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## **ACADEMY PRESS PLC**

### **REPORTS AND FINANCIAL STATEMENTS**

**FOR THE THIRD QUARTER ENDED 31ST DECEMBER, 2021**

*Academy Press Plc.*  
*Reports and financial statements for the third quarters ended 31st December, 2021*

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*Academy Press Plc.*

***Corporate Information***

<b>Directors:</b>	Wahab B. Dabiri Olugbenga Ladipo David Pritchard (British) Folashade B. Omo-Eboh- (Mrs.) Oyewole Olaoye Femi T. Akingbe - Abubakar A.Jimoh Paul Aderibigbe	- Chairman - Managing Director - Non-executive Director - Non-executive Director - Non-executive Director - Non-executive Director - Non- executive Director - Executive Director
<b>Secretaries:</b>	Alpha-Genasec Limited, Krestal Laurel Complex (4 <sup>th</sup> Floor), 376, Ikorodu Road, Maryland, Ikeja, Lagos. Tel:234(0)8062272121 <i>Email: alpha-genasec @bakertilly.com</i>	
<b>Registered office:</b>	28/32, Industrial Avenue, Ilupeju Industrial Estate, Ilupeju, Lagos. Tel: 09030001367, 09030001368&07014900034 <i>Email: applc@academy press- plc.com</i> <i>www.academypress-plc.com</i>	
<b>Registered number:</b>	RC. 3915	
<b>Auditors:</b>	Ernst & Young (Chartered Accountants) 10 <sup>th</sup> & 13 <sup>th</sup> Floor, UBA House 57, Marina, Lagos E-mail: services@ng.ey.com	
<b>Registrars:</b>	Pace Registrars Limited, Knight Frank Building (8 <sup>th</sup> floor), 24, Campbell Street, Lagos. Tel: 01-2635607, 01-7303445, 01-2805538 <i>E-mail: Info @ paceregistrars.Com</i>	

**Bankers:**

Union Bank of Nigeria Plc.  
First Bank of Nigeria Plc.  
Sterling Bank Nigeria Plc.  
Zenith Bank Plc.  
Guaranty Trust Bank Plc.  
United Bank for Africa

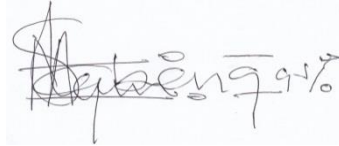
**FINANCIAL HIGHLIGHTS**

	<b>31-12-2021</b>	<b>31-12-2020</b>	<b>%</b>	<b>30-09-2021</b>	<b>30-09-2020</b>	<b>%</b>	<b>30-06-2021</b>	<b>30-06-2020</b>	<b>%</b>
	<b>2021</b>	<b>2020</b>	<b>Increase/ (decrease)</b>	<b>2021</b>	<b>2020</b>	<b>Increase/ (decrease)</b>	<b>2021</b>	<b>2020</b>	<b>Increase/ (decrease)</b>
	<b>₦'000</b>	<b>₦'000</b>		<b>₦'000</b>	<b>₦'000</b>		<b>₦'000</b>	<b>₦'000</b>	
Revenue	2,754,459	1,265,966	118%	2,109,194	547,027	286	762,497	167,195	356
Profit/ (Loss) before Taxation	138,988	(179,552)	117%	197,197	(150,867)	231	(180,417)	(86,317)	185
Taxation	-	-		-	-		-	-	
Profit/ (Loss) after taxation	138,988	(179,552)	117%	197,197	(150,867)	231	(180,417)	(86,317)	185
Profit/Loss/share	23k	(30k)		33K	(25K)	32	(29K)	(14K)	190

<b>At period ended:</b>	<b>31-12-2021</b>	<b>31-12-2020</b>	<b>%</b>	<b>30-09-2021</b>	<b>30-09-2020</b>	<b>%</b>	<b>30-06-2021</b>	<b>30-06-2020</b>	<b>%</b>
	<b>₦'000</b>	<b>₦'000</b>		<b>₦'000</b>	<b>₦'000</b>				
Property, plant and machinery	965,124	944,791	2	932,375	1,033,246	(10)	977,074	1,033,246	(5)
Share Capital	302,400	302,400	-	302,400	302,400		302,400	302,400	
Equity	149,915	10,928	1272%	234,798	10,928	2049	25,836	10,928	136
	Number	Number		Number	Number		Number	Number	
Number of employees	212	213	(0.5)	216	219	(1)	219	219	-

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Notes	Period ended 31/12/21 N'000	Period ended 31/12/20 N'000	Period ended 30/09/21 N'000	Period ended 30/09/20 N'000	Period ended 30/06/21 N'000	Period ended 30/06/20 N'000
<b>Revenue</b>	5	2,754,459	1,265,966	2,109,194	547,027	762,497	167,195
Cost of sales	6	(2,037,307)	(908,780)	(1,538,460)	(339,824)	(582,079)	(103,913)
<b>Gross profit</b>		717,153	357,186	570,734	207,203	180,417	63,282
Administrative Expenses		(408,024)	(365,753)	(266,656)	(244,702)	(149,598)	(108,251)
Distribution Expenses		(39,845)	(30,763)	(20,720)	(16,848)	(8,428)	(4,829)
Foreign Exchange Loss		(8,465)	(17,140)	(7,559)	(8,018)	-	-
Other income		7,719	5,451	10,702	2,786	4,480	4,053
<b>Results from operating activities</b>		268,538	(51,019)	286,501	(59,579)	26,872	(45,745)
Finance income	7	-	-	--	---	---	--
Finance expenses		(129,550)	(128,533)	(89,305)	(91,288)	(45,204)	(40,573)
<b>Net finance cost</b>		(129,550)	(128,533)	(89,305)	(91,288)	(45,204)	(40,573)
(Loss)/Profit before taxation		138,988	(179,552)	197,197	(150,867)	(18,332)	(86,318)
Tax expense		-	-	-	-	-	-
<b>(Loss)/Profit for the year</b>		138,988	(179,552)	197,197	(150,867)	(18,332)	(86,318)
Other comprehensive income		--	--	--	--	--	--
<b>Total comprehensive income/Loss</b>		138,988	(179,552)	197,197	(150,867)	(18,332)	(86,318)
<b>Attributable to:</b>							
Owners of the Company		143,435	(168,032)	204,667	(144,866)	(16,438)	(57,832)
Non-controlling interest		(4,447)	(11,520)	(7,470)	(6,001)	(1,894)	(28,486)
Total comprehensive Profit/Loss for the year		138,988	(179,552)	197,197	(150,867)	(18,332)	(86,318)
Earnings Per Share	8	23k	(30k)	33k	(25k)	(3k)	(14k)



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



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

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31/12/21	30/09/21	30/06/21	31/03/21
		₦'000	₦'000	₦'000	₦'000
<b>Non-Current assets:</b>					
Property, plant and equipment	16	965,123	932,375	977,074	1,033,246
Deferred tax asset					362,605
Intangible assets	10	243	248	243	183
Retirement benefit assets					
		<u>965,367</u>	<u>932,624</u>	<u>977,317</u>	<u>1,396,034</u>
<b>Current assets:</b>					
Inventories	9	599,668	543,297	649,663	285,796
Trade and other receivables		613,173	933,168	599,025	593,352
Cash and short term deposit		4,691	5,856	6,445	3,656

Right of return assets					<u>20</u>
<b>Total curent assets</b>		<u><b>1,217,532</b></u>	<u><b>1,482,321</b></u>	<u><b>1, 255,133</b></u>	<u><b>882,824</b></u>
<b>Total assets</b>		<u><b>2,182,899</b></u>	<u><b>2, 414,945</b></u>	<u><b>2, 232,450</b></u>	<u><b>2, 278,858</b></u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Current portion of long term loan	11	<u>90,661</u>	162,626	116,798	85,220
Trade and other payables		619,304	1,011,096	668,221	1,138,560
Refund Liabilities					22
Government Grant				-	-
Current income tax liabilities		<u>11,483</u>	<u>4,789</u>	<u>2,153</u>	<u>272,570</u>
<b>Total current liabilities</b>		<u>721,448</u>	<u>1, 178,511</u>	<u>787,173</u>	<u>1, 496,372</u>
<b>Non-Current liabilities:</b>					
Government Grant				-	-
Medium term liabilities	11	807,768	855,872	837,232	723,407
Retirement benefit obligation		503,768	145,763	582,209	26,815
Contract Liabilities					21,336
Deferred tax liabilities					-
<b>Total non-current liabilities</b>		<u>1,311,536</u>	<u>1,001,636</u>	<u>1,419,441</u>	<u>771,558</u>
<b>Total liabilities</b>		<b>2,032,984</b>	<b>1,881,003</b>	<b>2,206,614</b>	<b>2,267,930</b>
<b>Equity</b>					
Share capital	12	302,400	302,400	302,400	302,400
Share premium	13	24,511	24,511	24,511	24,511
Retained earnings	14	<u>(38,193)</u>	<u>73,038</u>	<u>(190,898)</u>	<u>(181,628)</u>
<b>Equity attributable to owners of the Company</b>		<u>288,717</u>	399,949	136,013	145,283
Non-controlling interest	15	<u>(138,802)</u>	<u>(165,151)</u>	<u>(110,084)</u>	<u>(134,355)</u>
<b>Total equity</b>		<u>149,915</u>	<u>234,798</u>	<u>25,929</u>	<u>10,928</u>
<b>Total equity and liabilities</b>		<u><b>2,182,899</b></u>	<u><b>2,414,945</b></u>	<u><b>2,232,543</b></u>	<u><b>2,278,858</b></u>



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 2021**

	<b>Share Capital N'000</b>	<b>Share premium N'000</b>	<b>Retained earnings N'000</b>	<b>Non-controlling Interest N'000</b>	<b>Total Equity N'000</b>
<b>Balance at 31 March, 2021</b>	302,400	24,511	(181,628)	(134,355)	10,928
Issues of share capital	-	-	-	-	-
Profit/ (Loss) for the period	-	-	(143,435)	(4,447)	197,197
Revaluation gain/loss	-	-	0	0	26,673
<b>Balance as at 31 December, 2021</b>	302,400	24,511	(38,193)	(138,802)	234,798
	=====	=====	=====	=====	=====

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 2020**

	<b>Share Capital N'000</b>	<b>Share premium N'000</b>	<b>Retained earnings N'000</b>	<b>Non-controlling Interest N'000</b>	<b>Total Equity N'000</b>
<b>Balance at 31 March, 2020</b>	<u>302,400</u>	<u>24,510</u>	<u>12,562</u>	<u>(120,279)</u>	<u>219,194</u>
Restated balance	302,400	24,510	144,851	(160,438)	311,324
Issues of share capital	-	-	-	-	-
Profit/ (Loss) for the period	-	-	(168,032)	(11,520)	(171,958)
Revaluation gain/loss	-	-	-	-	-
<b>Balance as at 31 December, 2020</b>	<u>302,400</u>	<u>24,510</u>	<u>(23,181)</u>	<u>(171,958)</u>	<u>131,772</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Period ended 31/12/21 N'000	Period ended 31/12/20 N'000	Period ended 30/09/21 N'000	Period ended 30/09/20 N'000	Period ended 30/06/21 N'000	Period ended 30/06/20 N'000
<b><i>Cash flows from operatives activities</i></b>						
Cash received from customers	2,020,800	1,012,773	1,054,597	707,897	457,498	105,755
Cash paid to suppliers and employees	(1,810,640)	<u>(727,024)</u>	<u>(769,230)</u>	<u>(618,417)</u>	<u>(349,248)</u>	<u>(83,131)</u>
Cash generated from operation	210,160	285,749	285,367	88,462	108,250	22,624
Tax paid	-	-	-	-	-	-
<b><i>Net cash generated from Operating activities</i></b>	<b><u>210,160</u></b>	<b><u>285,749</u></b>	<b><u>285,367</u></b>	<b><u>88,462</u></b>	<b><u>108,250</u></b>	<b><u>22,624</u></b>
<b><i>Cash flows investing activities:</i></b>						
Purchase of property, Plant and equipment	(41,220)	(68,855)	(2,000)	(26,335)	22	0
Interest received	-	-	-	-	-	-
Exceptional Items	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Deposit for lease facility	-	-	-	-	-	-
Investment redemption	-	-	-	-	-	-
<b>Net cash absorbed in investing activities</b>	<b>(41,220)</b>	<b><u>(68,855)</u></b>	<b><u>(2,000)</u></b>	<b><u>(26,335)</u></b>	<b><u>22</u></b>	<b><u>0</u></b>

**Cash flows from financing activities:**

Share capital increase/bonus issue	-	-	-	-	-	-
Interest paid	(19,450)	(17,500)	(22,500)	-	(7,500)	-
Dividend paid			-	-	-	-
Medium Term Loan Repayment	(127,900)	(89,089)	(99,000)	(67,601)	(54,436)	(36,641)
<b>Net cash outflow from Financing activities)</b>	<b><u>(108,450)</u></b>	<b><u>(106,589)</u></b>	<b><u>(121,500)</u></b>	<b><u>(67,601)</u></b>	<b><u>(61,936)</u></b>	<b><u>(36,641)</u></b>

**Net decrease in cash and cash equivalents**

<b>Cash and cash equivalents for the period</b>	60,490	110,305	161,867	(4,374)	53,836	(14,017)
<b>Cash and cash equivalents at beginning of period</b>	<b><u>35,558</u></b>	<b><u>708</u></b>	<b><u>35,558</u></b>	<b><u>39,932</u></b>	<b><u>(2,364)</u></b>	<b><u>18674</u></b>
<b>Cash and cash equivalents at the end of period</b>	<b><u>96,048</u></b>	<b><u>111,013</u></b>	<b><u>197,425</u></b>	<b><u>35,558</u></b>	<b><u>51,472</u></b>	<b><u>4,657</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 General information

Academy Press Plc. was incorporated in Nigeria as a private limited liability company on 28<sup>th</sup> July, 1964. By a special resolution, it became a public limited liability company on 22<sup>nd</sup> October, 1991. It offered its shares to the public in November, 1994 and these shares were listed on the Nigerian Stock Exchange on 15<sup>th</sup> June, 1995.

The registered address of the company is located at 28-32, Industrial Avenue, Ilupeju Industrial Estate, Ilupeju, Lagos.

The principal activity of the company is the printing of educational and general books, commercial printing of diaries, labels, calendars, periodicals, annual reports, confidential and other printing works.

The consolidated financial statements of the Group for the period ended 31st December, 2021 comprise the Company and its subsidiaries.

*The separate financial statements of the company for the 3rd Quarter, December 2021 comprise those of the company only.*

### Summary of significant accounting policies

The principal accounting policies **that have been applied in the preparation of the consolidated and separate financial statements are set out below. These accounting policies** have been consistently applied to all the years presented.

#### 2.1 Statement of compliance

The **consolidated and separate** financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) **as issued by the International Accounting Standard Board (IASB), and interpretations issued by the International Financial Reporting Interpretations committee of IASB (together IFRS) that are effective at 31 March 2016 and requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria.**

#### 2.2 Basis of presentation

The consolidated and separate financial statements have been prepared in accordance with the going concern principle under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

### **Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

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Fair value for measurement and/or disclosure purposes in these consolidated and separate financial statements is determined on such a basis, except for the leasing transactions that are within the scope of IAS 17 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or where in use in IAS 36.

### **2.3 Functional and presentation currency**

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousands, except where otherwise indicated.

### **2.4 Use of estimates and judgments.**

In the application of the company's accounting policies which are described in note 3 below, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions, are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgments and estimates the management has made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognized in both the consolidated and separate financial statements.

#### **(i) Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the company, accounting for 60 % of the company's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the company's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual value at the end of its life. Increasing an assets expected life or it's residual value would result in the reduced depreciation charge in the statement

of comprehensive income. The useful lives and residual values of property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

(ii) **Allowance for doubtful receivables**

Judgment is exercised to make allowance for trade receivables doubtful of recovery by reference to the financial and other circumstances of the debtor in question. Based on objective evidence of impairment, the group makes a collective impairment allowance for doubtful debts.

**Basis of consolidation**

(i) ***Subsidiaries***

Subsidiaries are entities controlled by the Group and hence fully consolidated. Control exists when the Group has the power directly or indirectly to govern the financial and operating policies of a company so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been modified where necessary to align them with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are carried at cost.

(ii) ***Transactions eliminated on consolidation***

Intra-group balances and transactions and any gain and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(iii) ***Non-controlling interest***

Non-controlling interest is the equity in a subsidiary not attributable directly or indirectly to a parent company and is presented separately in the consolidated statements of profit or loss, in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. Total comprehensive income and equity attributable to non-controlling interests are presented on the line "Non-controlling interest" in the statement of comprehensive income and statement of financial position respectively, even if it can create negative non-controlling interests.

(b) **Revenue recognition**

Revenue is recognized at the fair value of the consideration received or receivable, and represents amounts receivable for printing jobs done, excluding returns, trade discounts and value added tax.

Revenue for printing jobs done is recognized when:

- The significant risks and rewards of ownership have been transferred to the customer.
- It is probable that the economic benefits associated with the transaction will flow to the company and the revenue can be measured reliably.
- The costs incurred in respect of the transaction can be measured reliably.
- The company retains neither continuing management to the degree usually associated with ownership nor effective control over the jobs produced.

(c) **Finance income**

Finance income is made up of interest income on short-term deposits with bank, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchanges gains.

Dividend income from investments is recognized in profit or loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from financial assets (short term deposits) is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured readily. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(d) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(e) **Government Assistance**

Government assistance relating to the benefit of a government agent's loan (e.g. Bank of Industry Limited) at a below-market rate of interest is treated as government assistance, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The amount recognized as government assistance, is recognized in profit or loss over the period the related expenditure is incurred.

(f) **Property, plant and equipment**

(i) ***Recognition and measurement***

Items of property, plant and equipment are measured at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and machinery under construction are disclosed as capital work-in-progress. The cost of construction recognized includes the cost of materials and direct labor, any other costs directly attributable to

bringing the assets to a working condition for their intended use including borrowing costs on qualifying assets in accordance with the Group's accounting policy.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, and are individually significant in relation to total cost of an item, they are accounted for as separate items (major components) of property, plant and equipment.

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(ii) **Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably.

The carrying amount of the replaced component is derecognized. The cost of day-to-day repairs and maintenance of the property, plant and equipment is recognized in profit or loss as incurred.

(iii)

(iv) **Derecognition**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the asset and is recognized within other income in profit or loss.

(v) **Depreciation**

Depreciation is calculated on a straight line basis to write down the cost or other amount substituted for cost of property plant and equipment to their residual values over their estimated useful lives as follows:

Leasehold land and buildings		Over the remaining lease period
Plant and machinery	-	12.5%
Furniture, fittings and equipment	-	20%
Commercial vehicles	-	20%
Private cars	-	25%
Amortization of computer software	-	12.5%

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

(g) **Intangible assets**

In accordance with criteria set out in IAS 38- "Intangible assets," intangible assets are recognized only if identifiable, controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost



of the asset can be measured reliably. Intangible assets primarily include amortizable items such as software, mineral rights as well as certain development costs that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately (that is Software not integral to the related computer hardware acquired by the Group) are carried at cost less accumulated amortization and accumulated impairment losses.

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**(i) Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in specific asset to which it relates. All other costs associated with maintaining computer software programmes are recognized in profit or loss as incurred.

**(ii) Amortization**

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that the asset is available for use which does not exceed eight years.

**(h) Leases – Leased assets**

The Group engages majorly on finance leases in which it assumes, substantially all the risks and rewards of ownership.

In accordance with IAS 17, the Group capitalizes assets financed through finance leases where the lease arrangement transfers to the Group substantially all of the rewards and risks of ownership. Lease arrangements are evaluated based upon the following criteria:

- the lease term in relation to the assets' useful lives;
- the total future payments in relation to the fair value of the financed assets;
- existence of transfer of ownership;
- existence of favorable purchase option; and
- specificity of the leased asset.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding lease obligations excluding finance charges are included in current or long term financial liabilities as applicable.

(i) **Inventories**

Inventories are measured at the lower of cost and net realizable value with appropriate provisions for old and slow moving items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:

**Raw materials**

Raw materials which include purchase cost and other costs incurred to bring the materials to their location and condition intended by the management are valued using weighted average cost basis.

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**Work in progress**

Cost of work-in-progress includes cost of materials and attributable overheads to the level of completion.

**Spare parts and consumables**

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

**Goods-in- transit.**

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

**Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity- Financial assets are classified into the following specified categories:

Financial assets “at fair value through profit or loss” (FVTPL) of which financial instruments are further classified as either held for trading (HFT) or designated at fair value option (FVO)

“held –to maturity” – Investments.

“available –for – sale” (AFS) financial assets .

“Loans and receivables” (which include amounts to related parties, loans and receivables).

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets and liabilities are recognized in the statement of financial position when the company becomes a party to the contractual obligation of the instrument. Purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned are accounted for at the reporting date.

Financial instruments in the category of financial assets and liabilities at fair value through profit or loss (FVTPL) are recognized initially and subsequently at fair value and the relevant transaction costs are expensed in the statement of comprehensive income. Gains and losses arising from changes in fair value are also presented in the statement of comprehensive income within other gain and losses (net) in the period in which they arise. On the other hand, transaction costs directly attributable to the acquisition or issue of the financial instruments are only recognized in determining the carrying amount, if the financial instruments are not measured at fair value through profit or loss.

The Group does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception. The company does not have any financial assets classified as available for sale or held to maturity at the reporting date.

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(i) ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans, bank balances and cash and others e.g. treasury bills are measured at amortized cost using the effective interest method, less any impairment.

(ii) ***Cash and cash equivalents.***

For the purposes of the statement of cash flow, the company considers highly liquid unrestricted investments that are readily convertible into known amounts to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral of the company's cash management are included as a component of cash and cash equivalents.

(iii) ***Derecognition of financial assets***

The financial assets are derecognized by the company only when the contractual rights to the cash flows from the assets have expired, or when it transfers the financial assets and substantially all the risk and rewards of ownership of the assets to another entity. On derecognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the accumulated gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss

(iv) ***Financial liabilities.***

Financial liabilities are classified as either at fair value through profit or loss (FVTPL) or other financial liabilities (which include loans from banks and related parties and trade and other payables).

(v) ***Derecognition of financial liabilities***

The Group derecognizes financial liabilities when and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(vi) ***Offsetting***

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when the Group has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**(vii) Effective interest method**

The effective interest method is a method of calculating the amortized cost of an interest bearing financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and dues 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 debt instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

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**(k) Impairment of financial assets**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets not carried at fair value through profit or loss is impaired.

A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial asset (a loss event) and that the loss event (or events) had a negative effect on the estimated future cash flows of the financial asset that can be reliably estimated.

The basis that the company applies to determine that there is objective evidence of an impairment loss includes:

- Significant financial difficulty of the issuer or counterparty; or breach of contract, such as default or delinquency in interest or principal payments;
- Restructuring of an amount due to the company on term that the company would not consider otherwise or
- Indications that a debtor or issuer will enter bankruptcy.
- Deterioration of the debtors/borrowers competitive position.
- The disappearance of an active market for a security.

For certain categories of financial assets, such as receivable assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio passed the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an

allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously provided for or written off are recognized in profit or loss.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

**(l) Trade and other current liabilities**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or service providers. Account payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

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**(m) Provision**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions for restructuring costs are recognized when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are not recognized for future operating losses.

**Contingencies**

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

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

**(n) Foreign currency transactions**

In preparing the financial statements of the Group's individual entity, transactions in currencies other than the entities' functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rates prevailing at that date. Exchange differences arising there-from are recognized in profit or loss.

**o) Employees benefits**

The company provides post-employment benefits through defined benefit plan and pension fund scheme stated below.

**(a) Defined benefit scheme**

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

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**(b) Defined contribution scheme**

In line with the provisions of the Pension Reform Act 2014, the company established a defined contribution pension scheme for its employees. Employees contributions of 8% of their insurable earnings (basic, housing and transport) to the scheme are funded through payroll deductions while the Group's contributions of 10% are charged to profit or loss.

**(c) Current and deferred income tax**

The tax expenses for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity and subsequently recognized in profit or loss when the related deferred gain or loss is recognized.

**(i) Current tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

**(ii) Deferred taxation (IAS 12)**

Deferred income tax is calculated using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is to be settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to taxes levied by the same tax authority on the same taxable entity.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income (such as the revaluation of land) or directly in equity in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

**(q) Share capital**

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

**(r) Dividend**

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

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**(s) Related Parties**

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

**(t) Risk management**

**(i) Group's risk review**

The Group's business operations are largely diversified spread across different geographical locations. This necessitates the need for proper identification, measurement, aggregation and effective management of risks and efficient utilization of capital to derive an optimal risk and return ratio.

Risks associated with the business of the Group include credit risk, liquidity risk Market risk, operational risk, and interest rate risk.

**(ii) Risk management Approach**

The Group addresses the challenge of risks comprehensively through an enterprise wide risk management framework by applying leading practices that is supported by a robust governance structure consisting of the Board of Directors and Executive Management Committees. The board drives the risk governance and compliance process through its committees. The audit committee provides oversight on the systems of internal control, financial reporting and compliance. The Risk Management/Strategy Committee reviews relevant business risks and the operational and technological development. The Finance and control committee reviews business plan, annual budget and control, financing arrangement, balance sheets, management accounts, options, capital restructuring, credit/debt management and material control.

The Board's Governance/remuneration committee is responsible for the development and evaluation of the company's internal organization and process, reviews the operating and remuneration policies.

**(iii) Credit risk**

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet contractual obligations arising principally from the company receivables from customers.

The Group's principal exposure to credit risk is influenced by the individual characteristics of each customer, cash and cash equivalent and deposits with banks and other financial institutions.

**(iv) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or other financial assets. The Group's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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Usually, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

**(v) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risks management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group manages market risk by keeping costs low to keep prices within profitable range, interest rates are benchmarked to NIBOR (for all local loans) with large margin of fixed rates.

The Group is not exposed to any equity risk.

**(vi) Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide range of causes associated with the Group's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

Operational risks arise from all the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risks is assigned to senior management within each department. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- Compliance with regulatory and other legal requirement.



- Requirements for the appropriate segregation of duties including the independent authorization of transactions.
- Requirements for the reconciliations and monitoring of transactions.
- Requirement for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Documentation of controls and procedures.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance when it is effective.

Compliance with the Group's value is supported by a programme of periodic reviews undertaken by internal Audit. The results of internal audit reviews are discussed with the manager of the department to which they relate, with summaries submitted to the audit committee and senior management of the Group.

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(vii) **Interest rate risk**

The Group adopts a policy of ensuring that a significant element of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into loan arrangement with mixed interest rate sources variable interest rates are marked against the ruling LIBOR/NIBOR rates to reduce the risk arising from interest rates.

**4. Segment information**

The Executive Management Team has been identified as the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments. The Executive Management Team reviews internal management reports on a monthly basis. These internal reports are prepared on the same basis as the accompanying consolidated and separate financial statements.

The segments information which used to be reported along geographical areas of operation on countries of operation is now one central report as operations in other West African countries are currently nil due to dearth of patronage.

**5. Security Trading Policy**

**Insider trading and dealing in Company's shares**

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

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

## 5. Revenue

The analysis of revenue is as follows

	Dec'2021	Dec' 2020	Sept'2021	Sept' 2020	June 2021	June 2020
	₦	₦	₦	₦	₦	₦
Calendar	6,777,500	9,310,572				
Diaries	12,879,470	27,732,510	3,640,000	413,918	-	330,050
Books	1,366,487,057	585,768,211	869,118,223	28,638,500	295,927,570	11,144,250
Labels	94,829	19,398,919	94,829	16,455,939	104,725	5,961,628
AR/Brochure	85,526,764	50,043,531	42,170,291	45,767,592	23,729,536	17,766,217
Security	<u>1,282,693,823</u>	<u>573,712,624</u>	<u>1,194,170,827</u>	<u>455,751,238</u>	<u>442,734,897</u>	<u>131,992,709</u>
	<b><u>2,754,459,443</u></b>	<b><u>1,265,966,367</u></b>	<b><u>2,109,194,170</u></b>	<b><u>547,027,188</u></b>	<b><u>762,496,728</u></b>	<b><u>167,194,854</u></b>

## 6. Cost of sales

	Dec'2021	Dec' 2020	Sept'2021	Sept' 2020	June 2021	June 2020
Calendar	7,044,422	8,147,590				
Diaries	9,038,387	21,660,399	2,715,695	297,703	-	237,584
Books	1,131,149,724	505,361,227	734,244,389	25,620,086	268,506,424	10,226,337
Labels	5,795,158	11,729,259	52,158	9,875,617	56,426	4,913,027
AR/Brochure	66,782,386	39,066,128	35,709,483	36,517,586	20,583,243	13,411,581
Security	<u>817,495,555</u>	<u>322,815,017</u>	<u>765,738,754</u>	<u>267,512,881</u>	<u>292,933,320</u>	<u>75,124,673</u>
	<b><u>2,037,305,632</u></b>	<b><u>908,779,620</u></b>	<b><u>1,538,460,479</u></b>	<b><u>339,823,874</u></b>	<b><u>582,079,414</u></b>	<b><u>103,913,202</u></b>

## 7. Finance cost

	Dec'2021	Dec' 2020	Sept'2021	Sept' 2020	June 2021	June 2020
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
On banks loans and equipment lease	129,550	145,673	96,864	89,260	40,573	42,169

<b>8. Earnings per Share</b>	<b>Dec'21</b>	<b>Sept' 2021</b>	<b>June 2021</b>	<b>March 2021</b>
Number of Ordinary shares issued	604,800,000	604,800,000	604,800,000	604,800,000

<b>9. Inventories</b>	<b>Dec'21</b>	<b>Sept' 2021</b>	<b>June 2021</b>	<b>March 2021</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Goods in transit	11,903	1,120		30,871
Paper	299,834	121,420	250,611	99,325
Ink and chemicals	53,970	35,932	58,035	46,104
Consumables	12,083	2,607	6,282	4,235
Bindery, Lithograph materials etc.	19,967	44,967	94,750	36,709
Machinery spare parts	95,948	159,321	237,252	144,725
Work in progress	105,963	177,928	<u>2,734</u>	<u>920</u>
Inventory written off	—	-	-	(77,093)
	<b><u>599,668</u></b>	<b><u>543,295</u></b>	<b><u>649,663</u></b>	<b><u>285,796</u></b>

<b>10. Intangible assets</b>	<b>Dec'21</b>	<b>Sept' 2021</b>	<b>June 2021</b>	<b>March 2021</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
	243	248	243	183

<b>11. Term Loan</b>	<b>Dec'21</b>	<b>Sept' 2021</b>	<b>June 2021</b>	<b>March 2021</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Medium Term Loan	807,768	855,872	837,232	723,407
Current Term Loan	90,661	162,626	116,798	85,220

## 12. Share capital

	Dec'21 ₦'000	Sept' 2021 ₦'000	June 2021 ₦'000	March 2021 ₦'000
Authorized shares				
750,000,000 ordinary shares of 50 kobo each	<u>375,000</u>	<u>375,000</u>	<u>375,000</u>	<u>375,000</u>
Issued and fully paid shares:				
604,800,000 ordinary shares of 50 kobo each				
At 31 March 2017	<u>302,400</u>	<u>302,400</u>	<u>302,400</u>	<u>302,400</u>

## 13. Share Premium

The share premium is excess amount received over and above the par value of the shares. They form part of the non – distributable reserves of the Company which can be used only for the purposes specified under Companies and Allied Matters Act, CAP C20, LFN 2004

## 14. Retained Earnings.

The group's retained earnings reserve comprises Group's retained earnings, net of distribution made to equity holders.

## 15. Non-controlling interest:

Non- controlling interest comprises amounts to holders of minority shares in the two subsidiaries companies in the Group.

## 16. Property, Plant and Equipment

	Dec'21 ₦'000	Sept 2021 ₦'000	June 2021 ₦'000	March 2021 ₦'000
Building	130,382	131,391	151,225	219,865
Plant and Machinery	694,141	642,800	780,930	648,693
Furniture and fittings	6,466	6,025	4,594	29,924
Motor vehicle	70,900	75,252	1,413	52,759
Household furniture	32,525	37,356		
Leasehold land	30,710	39,780	38,912	76,911
Asset Under construction	-	-	-	5,094
	<u>965,124</u>	<u>932,623</u>	<u>977,074</u>	<u>1,033,246</u>

