

AFROMEDIA PLC

Registration number RC 2027

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



SIAO - Accomplish More

(Chartered Accountants)

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Afromedia Plc

(Registration number RC 2027)

Annual Report and Financial Statements for the year ended 31 December 2021

General Information

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	The principal activity of the company is outdoor advertising which consist of advertising in airports, street furniture and bill boards.
Directors	Alhaji Lateef Akande Bakare - Chairman (Independent Non- Executive Director) Otunba Akinlola Ireunmi Olopade - Group Managing Director / CEO Engr. Patrick Osita Nwabunie - Group Deputy Managing Director Mr Kabir Usman - Independent Non- Executive Director Mr Olajide Shokunbi - Non Executive Director
Registered office	Kilometer 21, Badagry Expressway, Araromi, Ajangbadi, P. O. Box 2377, Marina, Lagos, Nigeria Tel: +234-1-8980017
Business address	39, Ladipo Bateye Street, GRA, Ikeja, Lagos.
Secretary	Lexworth Legal Partners 3rd Floor, Wing A, Lofty Heights Office Complex, Bola Hussain Close, Lekki Phase I, Lagos, Nigeria www.lexworthlegal.com
Website	www.afromediapl.com
Registrar and Transfer office	Crescent Registrars Limited OFFICE 23, Olusoji Idowu Street, Ilupeju, Lagos
Auditors	SIAO Partners (Chartered Accountants) 18b Olu Holloway Road, P.O. Box 55461, Falomo, Ikoyi, Lagos Website: www.siao-ng.com Email: enquiries@siao-ng.com
Bankers	Access Bank Plc Ecobank Nigeria Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Keystone Bank Limited Polaris Bank Limited Stanbic IBTC Bank Plc Standard Chartered Bank Limited Sterling Bank Plc United Bank for Africa Plc Zenith Bank Plc

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Financial Highlights

1. Statement of Financial Position

Assets	31 December 2021 N'000	31 December 2020 N'000	Change N'000	Change %
Non-Current Assets	1,127,758	1,140,778	(13,020)	(1.14)
Current Assets	623,216	950,640	(327,424)	(34.44)
<hr/>				
Non-Current Liabilities	3,600,900	124,399	3,476,501	2,794.64
Current Liabilities	1,368,489	5,329,671	(3,961,182)	(74.32)
<hr/>				
Equity				
Share capital	2,219,524	2,219,524	-	-
Reserves	2,853,605	2,853,605	-	-
Share premium	537,754	537,754	-	-
Retained (Loss)	(8,829,298)	(8,973,535)	(144,237)	(1.61)

2. Statement of Profit or Loss and Other Comprehensive Income

Revenue	322,976	347,001	(24,025)	(6.92)
Profit before taxation	177,185	492,915	(315,730)	(64.05)
Profit from continuing operations after taxation	144,237	544,927	(367,742)	(67.48)

3. Earnings per share

Per share information				
Basic earnings per share (N)	0.03	0.12	-	-

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Audit Committee Report

1. External auditor

The audit committee has recommended to the Board the appointment of SIAO Partners as the independent auditor and Mr. Abiodun Ariyibi as the designated partner, who is a registered independent auditor, for appointment of the 2021 audit.

The committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies and Allied Matters Act of Nigeria, 2020 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies and Allied Matters Act of Nigeria, 2020 that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

2. Annual Report and Financial Statements

In compliance with Section 404 (7) of the Companies and Allied Matters Act, 2020, we have exercised our statutory functions and have examined the Auditors Report for the period ended 31 December 2021 and hereby state the following:

✓ We have examined the scope and planning of the audit for the period ended 31 December 2021 which was adequate in our opinion.

✓ We have reviewed the auditors Management letter for the period ended 31 December 2021 as well as the Management responses there on.

✓ The internal control has been constantly and effectively monitored.

✓ We also ascertained the accounting and reporting policies of the Company for the period ended 31 December 2021 are in accordance with legal requirement and ethical practice.

In our opinion, the scope and planning of the audit for the period ended 31 December 2021 was adequate and management's response to Auditors' finding thereon was satisfactory.

On behalf of the audit committee



Mr, Benjamin Adedigba
Chairman Audit Committee
FRC/2015/ICAN/00000010983

Other members are

Mrs Elizabeth Gbegbaje	Member
Alh. Kabir Usman	Member
Mr Olajide Shokunbi	Member

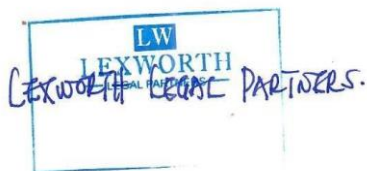
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Annual Report and Financial Statements for the year ended 31 December 2021

Company Secretary's Certification

I declare that, to the best of my knowledge, the company has lodged with the Commissioner of Companies all such returns as are required of a public company in terms of the Companies and Allied Matters Act, 2020, and that all such returns are true, correct and up to date.



Company Secretary
Lexworth Legal Partners
FRC/2020/002/00000020748

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Annual Report and Financial Statements for the year ended 31 December 2021

Directors' Report

The directors have the pleasure in submitting their report on the annual report and financial statements of Afromedia Plc for the year ended 31 December 2021.

1. Incorporation

The company was incorporated on 28 October 1959 and obtained its certificate to commence business on the same day.

The company is domiciled in Nigeria where it is incorporated as a public limited liability company limited by shares under the Companies and Allied Matters Act, 2020. The address of the registered office is set out on page 1.

2. Nature of business

Afromedia Plc was incorporated in Nigeria with interests in the Services industry. The company operates in Nigeria.

The principal activities of the company is outdoor advertising which consist of advertising in airports, street furniture and bill boards. There was no change in the nature of business of the Group during the year

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual report and financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, 2020. The accounting policies have been applied consistently compared to the prior period.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual report and financial statements.

4. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

Given the current state of the global economic environment, the board of directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board of directors has resolved not to declare a dividend for the financial year ended 31 December 2021.

5. Share capital

Authorised Ordinary shares			2021	2020	
			Number of shares	Number of shares	
			5,000,000	5,000,000	
Issued Ordinary shares		2021	2020	2021	2020
		₦'000	₦'000	Number of shares	Number of shares
		2,219,524	2,219,524	4,439,046,986	4,439,046,986

There have been no changes to the authorised or issued share capital during the year under review.

6. Directors' interests in shares

As at 31 December 2021, the directors of the company held direct and indirect beneficial interests of 27% (2020: 27%) in its issued ordinary shares, as set out below.

The Directors in the issued Share Capital of the Company as recorded in the Members' Register and as modified by them for the purpose of section 301 of the Companies and Allied Matters Acts, 2020 are as follow:

Interests in shares

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Directors' Report

Directors	2021 Direct	2020 Direct	2021 Indirect	2020 Indirect
Otunba Akinlola Ireunmi Olopade Group Managing Director/CEO FRC/2013/APCON/00000005577	628,692,900	628,692,900	88,000,000	88,000,000
Engr. Patrick Osita Nwabunie - Group Deputy Managing Director	434,698,448	434,698,448	55,000,000	55,000,000
	1,063,391,348	1,063,391,348	143,000,000	143,000,000

The register of interests of directors and others in shares of the company is available to the shareholder on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

7. Analysis of shareholding

According to the Register of Members, the following shareholders held more than 5% of the ordinary shares of the Company as at reporting date.

	2021	2020
Otunba Akinlola Ireunmi Olopade	14.16	14.16
Engr. Patrick Osita Nwabunie	9.79	9.79
Partnership Inv. Co/ Ecobank Nigeria Limited	8.57	8.57
Estate of Rev. Iretunde Olopade	10.66	10.66
Estate of Chief J.O. Nwabunie	12.25	12.25
	55.43	55.43

8. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Nationality
Mr Lateef Akande Bakare Chairman (Independent non-executive Director)	Chairperson - Independent Non- Executive Director	Nigerian
Otunba Akinlola Ireunmi Olopade Group Chief Executive Office	Group Managing Director/CEO	Nigerian
Engr. Patrick Osita Nwabunie - Group Deputy Managing Director	Group Deputy Managing Director	Nigerian
Mr Kabir Usman - Independent Non- Executive Director	Independent Non-Executive Director	Nigerian
Mr Olajide Shokunbi - Non Executive Director	Non-Executive Director	Nigerian

9. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

10. Employment of Physically Challenged Employees

The Company does not currently employ any physically challenged person. However, the Company keeps an open employment opportunity to physically challenged persons as part of its social responsibility and does not discriminate against any person on the grounds of physical disability.

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Annual Report and Financial Statements for the year ended 31 December 2021

Directors' Report

11. Employment Involvement

The Company places considerable value on the involvement of its employees in major policy matters and maintains an effective communication with all employees who, subject to practical considerations, are consulted on and involved in decisions that affect their current jobs or future prospects. The Company accordingly holds regular staff meetings to discuss the Company's day to day operations, business focus and staff welfare issues.

12. Health, Safety at Work and Welfare of Employees

The Company places a high premium on the health, safety and welfare of its employees at the place of work. All efforts are geared towards providing a safe and conducive working environment for employees. To this end, there is a health and safety policy supported by systems and procedures for ensuring that safe working practices are followed in the performance of all Company functions. In addition, medical facilities at specified limits are provided to confirmed employees at the Company's expense.

13. Training and Development

Training courses are geared towards the developmental needs of staff and the improvement in their skill sets to face the increasing challenge required for better performance on their jobs. The Company ensures that staff receives continuous on-the-job training and also attend both local and foreign training courses and conferences.

14. Directors' interests in contracts

For the purpose of section 303 of the Companies and Allied Matters Act 2020, during the financial year, no contracts were entered into which directors or officers of the company had a direct or indirect interest and which significantly affect the business of the company.

15. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 December 2021 the company's investment in property, plant and equipment amounted to ₦1,101,061,000 (2020: ₦1,113,506,000), of which ₦84,163,000 (2020: ₦1,299,000) was added in the current year through additions.

16. Donations

There was no donation made to any charitable homes during the period ended 31 December, 2020 (2019: Nil).

17. Events after the reporting period

There were no significant events after the financial position date which could have a material effect on the financial position of the company as at 31 December 2021 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

18. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual report and financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

19. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

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Annual Report and Financial Statements for the year ended 31 December 2021

Directors' Report

20. Impact of COVID-19

Executive Summary:

The Coronavirus (COVID-19) pandemic continued its far-reaching impact on all sectors of the global and Nigerian economy. The spread has grounded economic activities and the advertising sector is not isolated from it.

21. Secretary

The company secretary is Lexworth Legal Partners
3rd Floor, Wing A, Lofty Heights Office Complex, Bola Hussain Close, Lekki Phase I, Lagos,
Nigeria
www.lexworthlegal.com.

22. Date of authorisation for issue of financial statements

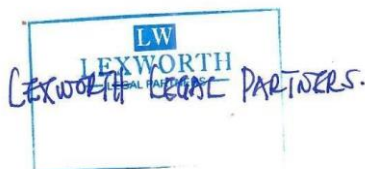
The annual report and financial statements have been authorised for issue by the directors on Monday, 28 March 2022. No authority was given to anyone to amend the annual report and financial statements after the date of issue.

23. Terms of appointment of the auditors

Included in profit for the year is the agreed auditor's remuneration of N.4,000,000. Shareholders wishing to inspect a copy of the terms on which the company's auditor is appointed and remunerated may do so by contacting the Company Secretary. The Auditors SIAO (Chartered Accountants) have indicated their willingness to continue in office as auditors in accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020, a resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration.

The annual report and financial statements set out on pages 16 to 64, which have been prepared on the going concern basis, were approved by the board of directors on 29 March, 2022. , and were signed on its behalf by:

Approval of annual report and financial statements



Lexworth Legal Partners
Executive
FRC/2020/002/00000020748
Monday, 28 March 2022

Afromedia Plc

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Annual Report and Financial Statements for the year ended 31 December 2021

Directors' Responsibilities and Approval

The Companies and Allied Matters Act of Nigeria, 2020 and the Financial Reporting Council of Nigeria Act 2011 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 the year and of its profit for that period.

In preparing those accounts, the Directors are required to:

- ✓ Keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020;
- ✓ Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities;
- ✓ Prepare its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and 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 International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria Act, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Company and of its profit. 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.

The external auditors are responsible for independently auditing and reporting on the company's annual report and financial statements. The annual report and financial statements have been examined by the company's external auditors and their report is presented on pages 12 to 15.

The annual report and financial statements set out on pages 6 to 63, which have been prepared on the going concern basis, were approved by the board of directors on 29 March, 2022 and were signed on their behalf by:

Signed on behalf of the Board of Directors By:



Otunba Akinlola Ireunmi Olopade
Group Managing Director/CEO
FRC/2013/APCON/00000005577



Mr Lateef Akande Bakare
Chairman (Independent Non-Executive Director)
FRC/2020/002/000000204615

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Annual Report and Financial Statements for the year ended 31 December 2021

CERTIFICATION PURSUANT TO SECTION 405 OF CAMA 2020

We the undersigned, hereby certify the following with regards to our Audited Financial Statements for the period ended 31 December 2021 that:

a. We have reviewed the report;

To the best of our knowledge, the report does not contain:

- i. Any untrue statement of a material fact, or
- ii. Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements are made;

b. To the best of our knowledge, the financial statement and other financial information included in this report fairly represent in all material respects the financial condition and results of operation of the Company as of, and for the periods presented in this report.

c. We:

- Are responsible for establishing and maintaining internal controls
- Have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within the entity particularly during the period in which the periodic reports are being prepared;
- Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

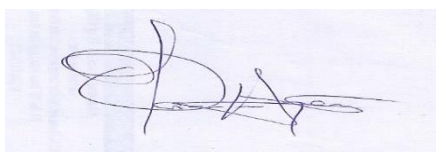
d. We have disclosed to the auditors of the Company:

- i. All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
- ii. Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Managing Director



Head of Finance

Independent Auditor's Report

To the shareholders of Afromedia PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Afromedia Plc, which comprise the statement of financial position as at December 31, 2021, and the statement of 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, the financial position as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) applicable and in the manner required by the Financial Reporting Council Act, 2011 and Companies and Allied Matters Act, 2020.

The financial statements give a true and fair view of the financial position of **Afromedia PLC** as at December 31, 2021 and of its financial performance and cash flows for the year then ended in accordance with Companies and Allied Matters Act, 2021, International Financial Reporting Standards (IFRSs) as applicable and in the manner required by the Financial Reporting Council Act, No. 6, 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Company Financial Statements as part of this report. We are independent of the Company in accordance with the ICAN ethical requirements together with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the Financial Statements. Therefore, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

The Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Company Financial Statements as at and for the year ended December 31, 2021. These matters were addressed in the context of our audit of the Company Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Material Uncertainty related to Going Concern

We draw our attention to note to the financial statements which indicate that as at 31st December, 2021, the company accumulated loss is **₦8.829 billion** (2020: **₦8.974 billion**), the company current liabilities exceed its current assets by **₦745 million** (2020: **₦4.379 billion**) while the company's total liabilities exceed total assets by **₦3.218 billion** (2020: **₦3.362 billion**). This condition with declining revenue indicates material uncertainty which may cast significant doubt on the company ability to continue as a going concern. Our opinion is not modified in respect of this matter.

How our audit addressed the Key Audit Matter.

The procedures performed on the revenue recognition included:

- We review the company's strategic plan, board minutes and budget.
- We conducted substantive analytical procedures on revenue
- We interviewed the top management on the plan to increase revenue and improve the groups working capital



We therefore stated that information disclosed by the Management in these Financial Statements on revenue are in agreement with the underlying documents and consistent with the Company going concern principle.

Revenue recognition

For the financial period ended December 31, 2021, the Company revenue amounted to **N323million** being incomes from Afromedia advert Transit Unit and Road Side Unit advert. Management data review indicated that Road Side Unit advert revenue accounted for 100% of the total revenue recorded in the financial statements for the period.

Revenue is recognized when the services were successfully delivered to the third party in line with the terms of agreement.

How our audit addressed the Key Audit Matter.

The procedures performed on the revenue recognition included:

- We tested controls over Company's information technology on revenue;
- We conducted substantive analytical procedures on revenue;
- We obtained on a sample basis, contract and documentation on revenue and
- Scrutinized manual journals related to revenue to assess the timing and fair values of revenues recorded.

We therefore stated that information disclosed by the Management in these Financial Statements on revenue are in agreement with the underlying documents and consistent with the Company revenue recognition policy.

Cost of sales and operating expenses

For the financial period ended December 31, 2021, Management reported the sum of **N228.855million and N292.307million** as cost of sale and operating expenses respectively on the services for the period under review. Additional data made available indicated that, cost of sale relates to the cost that directly relate to the advert service and operating expenses comprises of all associated costs including office expenses, consultancy and professional service fees and salary incurred on managing Afromedia Plc client service delivery.

The bases for the apportionment of overhead expenses are in compliance with the Company policy, in which the Management strictly adherence to for the preparation of these financial statements.

How our audit addressed the Key Audit Matter.

The audit procedures performed on the operating expenses included amongst others:

- Assessed the reasonableness of Management's assertions and bases of apportionment of common expenses;
- We tested the Management controls on vendors used/ acquired for service delivery;
- We reviewed the process of procurements for compliance with the Company policy and
- We checked on a sample basis the arithmetical accuracy of the data used by the Management for operating expenses.

Other Information in the Annual Report

The Directors are responsible for the Other Information as contained in these financial statements. The Other Information comprises all the information in the Company 2020 annual report other than Company Financial Statements and our auditor's report thereon.

Our opinion on the Company Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Company Financial Statements, our responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the Company Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Other Information; we are required to report that fact. However, we have nothing to report in this regard.



Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with the relevant provisions of the Companies and Allied Matters Act, 2020, International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and in compliance with the Financial Reporting Council Act, No 6, 2011 and for such internal controls as the Directors determine necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of Financial Statement

Our objectives are to obtain reasonable assurance about whether the Company 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. We report our opinion solely to you, as a body, in accordance with the provision of the Companies and Allied Matters Act, 2020 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Audit Standards (IASs) 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 Company Financial Statements.

As part of an audit in accordance with International Audit Standards (IASs), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Company Financial Statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Company 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;
- Evaluate the overall presentation, structure and content of the Company Financial Statements, including the disclosures, and whether the Company Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the Company Financial Statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely circumstances, we reasonably are expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Financial Reporting Council of Nigeria Act 2011, the Investment and Securities Act 2007, and the Companies and Allied Matters Act, 2020, we confirm that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- ii. the Company has kept proper books of account, so far as appears from our examination of those books.
- iii. the statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

**For: SIAO (Chartered Accountants)
Lagos, Nigeria.**



Abiodun Ariyibi
FRC/2013/ICAN/00000001548

Date 31st March 2022



Afromedia Plc

(Registration number RC 2027)

Annual Report and Financial Statements for the year ended 31 December 2021

Statement of Financial Position as at 31 December 2021

	Note(s)	2021 ₦. '000	2020 ₦. '000
Assets			
Non-Current Assets			
Property, plant and equipment	4	1,101,061	1,113,506
Intangible assets	5	5,947	5,936
Investments in subs	6	1,000	1,000
Investments at fair value	7	19,750	20,336
		1,127,758	1,140,778
Current Assets			
Trade and other receivables	9	615,058	807,615
Prepayments	10	4,780	49,717
Cash and cash equivalents	11	3,378	93,308
		623,216	950,640
Total Assets		1,750,974	2,091,418
Equity			
Share capital	12	2,219,524	2,219,524
Reserves	13	2,853,605	2,853,605
Share premium	12	537,754	537,754
Retained (Loss)	14	(8,829,298)	(8,973,535)
		(3,218,415)	(3,362,652)
Liabilities			
Non-Current Liabilities			
Financial liabilities at fair value	19	3,251,900	-
Retirement benefit obligation	15	243,125	43,398
Deferred tax	8	85,452	60,578
Provisions	16	20,423	20,423
		3,600,900	124,399
Current Liabilities			
Trade and other payables	17	986,207	1,709,921
Borrowings	18	-	3,152,303
Financial liabilities at fair value	19	50,000	40,123
Deferred income	20	119,696	185,904
Current tax payable	21	209,074	237,908
Dividend payable	22	3,512	3,512
		1,368,489	5,329,671
Total Liabilities		4,969,389	5,454,070
Total Equity and Liabilities		1,750,974	2,091,418

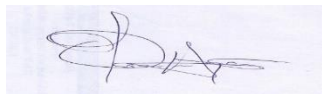
The annual report and financial statements and the notes on pages 6 to 62, were approved by the board of directors on the 29 March 2022 and were signed on its behalf by:



Otunba Akinlola Ireunmi Olopade
Group Chief Executive Office
FRC/2013/APCON/00000005577



Mr Lateef Akande Bakare
Chairman (Independent non-executive Director)
FRC/2020/002/000000204615



Mr Olaniyan Olanrewaju
Financial Controller
FRC/2014/ICAN/00000005622

The accounting policies on pages 20 to 35 and the notes on pages 36 to 62 form an integral part of the annual report and financial statements.

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2021 ₦. '000	2020 ₦. '000
Revenue	23	322,976	347,001
Cost of sales	24	(228,855)	(213,508)
Gross profit		94,121	133,493
Other operating income	25	375,374	502,054
Other operating expenses	26	(292,307)	(142,632)
Operating profit	27	177,188	492,915
Finance costs	30	(3)	-
Profit before taxation		177,185	492,915
Taxation	31	(32,948)	52,012
Profit for the year		144,237	544,927
Total comprehensive income for the year		144,237	544,927
Earnings per share			
Per share information			
Basic earnings per share (kobo)	33	0.03	0.12

The accounting policies on pages 20 to 35 and the notes on pages 36 to 62 form an integral part of the annual report and financial statements.

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Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Revaluation reserve	Retained (Loss)	Total equity
	₦. '000	₦. '000	₦. '000	₦. '000	₦. '000	₦. '000
Balance at 1 January 2020	2,219,524	537,754	2,757,278	2,853,605	(9,518,462)	(3,907,579)
Profit for the 12 months period	-	-	-	-	544,927	544,927
Total comprehensive income for the 12 months period	-	-	-	-	544,927	544,927
Balance at 1 January 2021	2,219,524	537,754	2,757,278	2,853,605	(8,973,535)	(3,362,652)
Profit for the year	-	-	-	-	144,237	144,237
Total comprehensive income for the year	-	-	-	-	144,237	144,237
Balance at 31 December 2021	2,219,524	537,754	2,757,278	2,853,605	(8,829,298)	(3,218,415)
Note(s)	12	12	12	13&32	32	

The accounting policies on pages 20 to 35 and the notes on pages 36 to 62 form an integral part of the annual report and financial statements.

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Statement of Cash Flows

	Note(s)	2021 ₦. '000	2020 ₦. '000
Cash flows from operating activities			
Cash (used in)/generated from operations	34	(72,738)	32,623
Finance cost		-	-
Tax received (paid)	21	(36,908)	(890)
Net cash from operating activities		(109,646)	31,733
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(84,163)	(1,299)
Purchase of other intangible assets	5	(6,180)	(9,078)
Sale of investments at fair value		589	-
Net cash from investing activities		(89,754)	(10,377)
Cash flows from financing activities			
Repayment of borrowings		(3,152,303)	-
Repayment of financial liabilities at fair value through profit (loss)		3,261,776	40,123
Finance costs		(3)	-
Net cash from financing activities		109,470	40,123
Total cash and cash equivalents movement for the year		(89,930)	61,479
Cash and cash equivalents at the beginning of the year		93,308	31,829
Total cash and cash equivalents at end of the year	11	3,378	93,308

The accounting policies on pages 20 to 35 and the notes on pages 36 to 62 form an integral part of the annual report and financial statements.

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Annual Report and Financial Statements for the year ended 31 December 2021

Accounting Policies

Corporate information

Afromedia Plc is a public limited company incorporated and domiciled in Nigeria.

The annual report and financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors .

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual report and financial statements are set out below.

1.1 Basis of preparation

The annual report and financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual report and financial statements and the Companies and Allied Matters Act, 2020.

The annual report and financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Nairas, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Segmental 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 steering committee that makes strategic decisions.

The basis of segmental reporting has been set out in note 2

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less depreciation less any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - land	infinite

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

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Annual Report and Financial Statements for the year ended 31 December 2021

Accounting Policies

1.4 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Property, plant and equipment is subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset, net of deferred tax.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

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Accounting Policies

1.4 Property, plant and equipment (continued)

	%
Land Buildings	Nil
Hoardings (Steel) -	2
Conventional	
Tower	12.5
Fixtures & Fittings	5
Motor Vehicles	10
Plant, furniture and equipment -	25
Plant and machinery	
Office furniture, fixtures and fittings	20
Household furniture, fixtures and fittings	12.5
Office equipment	33.33
Refurbishment	25
	50

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Leasehold property

When the company holds property under a long term prepaid lease agreement, the lease is classified as a finance lease or an operating lease in accordance with the provisions of IAS 17 Leases. Refer to the accounting policy on leases. When these leases are classified as finance leases, the property is capitalised as leasehold property, and is depreciated over the lease term.

1.6 Site restoration and dismantling cost

The company has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period
- if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss.
- if the adjustment results in an addition to the cost of an asset, the entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount, and any impairment loss is recognised in profit or loss.

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:

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Accounting Policies

1.6 Site restoration and dismantling cost (continued)

- a decrease in the liability (subject to (b)) is credited in other comprehensive income and accumulated in the revaluation reserve in equity, except that it is recognised in profit or loss to the extent that it reverses a revaluation deficit on the asset that was previously recognised in profit or loss
- an increase in the liability is recognised in profit or loss, except that it is debited to other comprehensive income as a decrease to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in profit or loss.
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to profit or loss and to other comprehensive income under (a). If a revaluation is necessary, all assets of that class are revalued.

1.7 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.8 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or

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Accounting Policies

Financial instruments (continued)

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 35 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

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Accounting Policies

Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 9.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 26).

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 9) and the financial instruments and risk management note (note 35).

Derecognition

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Accounting Policies

Financial instruments (continued)

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 7. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the company may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments) , depending on their classification. Details of the valuation policies and processes are presented in note 36.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other non-operating gains (losses) when applicable.

Dividends received on equity investments are recognised in profit or loss when the company's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income.

Impairment

Investments in equity instruments are not subject to impairment provisions.

Investments in debt instruments at fair value through profit or loss

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Accounting Policies

Financial instruments (continued)

Borrowings and loans from related parties

Classification

Loans from shareholders (note 19) and borrowings (note 18) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 30.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 35 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 30).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 35 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

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Accounting Policies

Financial instruments (continued)

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss. Refer to note 19.

When a financial liability is contingent consideration in a business combination, the company classifies it as a financial liability at fair value through profit or loss. Refer to note 19.

The company, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss. Refer to note 19 for details.

Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses).

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the company's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (note 30).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The changes in fair value attributable to changes in own credit risk which accumulated in equity for financial liabilities which were designated at fair value through profit or loss are not reclassified to profit or loss. Instead, they are transferred directly to retained earnings on derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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Financial instruments (continued)

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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

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Accounting Policies

1.9 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessor

The company recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the company's net investment in the finance lease.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.11 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

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Accounting Policies

1.11 Impairment of assets (continued)

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

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Accounting Policies

1.13 Employee benefits (continued)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the company is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.14 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

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Accounting Policies

1.14 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

1.15 Revenue from contracts with customers

The company recognises revenue from the following major source:

- Provision of Road-side Advertisement: The road sides comprise the street furniture and billboard advertising
- and Provision of Transit Advertisement: The transit business comprises all the airport advertising

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

1.16 Turnover

Turnover comprises of service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.17 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy.

1.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

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Accounting Policies

1.18 Borrowing costs (continued)

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Nairas, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report and financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Nairas by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

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Accounting Policies

1.20 Significant judgements and sources of estimation uncertainty

The preparation of annual report and financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.21 Inventories

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

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories includes a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

1.22 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

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Notes to the Financial Statements

2. Segmental information

The company has identified year reportable segments which represent the structure used by the Exco to make key operating decisions and assess performance.

The company's reportable segments are operating segments which are differentiated by the activities that each undertake, products they manufacture and markets they operate in.

Specifically, the Group and the Company's reportable segments under IFRS 8 are as follows:

- ✓ Transit: The transit business comprises all the airport advertising
- ✓ Road Side: The road sides comprise the street furniture and billboard

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in relation to the profit or loss of the Group and the Company. Financing (including finance costs and finance income), central administration cost and income taxes are managed at corporate level and are not allocated to operating segments. This is the measure reported to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance. Segments results are as shown below:

These reportable segments as well as the products and services from which each of them derives revenue are set out below:

Reportable Segment	Products and services
Road-side Advertisement	The road sides comprise the street furniture and billboard advertising
Transit Advertisement	The transit business comprises all the airport advertising

2021

	Revenue		Separately disclosable items		
	Total segment revenue	Revenue from external customers	EBITDA	Administrative expenses	Other operating income
Road-side Advertisement	322,976	322,976	177,185	(291,533)	375,374
Profit before tax and discontinued operations			177,185		

2020

	Revenue		Separately disclosable items			
	Total segment revenue	Revenue from external customers	EBITDA	Administrative expenses	Other operating income	Taxation
Road-side Advertisement	346,001	346,001	492,915	(142,632)	502,054	52,012
Other	1,000	1,000	-	-	-	-
Total	347,001	347,001	492,915	(142,632)	502,054	52,012
Profit before tax and discontinued operations			492,915			

Information about customers

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Notes to the Financial Statements

	2021 N. '000	2020 N. '000
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2. Segmental information (continued)

Included in revenue from external customers is revenue from customers which each represent more than 10% of the total revenue from external customers a combine total of 69% of the total revenue:

	2021		2020	
	%	N.000	%	N.000
Guaranty Trust Bank Limited	29 %	95,000	34 %	116,250
First City Monument Bank Limited	32 %	101,900	25 %	85,440
Media Reach Limited	- %	-	10 %	35,079
Total		196,900		236,769

The revenue from Guaranty Trust Bank Pic, First City Monument Bank Limited and Media Reach Limited was derived from the Road Side reportable segment.

Segment assets and liabilities

The amounts provided to the steering committee with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Investments in shares held by the company and deferred tax assets are not considered to be segment assets and are not allocated to segments.

Capital expenditure reflects additions to non-current assets, other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts.

The amounts provided to the steering committee with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The company's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the company's treasury function.

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities as per the statement of financial position.

2021

	Investment in subsidiary	Held for sale investment	Total assets	Total liabilities
Road-side Advertisement	1,000	19,750	1,730,224	4,936,438
Total	1,000	19,750	1,730,224	4,936,438

Reconciling items

Unlisted investments	1,000	-
Held for sale investment	19,750	-
Total as per statement of financial position	1,750,974	4,936,438

2020

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Notes to the Financial Statements

	2021 ₦. '000	2020 ₦. '000		
2. Segmental information (continued)				
	Equity accounted investments	Capital expenditure	Total assets	Total liabilities
Road-side Advertisement	1,000	20,336	2,070,082	5,454,070
Total	1,000	20,336	2,070,082	5,454,070
Reconciling items				
Unlisted investments			1,000	-
Held for sale investment			20,336	-
Total as per statement of financial position			2,091,418	5,454,070

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standard and interpretations that is effective for the current financial year and that is relevant to its operations:

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

IFRS 16 provides relief to lessees from applying the IFRS 16 guidance on lease modification to rent concessions arising as a direct consequence of the covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from covid-19 related rentconcession the same way it would account for any change under IFRS 16, if the change were not a lease modification.

This amendment has no impact on the Company.

3.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2022 or later periods

Amendments to IAS 1

IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. The amendments are effective for annual periods beginning on or after January 1, 2023.

Amendments to IAS 12

IAS 12, "Income Taxes" implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test. The amendments are effective for annual periods beginning on or after January 1, 2023.

Amendments to IAS 37

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" 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). The amendments are effective for annual periods beginning on or after January 1, 2022.:

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Notes to the Financial Statements

4. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	797,967	(34,123)	763,844	894,526	(120,182)	774,344
Plant and machinery	82,990	(75,274)	7,716	83,137	(74,924)	8,213
Furniture and fixtures	234,216	(231,292)	2,924	234,069	(231,014)	3,055
Motor vehicles	156,311	(156,238)	73	156,311	(156,238)	73
Hoarding	593,139	(268,814)	324,325	507,738	(183,334)	324,404
Decommission Cost on Hoarding	8,438	(6,259)	2,179	8,438	(6,259)	2,179
Other property, plant and equipment	-	-	-	1,238	-	1,238
Total	1,873,061	(772,000)	1,101,061	1,885,457	(771,951)	1,113,506

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Notes to the Financial Statements

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Reclassification n	Depreciation	Total
Buildings	774,344	-	-	(10,500)	763,844
Plant and machinery	8,213	(147)	-	(350)	7,716
Furniture and fixtures	3,055	147	-	(278)	2,924
Motor vehicles	73	-	-	-	73
Hoarding	324,404	-	85,401	(85,480)	324,325
Decommission Cost on Hoarding	2,179	-	-	-	2,179
Other property, plant and equipment	1,238	(1,238)	-	-	-
	1,113,506	(1,238)	85,401	(96,608)	1,101,061

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Buildings	787,468	-	(13,124)	774,344
Plant and machinery	7,016	1,197	-	8,213
Furniture and fixtures	3,369	102	(416)	3,055
Motor vehicles	73	-	-	73
Hoarding	426,256	-	(101,852)	324,404
Decommission Cost on Hoarding	2,179	-	-	2,179
Work In Progress	1,238	-	-	1,238
	1,227,599	1,299	(115,392)	1,113,506

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings 18:

Land and buildings	763,844	774,344
Fixed and floating charge on the land for the standard chartered bank loan		

Depreciation rates

Depreciation is provided on a straight line basis to write off the cost over their estimated useful lives at the following annual rates

	%
Land and Buildings	2
Hoardings (Steel) -	
Convention	12.5
Tower	5
Fixtures % Fittings	10
Motor Vehicles	25
Plant, furniture and equipment-	
Plant & Machiner	20
Office furniture, fixtures and fittings	12.5
Household furniture, fixtures and fittings	33.33
Office Equipment	25
Refurbishment	50

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4. Property, plant and equipment (continued)

Revaluations

The company's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of the land and buildings differs materially from their fair value.

The fair value measurements as of were performed by Messrs Femi Arayela & Co., FRC/2018/NIESV/00000017965, independent valuers not related to the company. Messrs Femi Arayela & Co. are members of the Institute of Valuers and they have the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

Land and building	763,844	774,344
-------------------	---------	---------

5. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	12,116	(6,169)	5,947	5,936	-	5,936

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software, other	5,936	6,180	(6,169)	5,947

6. Interests in subsidiaries

Name of company	Held by	% voting power 2021	% voting power 2020	Carrying amount 2021	Carrying amount 2020
Afromedia Africa Proprietary Limited	Afromedia Plc	100.00 %	100.00 %	1,000	1,000

7. Investments at fair value

Investments held by the company which are measured at fair value, excluding debt instruments measured at fair value through other comprehensive income are as follows:

Equity investments at fair value through other comprehensive income	19,750	20,336
---	--------	--------

Equity investments at fair value through other comprehensive income:

Listed shares	19,750	20,336
	19,750	20,336

Split between non-current and current portions

Non-current assets	19,750	20,336
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Fair value information

Refer to note 36 Fair value information for details of valuation policies and processes.

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	2021 ₦. '000	2020 ₦. '000
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7. Investments at fair value (continued)

Risk exposure

The investments held by the company expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 35 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

Equity instruments at fair value through other comprehensive income

The specific investments which are measured at fair value through other comprehensive income are as follows:

Investments held at reporting date

	2021	2021	2020	2020
	Fair value	Dividends received	Fair value	Dividends received
(Investment quoted on the Nigerian Stock Exchange).	19,750	-	20,336	-

Initial adoption of IFRS 9

IFRS 9 Financial Instruments was adopted in the current year and replaces IAS 39. This note reflects the application of IFRS 9 to the specified instruments. Prior year figures have not been restated. Refer to the "other financial assets" note for disclosure of the comparative figures in accordance with IAS 39.

8. Deferred tax

Deferred tax liability

Deferred tax liability	(85,452)	(60,578)
------------------------	----------	----------

Deferred tax asset

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(85,452)	(60,578)
------------------------	----------	----------

Reconciliation of deferred tax asset / (liability)

At beginning of year	(60,578)	(120,260)
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	(24,874)	59,682
	(85,452)	(60,578)

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

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	2021 ₦. '000	2020 ₦. '000
9. Trade and other receivables		
Financial instruments:		
Trade receivables	83,991	38,103
Loss allowance	(18,162)	(16,935)
Trade receivables at amortised cost	65,829	21,168
Other receivables	542,064	626,227
Staff debtors	7,165	160,220
Total trade and other receivables	615,058	807,615

Split between non-current and current portions

Current assets	615,058	807,615
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Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	615,058	807,615
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Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The average credit period on trade receivables is 695 days (2020: 673 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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	2021 ₦. '000	2020 ₦. '000
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9. Trade and other receivables (continued)

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2021	2021	2020	2020
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 0%	-	-	5,767	-
91 - 120 days past due	44,376	-	5,788	-
More than 180 days past due	1,198	-	1,010	-
More than 270 days past due	7,500	-	2,369	-
More than 365 days past due	30,917	(18,162)	23,169	(16,935)
Total	83,991	(18,162)	38,103	(16,935)

Exposure to currency risk

The net carrying amounts, in Naira, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Naira by converting the foreign currency amount at the closing rate at the reporting date.

Naira Amount

Naira	615,058	807,615
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Fair value of trade and other receivables

Refer to note 36 Fair value information for the fair value of trade and other receivables.

Other receivables

Import receivable represents advance payment to supplier for the importation of property, plant and equipment (digital bill boards). The property, plant and equipment have not been supplied as at 31 December 2020. The supply was stalled due liquidity challenges experienced by the company to advance the total and final payment required for the production of those imported items. However, arrangement has been made with the supplier to send the items in piece meal not until the whole order is completed.

Advance Import Deposit	-	84,164
WHT Receivable (No C/N)	140,513	140,513
W.H.T. Receivable	401,551	401,551
	542,064	626,228

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	2021 ₦. '000	2020 ₦. '000
10. Prepayments		
Legal/other prof. fees prepaid	-	20,981
Other debit balances	-	2,800
Concession fee	-	250
Agency commission	-	21,061
Employee Share Ownership Plan *	250	250
Rent and Rate Prepaid	4,375	4,375
Medical expenses	155	-
	4,780	49,717

*This represents 125,000 units of ordinary shares of N2 each in the share capital of the company for the benefit of the employees who are beneficiaries of the Employee Share Ownership scheme.

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2	48
Bank balances	3,376	93,260
	3,378	93,308

Exposure to currency risk

Naira amount

Naira	2,446	92,424
US Dollar	619	884
Pound	313	-
	3,378	93,308

Foreign currency amount

US Dollar	619	884
Pound	313	-

The following closing exchange rates were applied at reporting date:

Naira per unit of foreign currency:

US Dollar	412.990	400.330
Pound	556.421	-

12. Share capital

Authorised

5000000000 Ordinary shares of 50K each	2,500,000	2,500,000
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There was no changes in authorised share capital as at 31st December 2020.

Issued

4,439,046,986 ordinary shares of 50k each	2,219,524	2,219,524
Share premium	537,754	537,754
	2,757,278	2,757,278

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	2021 ₦. '000	2020 ₦. '000
13. Revaluation reserve		
	2,853,605	2,853,605

Other reserve represents the net surplus on revaluation of the Company's hoardings, land and buildings. Prior to the adoption of IFRS, the Company's hoardings, land and building were revalued and the net surplus on revaluation of N2,312,618,000 was credited to an asset revaluation reserve account. Upon adoption of IFRS the deemed cost exemption was adopted in line with IFRS 1 which permitted hoardings, land and building assets to be measured at fair value on transition to IFRS. Thus the balance on revaluation reserve at transition was transferred to other reserve.

The fair value measurements as of Wednesday, June 27, 2018 were performed by Messrs Femi Arayela & Co., with FRC/2018/NIESV/00000017965 an independent valuer not related to the group. Messrs Femi Arayela & Co. are members of the Institute of Valuers and they have the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

14. Retained (Loss)

Opening balance	(8,973,535)	(9,518,462)
Net income for the period	144,237	544,927
	(8,829,298)	(8,973,535)

15. Retirement benefits

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(243,125)	(34,207)
Fair value of plan assets	-	(9,191)
	(243,125)	(43,398)

Movements for the year

Opening balance	43,398	44,135
Adjustment to opening balance	199,728	-
Benefits paid	-	(3,382)
Amount recognised in OCI	(3,205)	(272)
Net expense recognised in profit or loss	3,204	2,917
	243,125	43,398

Net expense recognised in profit or loss

Current service cost	1,848	1,267
Interest cost	1,356	1,650
	3,204	2,917

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	2021 ₦. '000	2020 ₦. '000
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15. Retirement benefits (continued)

Key assumptions used

Assumptions used on last valuation prepared by KMC Actuarial Services with FRC/2012/NAS/000000Q2392 On Thursday, 3 March 2022.

Discount rates used	12.51 %	6.65 %
Expected increase in salaries	12.00 %	12.00 %

Computation of liability was conducted using Projected Unit Method of Pension Valuation in line with IAS 19.

The weighted average liability duration of the Plan is 7.24 years. The average weighted duration of the closest Nigerian bond as at the valuation date, 31st December 2021, is the 7.32 term to maturity 14.55% FGN APR 2029 bond with a gross redemption yield of about 12.51% as at 31st December 2020. Mortality of members - A67/70 English Life tables

16. Provisions

Reconciliation of provisions - 2021

	Opening balance	Total
Provision for decommissioning	20,423	20,423

Reconciliation of provisions - 2020

	Opening balance	Total
Provision for decommissioning	20,423	20,423

The provision comprises the amount for dismantling of bill boards and other hoarding equipment.

17. Trade and other payables

Financial instruments:

Trade payables	170,052	276,599
Pay As You Earn (PAYE) and other statutory deduction	205,599	128,572
Salaries and wages	1,888	-
Accruals and provisions (see below for breakdown)	200,248	785,515
Value added tax	408,420	519,235
	986,207	1,709,921

Trade and other payable have short-term duration with no stated rates of interest. They are measured at original invoice amounts as the effect of discounting is not significant. Hence, the carrying amount is a reasonable approximation of the fair value.

Accruals and Provisions

Licensing fees	7,900	15,919
Director's expenses	54,662	500,332
Legal charges	-	9,848
Staff payable	71,700	175,991
Accrued Site Rents	17,147	37,600
Others	48,839	45,826
	200,248	785,516

* Others represent audit fees, secretariat fee and other professional charges.

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	2021 ₦. '000	2020 ₦. '000
17. Trade and other payables (continued)		
Fair value of trade and other payables		
The fair value of trade and other payables approximates their carrying amounts.		
18. Borrowings		
Held at amortised cost		
Secured		
Bank loan	-	3,152,303
Bank overdrafts were secured on the personal guarantee of the former Managing Director, Mr. Akin Ire Olopade and a fixed and floating charge on Afromedia Plc land and building in March 2010. The average floating interest rate is 18.5%.		
Unsecured		
Split between non-current and current portions		
Current liabilities	-	3,152,303
The loan from Standard Chartered Bank Limited is secured by property, plant and equipment and on the personal guarantee of the former Managing Director, Mr. Akin Ire Olopade. The average floating interest rate is 18.5%.		
The loan has remained stagnant as a result of concession by the Standard Chartered bank to stop charging interest pending the conclusion of a court case.		
Refer to Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 35 Financial instruments and financial risk management for the fair value of borrowings.		
19. Financial liabilities at fair value		
At fair value through profit (loss)		
Bank loan	3,126,075	-
Terms and conditions		
Other financial liability	175,825	40,123
Non interest shareholders loan of N142,962,747 by Otunba Akinlola Ireunmi Olopade to Afromedia PLC. (The loan was obtained by the company from its Director to enable it to manage its temporarily impaired business performance and its impact on the cash flow of the company).		
	3,301,900	40,123
The bank loan has remained stagnant because it is a subject of litigation against Standard Chartered Bank based on the discovery of overcharges in the account and also the frustration that led to the collapse/determination of the facility contract between the two parties.		
Split between non-current and current portions		
Non-current liabilities	3,251,900	-
Current liabilities	50,000	40,123
	3,301,900	40,123

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	2021 ₦. '000	2020 ₦. '000
20. Deferred income		
1 January	185,904	109,794
Deferred during the year	119,696	423,111
Released to the profit or loss	(185,904)	(347,001)
At 31 December	119,696	185,904
Non-current liabilities	-	-
Current liabilities	119,696	185,904
	119,696	185,904

The deferred revenue represents revenue received in advance in respect of advertisement from clients. Deferred revenue is subsequently recognised in the period that the service is delivered.

21. Tax refunded (paid)

Balance at beginning of the year	(237,908)	(231,128)
Current tax for the year recognised in profit or loss	(8,074)	(7,670)
Balance at end of the year	209,074	237,908
Tax paid during the period	(36,908)	(890)

22. Dividends paid

Balance at beginning of the year	(3,512)	(3,512)
Balance at end of the year	3,512	3,512
	-	-

The dividend payable represents unclaimed dividend that was returned by the Company's registrar in line with Nigerian Security and Exchange Commission directives.

23. Revenue

Revenue from contracts with customers

Transit Unit	-	1,000
Road Side Unit	322,976	346,001
	322,976	347,001

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

Rendering of services

Transit unit	-	1,000
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Other revenue

Roadside unit	322,976	346,001
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Total revenue

	322,976	347,001
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Timing of revenue recognition

At a point in time

Rendering of services	(322,976)	(347,001)
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	2021 N. '000	2020 N. '000
24. Cost of sales		
Agency fee	1,680	2,349
Hoarding advert permit fee	82,963	71,571
Commissions	43,422	25,921
Community Expenses	763	298
Depreciation and impairment	85,480	101,852
Hoarding Maintenance	14,547	11,517
	228,855	213,508
Rendering of services		
Agency fee	1,680	2,349
Permits/ fees		
Hoarding Permit fees	82,963	71,571
Community expense	763	298
Depreciation and impairment		
Property, plant and equipment	85,480	101,852
Hoarding Maintenance	14,547	11,517
25. Other operating income		
Write back of provision no longer required*	-	1,069
Other recoveries*	361,159	486,964
Exchange gain	14,215	14,021
	375,374	502,054

✓ Write back of recoveries no longer required* represents insurance wrongly charged in previous years now corrected after reconciliation.

✓ Other recoveries* represents provisions, staff and directors allowance wrongly computed in previous years now corrected.

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	2021 N. '000	2020 N. '000
26. Other operating expenses		
Audit Fees	4,500	5,375
Bad debts	-	(106,506)
Bank charges	529	508
Secretarial fees	6,965	10,014
Consulting and professional fees - legal fees	45,247	22,610
Property, plant and equipment Depreciation	17,296	13,540
Employee costs	128,865	79,370
Distribution expenses	18,104	22,827
Insurance	-	693
IT expenses	6,781	6,128
Rent and rates	15,408	38,691
Motor vehicle expenses	9,884	2,279
Municipal expenses	11,716	9,502
Printing and stationery	3,072	6,221
Repairs and maintenance	9,390	20,446
Research and development costs	150	1,409
Subscriptions	4,581	1,684
Training	2,263	1,032
Travel - local	7,556	6,809
	292,307	142,632
27. Operating profit (loss)		
Operating profit for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees (No non audit service was rendered by SIAO and its vat inclusive)	4,500	5,375
Remuneration, other than to employees		
Consulting and professional services	52,212	32,624
Employee costs		
Salaries, wages, bonuses and other benefits	110,671	57,773
Staff welfare/ Entertainment	-	1,538
Retirement benefit plans: defined benefit expense	12,931	2,597
Long term incentive scheme	5,263	17,462
Total employee costs	128,865	79,370
Average number of persons employed during the year		
Administration	7	3
Accounts	3	3
Sales and marketing	3	2
Operations	5	8
	18	16
The table shows the number of employees (excluding directors) whose earnings during the year fell within the ranges shown below:		
N540,001 - N700,000	4	3
N700,001 - N840,000	3	2
N840,001 - N2,000,000	7	8
N4,000,001 and above	4	3
	18	16

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	2021 ₦. '000	2020 ₦. '000
27. Operating profit (loss) (continued)		
Rent and rates		
Operating lease charges		
Rent and rates	15,408	38,691
Depreciation and amortisation		
Depreciation of property, plant and equipment	96,607	115,392
Amortisation of intangible assets	6,169	-
Total depreciation and amortisation	102,776	115,392
Less: Depreciation and amortisation included in cost of merchandise sold and inventories	(85,480)	(101,852)
Total depreciation and amortisation expensed	17,296	13,540
Other		
Research and development costs	150	1,409
Expenses by nature		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Research and development	128,065	99,841
Community Expenses	763	298
Employee costs	128,865	79,370
Rent and rates	15,408	38,691
Depreciation, amortisation and impairment	102,776	115,392
Other expenses	145,285	22,548
	521,162	356,140
28. Employee costs		
Employee costs		
Basic	100,443	52,075
Bonus	2,936	2,143
Medical aid - company contributions	7,292	3,555
Other staff welfare and entertainment	-	1,538
Retirement benefit plans/pension	12,931	2,597
Long-term benefits - incentive scheme-gratuity/present	5,263	17,462
	128,865	79,370
29. Depreciation, amortisation and impairment losses		
Depreciation		
Property, plant and equipment	11,127	13,540
Amortisation		
Intangible assets	6,169	-

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	2021 ₦. '000	2020 ₦. '000	
29. Depreciation, amortisation and impairment losses (continued)			
Total depreciation, amortisation and impairment			
Depreciation	11,127	13,540	
Amortisation	6,169	-	
	17,296	13,540	
30. Finance costs			
Interest paid	3	-	
31. Taxation			
Major components of the tax (income) expense			
Current			
Company income tax - current period	8,074	7,326	
Education tax	-	344	
	8,074	7,670	
Deferred			
Deferred tax	24,874	(59,682)	
	32,948	(52,012)	
Reconciliation of the tax expense			
Reconciliation between applicable tax rate and average effective tax rate.			
Applicable tax rate	30.00 %	30.00 %	
32. Other comprehensive income			
Components of other comprehensive income - 2021			
	Gross	Tax	Net
Movements on revaluation			
Balance as at 31st December 2020	2,853,605	-	2,853,605
Balance as at 31st December 2021	(2,853,605)	-	(2,853,605)
Gains on on property revaluation represented in OCI	-	-	-
Components of other comprehensive income - 2020			
	Gross	Tax	Net
Movements on revaluation			
Gains (losses) on property revaluation	(2,853,605)	-	(2,853,605)
Movement	2,853,605	-	2,853,605
	-	-	-
33. Earnings per share			
Basic earnings per share			
From continuing operations (kobo)	0.03	0.12	

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	2021 ₦. '000	2020 ₦. '000
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33. Earnings per share (continued)

Basic earnings per share was based on earnings of ₦ 144,237,000.00 (2020: ₦544,927,000.00) and a weighted average number of ordinary shares of 4,439,046,986 (2020: 4,439,046,986).

Reconciliation of profit or loss for the year to basic earnings

Profit or loss for the year attributable to equity holders of the parent	144,237	544,927
Adjusted for:		

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

34. Cash (used in)/generated from operations

Profit before taxation	177,185	492,915
Adjustments for:		
Depreciation and amortisation	102,776	115,392
Finance costs	3	-
Movements in retirement benefit assets and liabilities	199,727	(737)
Other non-cash items	-	3,139
Changes in working capital:		
Trade and other receivables	192,557	(38,157)
Prepayments	44,937	(41,733)
Trade and other payables	(723,713)	(574,306)
Deferred income	(66,210)	76,110
	(72,738)	32,623

35. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2021

	Note(s)	Fair value through other comprehensive income - equity instruments	Amortised cost	Total	Fair value
Investments at fair value	7	19,750	-	19,750	19,750
Trade and other receivables	9	-	615,058	615,058	615,058
Cash and cash equivalents	11	-	3,378	3,378	3,378
		19,750	618,436	638,186	638,186

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35. Financial instruments and risk management (continued)

2020

	Note(s)	Fair value through other comprehen- sive income - equity instruments	Amortised cost	Total	Fair value
Investments at fair value	7	20,336	-	20,336	20,336
Trade and other receivables	9	-	807,615	807,615	807,615
Cash and cash equivalents	11	-	93,308	93,308	93,308
		20,336	900,923	921,259	921,259

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35. Financial instruments and risk management (continued)

Categories of financial liabilities

2021

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Trade and other payables	17	-	986,208	986,208	-
Dividend payable		-	3,512	3,512	-
Other financial liabilities at fair value	19	3,301,900	-	3,301,900	3,301,900
		3,301,900	989,720	4,291,620	3,301,900

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35. Financial instruments and risk management (continued)

2020

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Trade and other payables	17	-	1,709,921	1,709,921	-
Borrowings	18	-	3,152,303	3,152,303	-
Dividend payable		-	3,512	3,512	-
Other financial liabilities at fair value	19	40,123	-	40,123	40,123
		40,123	4,865,736	4,905,859	40,123

Pre tax gains and losses on financial instruments

Gains and losses on financial liabilities

2021

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	30	(3)	(3)

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

The capital structure and gearing ratio of the company at the reporting date was as follows:

Financial liabilities at fair value	19	3,301,900	40,123
Borrowings	18	-	3,152,303
Trade and other payables	17	986,208	1,709,921
Total borrowings		4,288,108	4,902,347
Cash and cash equivalents	11	(3,378)	(93,308)
Net borrowings		4,284,730	4,809,039
Equity		(3,218,415)	(3,362,653)
Gearing ratio		(133)%	(143)%

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35. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable (at amortised cost), debt instruments at fair value through OCI, trade and other receivables, contract receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

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35. Financial instruments and risk management (continued)

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maximum exposure to credit risk is presented in the table below:

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35. Financial instruments and risk management (continued)

		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	9	633,220	(18,162)	615,058	824,550	(16,935)	807,615
Cash and cash equivalents	11	3,378	-	3,378	93,308	-	93,308
		636,598	(18,162)	618,436	917,858	(16,935)	900,923

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2021

		1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Financial liabilities at fair value	19	-	-	3,251,900	3,251,900
Current liabilities					
Trade and other payables		928,732	-	928,732	986,208
Financial liabilities at fair value	19	50,000	-	50,000	50,000
Dividend payable		-	3,512	3,512	3,512
		978,732	3,512	4,234,144	4,291,620

2020

		1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Borrowings	18	-	-	3,151,996	-
Current liabilities					
Trade and other payables	17	1,542,933	-	1,542,933	1,709,921
Borrowings	18	-	-	-	3,152,303
Financial liabilities at fair value	19	40,123	-	40,123	40,123
Dividend payable		-	3,512	3,512	3,512
		1,583,056	3,512	4,738,564	4,905,859

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Notes to the Financial Statements

35. Financial instruments and risk management (continued)

The maturity profile of contractual cash flows of derivative financial liabilities are as follows:

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily are US Dollars and Pounds.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Interest rate risk

The debt of the company is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Price risk

The company is exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio, and through the use of option contracts on relevant indexes, where necessary.

36. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 1

Recurring fair value measurements

Assets

Note(s)

Equity investments at fair value through other comprehensive income

Listed shares

7

19,750 20,336

Total

19,750 20,336

Valuation processes applied by the Company

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36. Fair value information (continued)

The fair value of quoted shares is performed by the Group's finance department and operations team, on a quarterly basis. The finance department reports to the Group's Chief Financial Officer (CFO). The valuation reports are discussed with the Audit committee in accordance with the Group's reporting policies

37. Contingencies

Litigation is in the process against the company relating to a dispute with a property owner who alleges that the company is owing and is seeking damages of N11,398,297 as mense profit. The company's lawyer and management consider the likelihood of the action against the company being successful as unlikely and the case should be resolved soon.

Litigation is in the process against the company relating to a dispute with a contractor owner who alleges that the company is owing and is seeking damages of N93,037,605 as contract sum balance. The company's lawyer and management consider the likelihood of the action against the company being successful as unlikely and the case should be resolved soon. However, the company has a counterclaim of N250,572,287 as refund of amount paid for unexecuted project

Litigation is in the process against the company relating to a dispute with a former Company Secretary who accused the company of unlawful removal from office. The company's lawyer and management consider the likelihood of the action against the company being successful as unlikely and the case should be resolved soon.

38. Going concern

We draw attention to the fact that at 31 December 2021, the company had accumulated losses of ₦ (8,829,298,000) and that the company's total liabilities exceed its assets by ₦ (3,218,415,000).

The annual report and financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company so long as it takes to restore the solvency of the company.

39. Events after the reporting period

There were no significant events after the financial position date which could have a material effect on the state of affairs of the company as at 31 December 2021 (December 2020: nil) and on the profit for the year ended on that date which have not been adequately provided for or recognised.

40. Compliance with regulations

There was no instance of non-compliance with regulations in the year.

41. Approval of financial statements

The financial statements were approved by the board of directors on the 29 March 2022.

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Statement of Value Added

	2021 ₦. '000	2021 %	2020 ₦. '000	2020 %
<p>“Value added” is the measure of wealth the group has created in its operations by “adding value” to the cost of products and services. The statement below summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out below is the amount retained and re-invested in the company for the replacement of assets and the further development of operations.</p>				
Value Added				
Turnover	322,976		347,001	
Other operating income	375,374		502,054	
- Local	(375,001)		(263,230)	
Total Value Added	323,349	100	585,825	100
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	128,865		79,370	
	128,865	40	79,370	14
To Pay Providers of Capital				
Finance costs	3		-	
	3	-	-	-
To Pay Government				
Income tax	8,074		7,670	
	8,074	2	7,670	1
To be retained in the business for expansion and future wealth creation:				
Depreciation, amortisation and impairments	17,296		13,540	
Deferred tax	24,874		(59,682)	
	42,170	13	(46,142)	(8)
Value retained				
Retained profit	144,237		544,927	
	144,237	45	544,927	93
Total Value Distributed	323,349	100	585,825	100

Value added represents the additional wealth which the company has been able to create by its own and employees efforts.

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Five Year Financial Summary

	2021 ₦. '000	2020 ₦. '000	2019 ₦. '000	2018 ₦. '000	2017 ₦. '000
Statement of Financial Position					
Assets					
Non-current assets	1,127,758	1,140,778	1,300,913	1,346,514	884,822
Current assets	623,216	950,640	809,271	808,398	953,993
Total assets	1,750,974	2,091,418	2,110,184	2,154,912	1,838,815
Liabilities					
Non-current liabilities	3,600,900	124,399	236,796	354,757	357,395
Current liabilities	1,368,489	5,329,671	5,780,964	6,294,200	6,898,540
Total liabilities	4,969,389	5,454,070	6,017,760	6,648,957	7,255,935
Equity					
Share capital	2,757,278	2,757,278	2,757,278	2,757,278	2,757,278
Reserves	2,853,605	2,853,605	2,853,605	2,853,605	2,312,618
Retained (Loss)	(8,829,298)	(8,973,535)	(9,518,459)	(10,104,928)	(10,487,016)
Total equity	(3,218,415)	(3,362,652)	(3,907,576)	(4,494,045)	(5,417,120)
Total equity and liabilities	1,750,974	2,091,418	2,110,184	2,154,912	1,838,815
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	322,976	347,001	347,316	381,068	425,676
Cost of sales	(228,855)	(213,508)	(216,999)	(236,354)	(552,524)
Gross profit (loss)	94,121	133,493	130,317	144,714	(126,848)
Other operating income	375,374	502,054	599,313	514,616	2,229,216
Other operating expenses	(292,307)	(142,632)	(172,591)	(287,631)	(1,262,282)
Operating profit	177,188	492,915	557,039	371,699	840,086
Finance costs	(3)	-	(160)	-	(26,222)
Profit before taxation	177,185	492,915	556,879	371,699	813,864
Taxation	(32,948)	52,012	29,589	10,382	(181,330)
Profit for the period	144,237	544,927	586,468	382,081	632,534
Statement of Cash Flows					
Cash flow from operating activities	(109,646)	31,733	11,149	(3,849)	461,847
Cash flow from investing activities	(89,754)	(10,377)	(13,837)	9,702	8,043
Cash flow from financing activities	109,470	40,123	(401)	(598)	(473,371)
Cash movement for the year	(89,930)	61,479	(3,089)	5,255	(3,481)