changes in the defined benefit obligation during the year

Defined benefit obligation - opening balance	170,107	136,833
Current service cost	23,539	22,516
Interest cost	13,443	19,002
Benefit paid by fund	(21,332)	
Benefit paid by employer		(5,313)
Actuarial (gains)/loss due to assumption changes	(20,212)	11,865
Actuarial (gains)/loss due to experience adjustments	9,298	(14,796)
	174,843	170,107

NCR (NIGERIA) PLC

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

24 Employees Information

- 24.1 The average number of persons employed full time by the Company during the year, excluding Directors were as follows:

	2021 Number	2020 Number
Employees		
Controllership	7	7
Financial Service Group	3	3
Worldwide Customer Services	131	89
Professional Services	12	17
Interactive Printers Solutions		
	153	116

24.2 Salaries & wages

	N'000	N'000
Salaries and wages including staff bonuses	681,882	666,180
Contributions to pension scheme	35,227	63,166
	717,109	729,346

Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

	Number	Number
420,001 – 900,000		
900,001 – 2,000,000	25	27
2,000,001 – 4,000,000	100	60
4,000,001 – 6,000,000	9	10
6,000,001 – 8,000,000	10	12
Above 8,000,001	9	7
	153	116

25 Related Party Transactions

The Company's related parties include its ultimate parent, and key management personnel. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

25.1 Ultimate controlling party - NCR Corporation USA

NCR Corporation USA holds 61.76% of the Company's equity and it is the ultimate controlling party.

NCR (NIGERIA) PLC

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

25.2 Nature of related party transaction

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

The company also transacts with fellow subsidiaries in respect of exchange of spare parts and other service functions.

Purchase of goods	₦'000	₦'000
NCR Global Solution - hardware	1,748,455	2,884,851
Other related parties	289,632	231,451
	<u>2,038,087</u>	<u>3,116,302</u>

25.3 Related party outstanding balance

Analysis of the outstanding to/from holding company and fellow subsidiaries at the reporting date are

25.3.1 Due to related parties

NCR Global Solution Enterprise*	4,331,552	5,614,182
NCR GSL		52,753
NCR JEBEL ALI	252,863	225,700
NCR Pakistan	21,876	25,394
NCR UK	1,287	
NCR Greece	131	
NCR ESLC BV	11,766	3,924
NCR Middle East	1,470	596
NCR US AREA	9	28,036
NCR CYPRUS	20	4,764
NCR Corporation		9,271
NCR WSPC Peachtree	209	295
Other related companies		830
	<u>4,621,184</u>	<u>5,965,745</u>

*NCR Global Solutions related party outstanding balances was modified in year 2020 that gave rise to a net fair value loss on non-current intercompany payables of N357.198 million recognized in the profit or loss account.

NCR (NIGERIA) PLC

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

	2021 ₦'000	2020 ₦'000
25.3.2 Due from related parties		
NCR Ghana	39,657	37,913
NCR Global Solutions		307,687
NCR Solutions (ME) LLC	5,831	5,781
NCR United Kingdom	1,944	5,242
NCR South Africa	2,233	2,216
NCR Kuwait	1,440	-
NCR Greece	1,749	-
NCR Lebanon	4,675	-
NCR France	1,204	5,160
Other related companies	1,390	3,681
	60,123	367,680
Provision for expected credit loss	-	(3,815)
	60,123	363,865

Due from related parties arises as a result of support services rendered by the Company for implementation and installation requiring special engineering expertise as well as cost of shipping service parts to meet urgent customer demands by related parties.

Due to related parties arise as a result of purchase of ATM machines from related parties. Related parties transactions are on the same terms as third party payables and receivables.

The above entities are all affiliates of NCR Corporation USA, the entity's parent Company and ultimate controlling party. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. ECL on intercompany receivables has been calculated in line with IFRS 9. There are no outstanding loans to key management personnel as at the reporting date.

25.4 Key management personnel

The directors (both executive and non-executive) and key management personnel are

Otunba Adekunle Ojora OFR, CON, FNIM, JP	Chairman
Christiana Nnawo Yisa	Country Manager/CEO - Executive Director
Michael Vallier	Non-Executive Director
Matthew Akinlade FCA	Independent Non-Executive Director
Louise Georgiou	Non-Executive Director

The table below shows the number of Directors of the Company (excluding the Chairman) whose emoluments during the year, excluding pension contributions, fell within the bands shown below:

Employees	Number	Number
1,000,000 – 2,000,000	1	1
2,000,000 and above	1	1
	2	2

NCR (NIGERIA) PLC

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONT'D)

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2021 ₦'000	2020 ₦'000
Fees	2,500	2,500
Short term benefits	53,475	53,475
Post employment benefits	5,771	5,771
	59,246	59,246
Chairman	1,500	1,500
Highest paid director	54,731	54,731

26 Commitments and Contingencies

The directors believe all known commitments and liabilities which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of these financial statements.

Advance payment guarantee

The company had an Advance Payment Guarantee of ₦184.7 million as at 31 December 2021 from a Bank in favour of a customer for the supply and upgrade of Automated Teller Machines (2020: ₦554.61 million).

27 Events After The Reporting Date

There are no significant events after the reporting date which could have a material effect on the state of affairs of the Company as at 31 December 2021 that have not been adequately provided for or disclosed in the financial statements. However, the Coronavirus (Covid-19) outbreak caused significant disruption to the society and is still impacting the Company, its employees and customers.

On the business operations, adequate continuity plans have been put in place to address all business needs as much as feasible in line with various government regulations/restrictions and Customers requirement and essential employees for meeting up with the operational needs have been adequately equipped, instructed and provided with relevant protective tools and with the availability of vaccine, we are hopeful of accelerated economic revival

28 Authorization of Financial Statements

The financial statements for the year ended 31 December 2021 were approved by the board of directors on **28 March 2022**.

OTHER NATIONAL DISCLOSURES

NCR (NIGERIA) PLC

**STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021		2020	
	₦'000	%	₦'000	%
Revenue	2,540,792		5,125,508	
Bought materials and services	(1,461,605)		(4,533,096)	
Value Added	1,079,187	100	592,412	100
Applied as follows:				
To Pay Employees:				
Salaries, wages and other benefits	717,109	66	729,346	123
To Pay Government:				
Income and education taxes	309,928	29	92,345	16
Assets Replacement Provision:				
Depreciation	44,598	4	61,850	10
To Provide for the Future:				
Retained profit/(loss)	7,552	1	(291,130)	(49)
	1,079,187	100	592,412	100

Value added represents the wealth created through the efforts of the company, the company, its management and employees. The statement shows the distribution of the generated wealth amongst employees, the government, providers of capital, assets replacement provisions and amount retained for future creation of wealth.

NCR (NIGERIA) PLC

5 YEARS FINANCIAL SUMMARY

	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
Statement of Financial Position					
Assets Employed					
Non-current assets	66,238	536,923	584,388	1,063,099	1,114,673
Current assets	5,062,186	5,857,099	7,841,253	8,696,492	7,654,764
Total Assets	5,128,424	6,394,023	8,425,641	9,759,591	8,769,437
Financed By					
Share capital	54,000	54,000	54,000	54,000	54,000
Other reserves	(90,477)	(88,228)	(72,565)	(27,286)	(37,083)
Retained loss	(802,377)	(809,929)	(518,799)	430,863	426,806
Noncurrent liabilities	2,583,097	3,203,771	2,846,573	2,842,590	5,788,599
Current liabilities	3,384,181	4,034,408	6,116,432	6,459,424	2,537,115
Total Equity & Liabilities	5,128,424	6,394,023	8,425,641	9,759,591	8,769,437
Statement of Profit or Loss					
Revenue	2,540,792	5,125,508	6,067,675	6,621,647	6,907,926
Profit/(Loss) before tax	317,480	(198,785)	(56,497)	69,907	620,042
Income tax expense	(309,928)	(92,345)	(893,165)	(44,000)	(469,374)
Profit/(Loss) for the year	7,552	(291,131)	(949,662)	25,907	150,668
Per Share Data {in NGN}					
Earnings/Loss per share	0.07	(2.70)	(8.79)	0.24	1.40
Total assets per share	170.95	213.13	280.85	325.32	292.31

The calculation of Earning Per Share (EPS)/LPS and Total Asset Per Share for each of the years are based on the Ordinary Share Capital in issue on each period end date.