resourcery

Solutions, Not just I.T.

2020 ANNUAL REPORT

www.resourcery.com

Contents

Who WE Are

Our Mission
We solve challenges, innovate solutions and optimize performance.

Our Vision
Africa's preferred provider of ICT solutions and an exciting place to work.

Brand Values
Knowledge
Relationships
Execution
Accountability
Winning Spirit
Collaboration

Our Brand Promises
We deliver Quality
We are Reliable
We give Assurance
We are Competent

Our Essence
Solutions, not just I.T.

The Resourcery Employee
Confident
Probes
Creative
Diligent
Knowledgeable
Persuasive

BOARD OF DIRECTORS

TANI FAFUNWA
MD/CEO

ANDREW EJOH
Executive Director

UZO OBI
Executive Director

MYRON B. FAFUNWA
Non Executive Director

IKE ONYIA
Non Executive Director

CORPORATE **INFORMATION**

SECRETARY
Jackson, Etti & Edu
3-5 Sinari Daranijo Street,
Off Ajose Adeogun Street,
Victoria Island, Lagos.

REGISTERED OFFICE
16-18 Adeola Hopewell
Street, Victoria Island,
Lagos.

REGISTRATION NUMBER
RC 70199

REGISTRAR - Crescent Registrars LTD
23, Olusoji Idowu Street, Ilupeju, Lagos
info@crescentregistrars.com

AUDITORS
Mazars Nigeria
Chartered Accountants
18, Oba Akran Avenue,
Ikeja,Lagos.
Tel: 08180168888

PRINCIPAL BANKERS
Access Bank Plc
Guaranty Trust Bank Plc
Standard Chartered Bank Nigeria Limited
First Bank of Nigeria Limited
Ecobank Nigeria Limited

NOTICE CONVENING THE 31ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31st Annual General Meeting of Resourcery Plc will hold at the Vision Room, 16 Adeola Hopewell Street, Victoria Island, Lagos on Thursday, 29th July, 2021 at 10.00a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements for the year ended 31st December, 2020, together with the Reports of the Directors, External Auditors and the Audit Committee thereon;

2. To elect/re-elect Directors;

3. To authorize Directors to fix the remuneration of External Auditor;

4. To elect Members of the Audit Committee; and

5. To disclose the remuneration of Managers.

BY ORDER OF THE BOARD

JACKSON, ETTI & EDU
Company Secretary

JACKSON, ETTI & EDU
COMPANY SECRETARY
FRC/2013/NBA/00000003320

Dated this 2nd day of June, 2021

NOTES

1. Compliance with COVID-19 Related Directives and Guidelines
The Federal Government of Nigeria, State Governments, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Lagos State Government prohibited the gathering of more than 20 people, while the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM using Proxies. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

2. Proxy
A member entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. To be valid, a proxy form must be completed and duly stamped by the Commissioner of Stamp Duties and returned to the Registrar, Crescent Registrars Ltd, 23, Olusoji Idowu Street, Ilupeju, Lagos or info@crescentregistrars.com, not less than 48 hours before the fixed time of the meeting.

3. Attendance by Proxy
In line with CAC Guidelines, attendance of the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

a) Adegbayike Olusegun;
b) Ike Onyia;
c) Andrew Ejoh and
d) Babatunde Sobande.

4. Stamping of Proxy
The Company has made arrangement, at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

5. Closure of Register
Notice is hereby given that the Register of Members of the Company will be closed on Thursday, 19th July, 2021 for the purpose of preparing an up-to-date Register of Members.

NOTICE CONVENING THE 31ST ANNUAL GENERAL MEETING

6. **Biographical details of Directors for Election/Re-election**
   In accordance with the provisions of the Articles of Association, the only Directors due to retire by rotation is Mr. Andrew Ejoh and Mr. Tani Fafunwa. The retiring Directors, being eligible, have offered themselves for re-election.

   The biographical details of the Directors seeking for re-election is available in the Annual Report and on the Company's website at www.resourcery.com.

7. **Nomination to the Statutory Audit Committee**
   In accordance with Section 404(3) of the Companies and Allied Matters Act 2020, the Audit Committee shall consist of five members comprising of three members and two Non-Executive Directors. Any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary, Jackson, Etti & Edu of 3-5 Sinari Daranijo Street, off Ajose Adeogun Street, Victoria Island, Lagos at least twenty-one days before the Annual General Meeting.

   The Code of Corporate Governance issued by the Securities and Exchange Commission and Nigerian Code of Corporate Governance 2018 stipulate that members of the Audit Committee should have basic financial literacy and should be able to read financial statements. Consequently, a detailed curriculum vitae confirming the nominee's qualification should be submitted with each nomination.

8. **E-Annual Report**

   The electronic version of the Annual Report is available at www.resourcery.com. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Report via email.

9. **Right of Shareholders to Ask Questions**
   Shareholders and other holders of the Company's securities reserve the right to ask questions not only at the meeting, but also in writing prior to and after the meeting on any item contained in the Annual Report and Accounts. Such question must be submitted to the Company on or before 27th July, 2021.

10. **Live Streaming of the AGM**
    To enable shareholders and other stakeholders who will not be attending physically to follow the proceedings, the AGM will be streamed live from -

    Zoom Meeting ID:-http://bit.ly/AGMofResourceryPlc

    Please note that the link is case sensitive.

Resourcery Plc
30th Annual General Meeting in Pictures

MANAGING DIRECTOR'S STATEMENT

For the 31st AGM of Resourcery Plc. scheduled to hold on Thursday, 29th July 2021

Distinguished shareholders, representatives of the regulatory authorities, ladies and gentlemen, on behalf of our directors, management, and staff, I welcome you all to the 31st Annual General Meeting of Resourcery Plc.

It is my honour to present to you the financial statements and reports for the financial year ended 31st December 2020 with a review of the environment and performanceduring this period.

2020 Business Environment

2020 was undoubtedly the most challenging year for the entire global community. Though there have been similarly infectious diseases in the past, COVID-19 was able to spread and mutate like no other disease due to our physically hyper-connected world. Never in history has one disease affected so many nations and people across the globe simultaneously upending economies, businesses and lives in ways that will affect us all for years to come.

Nigeria's economy is extremely vulnerable to global economic disruptions caused by events like COVID-19 because even after 50 years, we still solely rely on crude oil for our foreign exchange earnings.Therefore, it was easy to predict that the economy would plunge into recession in 2020due to afall in crude oil prices fromlower global demand due to COVID–19.

The containment measures put in place to slow the disease's spread, negatively affected manufacturing, aviation, hospitality, restaurants, and trade. Contractions in these sectors were not offset by the demand-driven expansion in healthcare and information and communications technology sectors.

According to the African Development Bank, overall real GDP was estimated to have shrunk by 3%, though to individuals it felt much worse. Official statistics state that inflation rose to 12.8% in 2020 fueled by higher food prices due to constraints on domestic supplies and the pass-through effects of an exchange rate premium that widened to about 24%. The increase in fuel prices and electricity tariffs added further to inflationary pressures. Unemployment and under employment rose dramatically with the worst effects on the poor resulting in a further rise in poverty. This is a miserable and dangerous situation for Nigeria, the country with the largest absolute number of desperately poor people in the world. This sad state is reflected in Nigeria's168thrank out of 173 countries on the World Bank's Human Capital Index which measures child survival rates, quality and quantity of education, and heath. Nigeria only out-performed Liberia, Mali, South Sudan, Chad, and Niger.

Though Nigeria scored slightly better on the ease of doing business rankings – 131 out of 190, the country faces massive developmental challenges. These include the need to reduce the dependency on oil, build strong and effective institutions, invest in basic infrastructure, and address governance issues to name just a few.

Our Performance Review

The COVID-19 global pandemic did not just bring about new norms in societal behavior, it also reshaped many business environments and the culture of businesses. Video and phone meetings replaced physical meetings and billions of people learned to work or go to school from home. Resourcery was no exception. We closed our physical offices and did our best to conduct remote sales however, much of our implementations were done in person.

Given the massive disruptions, your company did quite well from a sales perspective which dropped only 4% to N1.75bn. We faired even better in operating costs which dropped 22%. This produced an effective break-even result on operations at negativeN1.5m for 2020 vs negative N142m in 2019.

However, once again the ugly effects of foreign exchange losses were significant due to our dollar debts and the rate movement from N360 to N480 to a dollar. This resulted in a one-time foreign exchange charge of N540m, throwing the company into a loss before tax of N550m for 2020 vs a loss of N85m for 2019.

The Future & Projections

The economy is projected to grow by 1.5% in 2021and 2.9% in 2022 based on an expected recovery in crude oil prices and production. From the projects we have won and what we see in our pipeline I am predicting that sales will grow in 2021 as we benefit from our strategy of focusing on our premium customer base. Based on this, and controlling our expenses, I also expect we will have an operating profit in 2021. This of course assumes that COVID-19 does not ravage the economy once again and halt businesses in their tracks. I am also hopeful that our debt profile will be reduced and for some amount of balance sheet restructuring.

Board Changes

Alhaji Ahmed Shuaibu, having led and served Resourcery Plc meritoriously for many years resigned as a member of the board of directors and Chairman of the company on the 13th of May 2021 following his Appointment as the Executive Secretary of the Financial Reporting Council of Nigeria. This appointment resulted in an inability to hold board positions in companies following the said appointment.

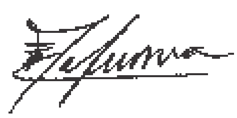
On behalf of the other members of the board and the management of Resourcery, I wish to express my profound gratitude to Alhaji Shuaibu for the time, dedication, guidance, and leadership he provided to the company over the years. I will dearly miss his wise counsel and sage advice, but we all wish him well in this very important national assignment. Resourcery's loss is definitely the nation's gain.

Conclusion

I would like to appreciate our valued customers for trusting us to deliver world-class solutions for their enterprises. Without them, there is no us. Thank you to our critical technology partners and suppliers for working with us so effectively during these trying times.

I would also like to thank our dedicated team of employees who make Resourcery what it is. My thanks also to the members of the board, for your support and guidance as we forge ahead together. Finally, on behalf of the board and all members of staff, I express my sincere appreciation to our shareholders for their continued support of Resourcery Plc.

Thank you all for being here today.



Tanimola Fafunwa
Managing Director

REPORT OF THE DIRECTORS

The Directors have the pleasure in presenting their report on the affairs of Resourcery Plc (”the Company”) together with its subsidiary ("the Group") and the Consolidated and Separate audited financial statements for the year ended 31 December 2020.

Principal activity
The principal activities of the Company and its subsidiary, locally and internationally during the year continue to be the supply, installation and maintenance of communications, telecommunications and information technology systems.

State of affairs
In the opinion of the Directors, the state of the Groups affairs is satisfactory and there has been no material changes in the reporting date, which would affect the consolidated and separate financial statements as presented.

Dividend
The Directors do not recommend payment of any dividend in respect of the year ended 31 December 2020 (2019:Nil).

		THE GROUP		THE COMPANY
	31-Dec 2020 N'000	**31-Dec 2019 N'000**	31-Dec 2020 N'000	**31-Dec 2019 N'000**
Revenue	1,175,264	1,431,783	1,175,264	1,226,278
Profit/(Loss) before taxation	(559,131)	12,602	(554,697)	(84,750)
Taxation	(5,641)	(10,556)	(5,641)	(10,555)
Loss after taxation	(564,772)	2,046	(560,338)	(95,305)
Other comprehensive income/(loss) for the year - net of tax	19,577	48,444	22,384	56,873
Total comprehensive income/(loss) for the year -net of tax	(545,195)	50,490	(537,954)	(38,432)

Property, Plant and Equipment (PPE)
Information relating to Property, Plant and Equipment is shown in Note 13 to the consolidated and separate audited financial statements. In the opinion of the Directors, the market value of the Group and the Company's PPE is not less than the carrying value shown in the consolidated and separate audited financial statements.

Acquisition of own shares
The group and the Company has not purchased any of its own shares during the year under review (2019:Nil).

Board Meetings
During the year under review, the Board of Directors held four (4) meetings, which were attended by the members of the Board on the 30th January 2020, 5thJune 2020, 8th October 2020, and 17thDecember, 2020 respectively. The Company Secretary is also empowered by the Board to effectively discharge his duties and responsibilities independently in compliance with Article 8.4 of the SEC Code of Corporate Governance for Public Companies.

During the year under review, the Board of Directors comprised of the following members:

REPORT OF THE DIRECTORS

NO	NAME	STATUS	DESIGNATION	ATTENDANCE
1	Alhaji Ahmed Shuaibu	Non-Executive Director	Chairman	30-Jan-2020 05-Jun-2020 08-Oct-2020 17-Dec-2020
2	Mr. Tani Fafunwa	Chief Executive Director	Member	30-Jan-2020 05-Jun-2020 08-Oct-2020 17-Dec-2020
3	Mr. Andrew Ejoh	Executive Director	Member	30-Jan-2020 05-Jun-2020 08-Oct-2020 17-Dec-2020
4	Mr. Tunde Fafunwa	Non-Executive Director	Member	30-Jan-2020 05-Jun-2020 08-Oct-2020 17-Dec-2020
5	Mr. Uzoh Obi	Executive Director	Member	30-Jan-2020 05-Jun-2020 08-Oct-2020 17-Dec-2020
6	Mr. Ike Onyia	Non-Executive Director	Member	30-Jan-2020 05-Jun-2020 08-Oct-2020 17-Dec-2020

RETIREMENT BY ROTATION

In accordance with the provisions of the Articles of Association of the Company and Section 285 of the Companies and Allied Matters Act, the Directors due to retire by rotation is Mr. Andrew Ejoh and Mr. Tani Fafunwa. The retiring Directors, being eligible, have offered themselves for re-election.

The profiles of the retiring Directors are stated below:

Mr. Andrew Ejoh- Executive Director

Andrew Ejoh functions as the Executive Director, Business Development Group; a role to which he brings deep industry knowledge of over 25 years.

He headlines within his portfolio, two distinct yet interlinked, market-facing teams – Vertical Industries and Strategic Information Solutions.

This industry team responsible for sales has ventured into the Financial, Oil & Gas, Manufacturing, Construction and Real Estate space.

Among the new strategic solutions birthed under his direction is the business intelligence initiative in partnership with SAS Pty. These solutions have contributed immensely to the organization's growth into existing and new customer businesses.

Andrew Ejoh holds a B.Sc. in Accounting from the University of Lagos and is also a qualified Chartered Accountant since 1989. Until 2003, he functioned as the Financial Director of Resourcery.

REPORT OF THE DIRECTORS

Mr. Tani Fafunwa- Managing Director
Tani has over well 25 years of Senior Management experience in the Information Technology industry. After graduating with an MBA from Stanford University in 1993, Tani returned to Nigeria to lead the operations of Resourcery Ltd., at the time, a small IT company trying to find its niche.

In 2000, he prepared the company for external investment and convinced the first Nigerian private equity firm to invest in Resourcery. To grow the company, Tani implemented the strategy to focus on core networking technologies and expand from there. He built strategic relationships with global IT firms and today the company is a major partner for technology leaders like Cisco, EMC, VCE, SAS, Check Point and CommScope. An oversubscribed 2008 private placement provided the private equity firm with a handsome exit and expanded the shareholding of the company to over 1,200 making Resourcery the first systems integrator to become a public company.

Today Resourcery is a leading IT systems integrator in West Africa. It provides services across the region from its offices in Nigeria and Ghana. The company offers innovative information technology solutions for large enterprise customers in the financial services, telecoms, energy, manufacturing, government and service industries. Resourcery is a thought leader in the platform shift from PCs to smart connected devices. It helps clients navigate the 'new normal' of cloud-based solutions by offering the infrastructure that makes this possible. The company has deep skills in networking, data centers, collaboration solutions, security, servers, storage and business applications.

Tani served on the industry advisory board to the Federal Minister of Communications Technology and is on the board of Paga Tech a leading payments provider in Nigeria. He was also a member of the Partner Operations Advisory Board for Cisco Systems (EMEA) and the Cisco Partner Executive Exchange.

In the course of the period under review, both Directors all the Board meetings and all Board Committee meetings (where applicable). A record of their attendance at meetings is available on page {page 12} of this Report.

RESIGNATION OF DIRECTOR
Alhaji Ahmed Shuaibu resigned as a member of the board of directors and Chairman of Resourcery Plc on 13th May 2021 following his Appointment as the Executive Secretary of the Financial Reporting Council of Nigeria and his inability to hold board positions in companies following the said appointment.

Directors are not aware of any significant event that occurred after the reporting date and up to the date of this Report, save for the resignation of the Chairman of the Board as disclosed above.

DIRECTORS' INTEREST IN SHARES
Pursuant to Sections 301 and 302 of the Companies and Allied Matters Act 2020, the direct and indirect interest of the Directors in the issued share capital of the Group and the Company as notified by them and recorded in the Register is as follows:

	31-Dec 2020 No. of shares	%	**31-Dec 2019 No. of shares**	%
Tanimola Sanusi Fafunwa	245,456,471	7.2	245,456,471	7.2
Andrew Ifeanyichukwu Ejoh	176,827,766	5.2	176,827,766	5.2
Uzo Harold Obi	210,286,590	6.2	210,286,590	6.2

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

REPORT OF THE DIRECTORS

RANGE ANALYSIS AS AT 31STDECEMBER, 2020

Range	No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum
1-1,000	79	6.36%	79	30,295	0.00%	30,295
1,001-5,000	29	2.33%	108	64,680	0.00%	94,975
5,001-10,000	4	0.32%	112	40,000	0.00%	134,975
10,001-50,000	2	0.16%	114	34,134	0.00%	169,109
50,001-100,000	429	34.54%	543	42,899,900	1.27%	43,069,009
100,001-500,000	556	44.77%	1,099	121,145,330	3.57%	164,214,339
500,001-1,000,000	67	5.39%	1,166	61,911,161	1.83%	226,125,500
1,000,001- 5000000	49	3.95%	1,215	123,894,500	3.66%	350,020,000
5,000,001- 50000000	14	1.13%	1,229	243,481,743	7.18%	593,501,743
50,000,001- 100000000	6	0.48%	1,235	417,219,345	12.31%	1,010,721,088
100,000,001- 500000000	6	0.48%	1,241	1,565,964,951	46.20%	2,576,686,039
500,000,001 - 1000000000	1	0.08%	1,242	812,500,000	23.97%	3,389,186,039
Grand Total	1,242	100.00%		3,389,186,039	100.00%	

SHAREHOLDERS WITH 5% AND ABOVE

	31-Dec 2020		31-Dec 2019	
	Number	%	Number	%
Tanimola Sanusi Fafunwa	245,456,471	7.24	245,456,471	7.24
Andrew Ifeanyichukwu Ejoh	176,827,766	5.22	176,827,766	5.22
Uzo Harold Obi	210,286,590	6.20	210,286,590	6.20
First Funds Limited	812,500,000	23.97	1,047,794,124	30.92
First Funds Limited	235,294,124	6.94	-	-
Black Thorns Hills Limited	-	-	448,100,000	13.22
ESL/ JO Hambo- Atlas Investment Limited	250,000,000	7.38	250,000,000	7.38
Springboard Trust & Investment Limited	448,100,000	13.22	-	
	2,378,464,951	100	3,389,186,039	

CHARITABLE CONTRIBUTIONS AND DONATIONS
The Group made no contribution to charities during the year ended 31 December 2020 (2019:N150,000).

EMPLOYMENT AND EMPLOYEES

Employment of Disabled Persons
No disabled person was employed by the Group during the year. However, it is the Group's policy to consider disabled persons for employment, bearing in mind the respective aptitudes and abilities of the applicants concerned.

REPORT OF THE DIRECTORS

Health, Safety and Welfare of employees at Work
The group places high premium on the health, safety, and welfare of its employees in their places of work. To this end, the Group has various forms of insurance policies including Group life insurance to adequately secure and protect its employees. The Group also has in place a healthcare insurance scheme for employees' medical needs.

Employees' Interest and Training
The Group places considerable value on the development of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and other forms of communication. The group organizes in-house and external training for its employees based on the requirements of their job. Overseas courses are also arranged where and when necessary.

Events After The Reporting Period
There are no events or transactions that have occurred since the reporting date which would have a material effect on the consolidated and separate financial statements as presented.

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

Auditor
Mazars Nigeria have expressed their willingness to continue in office as Auditors in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020

BY ORDER OF THE BOARD

JACKSON, ETTI & EDU
Company Secretary

Jackson Etti & Edu
Secretary
FRC/ 2015 /NBA/00000012847
25th May, 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and the Company and of its loss for the year ended 31 December 2020. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of internal financial control.

The group recorded a net loss of N545,595,000 for the year ended 31 December 2020 (2019: net loss of N40,500,000) (Company: net loss of N537,954(2019: net loss of N38,432,000) and as at that date, the Group has net current liabilities of N3,966,349,000 2019: N3,677,151).

The management has set up a committee with the responsibility of putting risk assessment processes in place in ensuring the Group returns to a profitable position. The risk assessment process put in place includes effective Job Order assessment which involves detailed review of all contracts and collection of contract advance on all Purchase Orders. These initiatives along with the other cost savings actions are forecast to return the Company to profitability. Also, the Company has a plan to repay the short-term loan and part of its payables as soon as the liquidity position of the Company improves, while plan to negotiate and restructure its long-term loan and overdue payables is in progress. However, the timing and extent to which these developments will enable the Group returns to profitability and solvency is not certain at this stage.

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

Managing Director
Tanimola Fafunwa
FRC/ 2014 /IODN/ 00000004310

Executive Director
Andrew Ejoh
FRC/ 2014 /IODN/ 00000004306

May 25th 2021

REPORT OF THE AUDIT COMMITTEE

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020, the members of the Audit Committee of Resourcery Plc having carried out our statutory functions under the Act, hereby report as follows:

- The accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices;

- The scope and planning of both the external and internal audit for the year ended 31st December 2020, are satisfactory and are in accordance with the Company's internal control system; and agreed ethical practices; and

- We are satisfied with the responses to our questions and the state of Affairs at Resourcery Plc.

Members of the Audit Committee and its Statutory Meeting:
The Company's Audit Committee held a meeting during the year under review, and same was held on 25th September, 2020. Members' attendance at the meeting for the period are detailed below:

NO	NAME	STATUS	DESIGNATION	ATTENDANCE
1	Mr. Tunde Fafunwa	Directors' Representative	Member	25-Sep-2020
2	Prince Babatunde Shobande	Shareholders' Representative	Member	25-Sep-2020
3	Rev. Adegbayike Olusegun	Shareholders' Representative	Member	25-Sep-2020
4	Mr. Ike Onyia	Directors' Representative	Member	25-Sep-2020
5	Mrs. Adenike Nusirat	Shareholders' Representative	Member	NIL

The Company Secretary serves as Secretary to the Committee.

Mr Tunde Fafunwa
Chairman

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In our opinion, the consolidated and separate financial statements of **Resourcery Plc's** ("the Company") and its subsidiary (together "the group") give a true and fair view of the consolidated and separate financial position as at 31 December 2020, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and in the manner required by the Companies and Allied Matters Act, LFN 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

What we have audited
Resourcery Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statement of financial position as at 31 December 2020;
- the consolidated and separate statement of profit and loss and other comprehensive income for the year then ended;
- the consolidated and separate statement of changes in equity for the year then ended;
- the consolidated and separate statement of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory information.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Material Uncertainty related to Going Concern
We draw attention to Note 36 in the consolidated and separate financial statements which indicates the Group recorded net loss of N565million (2019: net profit N2 million) while the Company reported a net loss of N560 million (2019: N 95 million) for the year ended 31 December 2020 and as of that date the Group's total liabilities exceeded its total assets by N1.7 billion (2019: N1.18 billion) and the Company's total liabilities exceeded its total assets by N1.7 billion (2019: N1.07 billion). Also, as at 31 December 2020, the Group reported a negative working capital of N1.835 million (2019: N1.279 million) and the Company reported a negative working capital of N1.729 million (2019: N1.180 million). These conditions, along with other matters as presented in Note 36, indicate the existence of a material uncertainty which may cast significant doubt on the Group and Company's ability to continue as a going concern Our opinion is not modified in respect of this matter.

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

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

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Key Audit Matter	How the matter was addressed in the audit
ECL Impairment (refer to notes 8, 19) The group and company have financial assets which include trade and intercompany receivables with associated impairment that are significant to the consolidated and separate financial statements As at 31 December 2020, the group and company's gross trade and intercompany receivables which are subjected to impairment Stood at N492 million and N493 million with impairment alowance of N365 million and N365 milon respectively: (representing 74% and 73% of the gross trade receivables and intercompany receivables). Trade receivables represents 23% and 22% of the Group and company's current assets (2019: 31% and 34%): and 22-% and 21 co of the Group and company's total assets (2019; 30% and 33%). The adoption of the International Financial Reporting Standards (IFRS 9) -Financial Instrument Recognition and Measurement introduced an Expected Credit Loss (ECL) model for recognizing impairments for financia instruments different from the incurred loss model under IAS 39. The estimation of the ECL is subject to significant judgement and the model used to determine the estimate is complex. Inputs used for determining the ECL calculation include: • Determining criteria for significant increases in credit risk (SICR) for staging purposes (At origination, loan is classified Under stage 1. when there is significant increase in credit risk, the loan is migrated to stage 2 and subsequently to stage 3 when there is default) • Assessing the relationship between the quantitative factors such as default and qualitative factors such as macro-economic variables. • Incorporating forward looking information in the model building process. • Factors incorporated in determining the Probability of Default (PD), the Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD). The group adopted the general approach in determining ECL for these instruments. This approach involves identification of significant changes in credit risks using a multi factor model, for the purpose of determining whether financial assets will be included in stage 1,2 and 3.	Our audit approach was a mix of both control and substantive procedures, stated as follows: • We reviewed the IFRS 9 model developed by management for the computation of impairment on financial assets in line with the requirements of IFRS 9. • We gained an understanding of how the PD's and LGDs were derived by the model through performing a walkthrough using live data. • For assets classified under stages 1 & 2. we selected material loans and reviewed the repayment history for possible repayment default. We challenged the various factors considered in classifying the loans within stage 1 & 2 and in the measurement of ECL • We tested the historical accuracy of the model by assessing the historical projections versus actual losses. • We focused on the most significant model assumptions including probability of default and loss given default. • We performed detailed procedures on the completeness and accuracy of the information used. • We used our internal specialists to assess the appropriateness of the models used and to perform an independent recalculation of the impairment provision for the selected portfolios. • For the investment securities, we gained an understanding of how the client derived the risk parameters (i.e PD's and LGD's) by performing a walkthrough exercise. • We also challenged all the assumptions considered in the estimation of recovery cash flows, the forecast, and assigned probability weight to the scenarios. In instances where we were not satisfied with the assumptions used by the management, we challenged management assumptions by carrying out a re-computation and reassessing all parameters used • Lastly, we reviewed the macro-economic factors, qualitative and quantitative disclosures for reasonableness to ensure conformity with the IFRS 7 - Financial Instruments: Disclosures and IFRS 9 - Financial Instruments.

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

While twelve months ECLs are computed for financial assets in stage 1, lifetime ECLs are computed for financial assets in stage 2 and 3. Given the level of complexity and judgement involved in the ECL computation process, and also the material nature of the balance, we considered this to be a key audit matter in the financial statements. Disclosed information relating to financial risk management in accordance with IFRS 7, which includes disclosures around Credit risk, Liquidity risk, Market risk and Capital risk.	

Other information
The Directors are responsible for the other information. The other information comprises the *Directors Report. Statement of Director's Responsibilities. Statement of Value Added and Five-Year Financial Summary* (but does not include the consolidated and separate financial statements and our auditor's report thereon).

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and. In doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated If, based on (he work we have performed on the other information that we obtained prior to the date of this auditors report, we conclude that there is a material misstatement of this other information, we are required Io report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and those with governance for the consolidated and separate financial statements.
The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in a manner required by the Companies and Allied Matters Act, LFN 2020 and Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control at the Directors determine is necessary to enable the preparation of consolidated and separate financial statement that are free from material misstatement, whether due to fraud or error.

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

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

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

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

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements
The Companies and Allied Matters Act, LFN 2020 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

I) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
ii) The Group has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
iii) The Group's statement of financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Ngozi Orluike
FRC/2014/ICAN/00000005903
For: Mazars Ojike and Partners
Chartered Accountants
Lagos, Nigeria
25th May, 2021

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
1028631

The **Solutions'** Company

Our Competencies

* Business Applications
* Business Voice and Video Solutions
* Computing and Storage Solutions
* Data Security Solutions
* Managed Services and Support
* Network and Infrastructure Solutions

Founded in 1985, we have over 30 years active experience in servicing Africa's rapidly evolving market. We offer our clients end-to-end business solutions across multiple platforms and media.

In today's constantly evolving and fast-paced business environment, organisations require innovative technologies that will improve corporate processes, maximise profitability and improve efficiency. At Resourcery, we provide solutions and our primary objective as we open our doors for business each day is to develop unique answers to our client's problems.

We constantly ask ourselves:

1. How do we provide intelligent solutions that are functional and cost effective?

2. How do we help our clients maximise key resources while living up to the imperatives of their businesses?

3. How can our services assist our clients focus on the essential areas of their businesses?

This is the Resourcery way. We provide Solutions, not just IT.

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		THE GROUP		THE COMPANY	
	Notes	31 Dec 2020 N'000	31 Dec 2019 N'000 Restated	31 Dec 2020 N'000	31 Dec 2019 N'000
Revenue	5	1,175,264	1,431,783	1,175,264	1,226,278
Cost of sales	6	(820,327)	(984,354)	(820,327)	(866,100)
Gross profit		354,937	447,429	354,937	360,178
Administrative expenses	7	(357,686)	(763,259)	(352,833)	(682,366)
Impairment loss (expense)/reversal	8	(119,436)	60,661	(119,436)	60,474
Other operating (expenses)/income	9	(432,816)	321,490	(433,835)	227,933
Operating loss		(555,001)	66,321	(551,167)	(33,781)
Finance costs	10.1	(3,970)	(57,887)	(3,970)	(54,237)
Finance Income	10.2	440	4,168	440	3,268
Share of losses in associate	16.2	(600)	-	-	-
Loss before taxation		(559,131)	12,602	(554,697)	(84,750)
Income tax expense	28	(5,641)	(10,556)	(5,641)	(10,555)
Loss for the year		(564,772)	2,046	(560,338)	(95,305)
Attributable to:					
Equity holders of the parent		(564,772)	4,124	(560,338)	(95,305)
Non- controlling interests	16.2	-	(2,078)	-	-
		(564,772)	2,046	(560,338)	(95,305)
Other comprehensive income (OCI)					
Items that may be reclassified to profit or loss.					
Exchange difference on translating foreign operation	23.3	(2,807)	(8,429)	-	-
Items that will not be reclassified to profit or loss.					
Net gain on equity instruments at fair value through OCI	23.2	22,384	56,873	22,384	56,873
Other comprehensive income for the year; net of tax		19,577	48,444	22,384	56,873
Total comprehensive loss for the year; net of tax.		(545,195)	50,490	(537,954)	(38,432)
Attributable to:					
Equity holders of the parent		(545,195)	52,568	(537,954)	(38,432)
Non- controlling interests		-	(2,078)	-	-
		(545,195)	50,490	(537,954)	(38,432)
Basic/Diluted loss per share (Naira)	12	(0.17)	0.00	(0.17)	(0.03)

See notes to the consolidated and separate financial statements.

STATEMENT OF FINANCIAL POSITION

		THE GROUP		THE COMPANY	
	Notes	31 Dec 2020 N'000	31 Dec 2019 N'000 Restated	31 Dec 2020 N'000	31 Dec 2019 N'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	6,553	3,331	6,553	3,331
Investment in subsidiary	16.1	-	-	7,725	7,725
Investment in associate	16.2	-	600	600	600
Investment in preference shares	16.3	63,871	78,318	63,871	78,318
Equity investment	17	39,180	16,796	39,180	16,796
		109,604	99,045	117,929	106,770
Current assets					
Inventories	18	287,336	203,300	287,336	203,300
Trade and other receivables	19	1,826,456	2,102,839	1,899,429	2,160,592
Prepayments	20	927	738	927	738
Cash and cash equivalents	21	16,388	80,796	16,246	79,312
		2,131,107	2,387,673	2,203,938	2,443,942
TOTAL ASSETS		2,240,711	2,486,718	2,321,867	2,550,712
EQUITY AND LIABILITIES					
Equity					
Issued capital	22	1,694,593	1,694,593	1,694,593	1,694,593
Share premium	23.1	352,752	352,752	352,752	352,752
Foreign currency translation reserve	23.3	(3,371)	(564)	-	-
Fair value reserve	23.2	35,791	13,407	35,791	13,407
Accumulated loss		(3,805,403)	(3,240,631)	(3,694,240)	(3,133,902)
Total Equity		(1,725,638)	(1,180,443)	(1,611,104)	(1,073,150)
Current Liabilities					
Interest bearing loans and borrowings	24	148,092	234,502	148,092	234,502
Trade and other payables	26	3,735,504	3,322,828	3,694,072	3,271,992
Contract liabilities	27	36,918	66,236	36,918	65,946
Current tax liabilities	28	45,835	43,595	53,889	51,422
		3,966,349	3,667,161	3,932,971	3,623,862
TOTAL LIABILITIES		3,966,349	3,667,161	3,932,971	3,623,862
TOTAL EQUITY AND LIABILITIES		2,240,711	2,486,718	2,321,867	2,550,712

Consolidated and separate financial statements of Resourcery Plc for the year ended 31 December 2020 were authorized for issue in accordance with the resolution of the Board of Directors on------------------------------and were signed on their behalf by:

Managing Director
Mr. Tanimola Fafunwa
FRC/2014/IODN/00000004310

The accompanying notes to the consolidated and separate financial statements form an integral part of these consolidated and separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

THE GROUP	Share Capital	Share premium	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	1,694,593	352,752	(564)	13,407	(3,240,631)	(1,180,443)	-	(1,180,443)
Loss for the year	-	-	-	-	(564,772)	(564,772)	-	(564,772)
Other comprehensive (loss)/income; net of tax	-	-	(2,807)	22,384	-	19,577	-	19,577
Total Comprehensive (loss)/income; net of tax	-	-	(2,807)	22,384	(564,772)	(545,195)	-	(545,195)
At 31 December 2020	1,694,593	352,752	(3,371)	35,791	(3,805,403)	(1,725,638)	-	(1,725,638)
At 1 January 2019	1,694,593	352,752	7,865	39,915	(3,328,136)	(1,233,011)	(37,789)	(1,270,800)
Loss for the year - (Restated-Note 39)	-	-	-	-	4,124	4,124	(2,078)	2,046
Other comprehensive (loss)/income; net of tax (Restated Note 39)	-	-	(8,429)	56,873	-	48,444	-	48,444
Total Comprehensive (loss)/income; net of tax	-	-	(8,429)	56,873	4,124	52,568	(2,078)	50,490
Disposal of subsidiary	-	-	-	-	-	-	39,867	39,867
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	(83,381)	83,381	-	-	-
At 31 December 2019	1,694,593	352,752	(564)	13,407	(3,240,631)	(1,180,443)	-	(1,190,433)

See notes to the consolidated and separate financial statements.

THE COMPANY	Share Capital N'000	Share premium N'000	Accumulated losses N'000	Fair value reserve N'000	Total Equity N'000
At 1 January 2020	1,694,593	352,752	(3,133,902)	13,407	(1,073,150)
Loss for the year	-	-	(560,338)	-	(560,338)
Other comprehensive income;net of tax	-	-	-	22,384	22,384
Total Comprehensive (loss)/income; net of tax	-	-	(560,338)	22,384	(537,954)
At 31 December 2020	**1,694,593**	**352,752**	**(3,694,240)**	**35,791**	**(1,611,104)**
At 1 January 2019	1,694,593	352,752	(3,121,978)	39,915	(1,034,718)
Loss for the year	-	-	(95,305)	-	(95,305)
Other comprehensive loss; net of tax	-	-	-	56,873	56,873
Total Comprehensive loss; net of tax	-	-	(95,305)	56,873	(38,432)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	83,381	(83,381)	-
At 31 December 2019	**1,694,593**	**352,752**	**(3,133,902)**	**13,407**	**(1,073,150)**

See notes to the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

		THE GROUP		THE COMPANY	
		31 Dec 2020	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2019**
	Notes	**N'000**	**N'000**	**N'000**	**N'000**
Cash flows from operating activities			**Restated**		
Profit/(Loss) before taxation		(559,131)	12,602	(554,697)	(84,750)
Adjustments to reconcile loss before tax to net cash flows					
Depreciation of property, plant and equipment	7	4,193	5,878	4,193	5,070
Depreciation of right-of-use asset	7	-	29,739	-	29,739
Overprovision of inventory reversed	18	-	(1,024)	-	(1,024)
(Profit)/loss on disposal of property, plant and equipment		(4,676)	(1,015)	(4,676)	(1,015)
Profit on derecognised property plant and equipment	9	-	(30)	-	-
First Fund Limited loan forgiveness	9	-	(221,695)	-	(221,695)
Obsolete stock	9	-	(2,784)	-	(2,784)
Impairment of trade receivables	8	106,792	(79,942)	106,792	(79,943)
Impairment of investment in preference shares	8	19,281	19,281	19,281	19,281
Reversal of impairment - investment in preference share:	8	(6,637)	-	(6,637)	-
Impairment of intercompany receivables	8	-	-	-	188
Gain on disposal of subsidiary	9	-	(92,712)	-	(700)
Finance costs	10.1	3,970	57,887	3,970	54,237
Finance Income	10.2	(440)	(4,168)	(440)	(3,268)
Net foreign exchange difference	24	620	4,892	620	4,875
Associate share of loss (Triversa)	16.2	600	-	-	-
		(435,428)	(273,091)	(431,594)	(281,789)
Changes in working capital					
(Increase)/Decrease in Inventories		(84,036)	206,246	(84,036)	206,246
Decrease/(Increase) in trade and other receivables		169,590	1,265,127	154,370	1,350,414
(Increase)/Decrease in Prepayments		(189)	(645)	(189)	(645)
(Decrease)/Increase in trade and other payables		414,480	(951,000)	423,884	(1,018,044)
Increase/(Decrease) in contract liabilities		(29,318)	758	(29,028)	(48,373)
		35,099	247,395	33,407	207,809
Income tax paid	28	(3,401)	(13,440)	(3,174)	(5,612)
Net cash from/(used in) operating activities		31,698	233,955	30,233	202,197
Cash flows from investing activities		4,676	1,194	4,676	1,015
Proceeds from sale of property, plant and equipment		-	205	-	-
Proceeds from sale of derecognised PPE		(7,415)	(2,097)	(7,415)	(1,750)
Purchase of property, plant and equipment	13	440	4,168	440	3,268
Finance income					
		(2,299)	3,470	(2,299)	2,533
Net cash from investing activities					
Cash flows from financing activities					
Proceeds from borrowing	24.2	-	2,129	-	2,129
Repayment of borrowings	24.2	(91,000)	(100,862)	(91,000)	(81,958)
Lease payment on right-of-use assets	14	-	(22,834)	-	(22,834)
Interest paid	24.2	-	(17,418)	-	(12,057)
Net cash used in financing activities		(91,000)	(138,985)	(91,000)	(114,720)
Net increase/(decrease) in cash and cash equivalents		(61,601)	98,440	(63,066)	90,010
Cash and cash equivalent deconsolidated		-	(5,597)	-	-
Unrealised exchange difference		(2,807)	(3,781)	-	792
Cash and cash equivalents at 1 January		80,796	(8,266)	79,312	(11,490)
Cash and cash equivalents at 31 December	21	16,388	80,796	16,246	79,312

See notes to the consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1 General information

a) Corporate information:

The consolidated and separate financial statements of Resourcery Plc and its subsidiary (the Group) for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Directors on ---------- 2021. Resourcery Plc (the Company) was incorporated on 14 March 1985 as a limited liability company in accordance with the provisions of the Companies and Allied Matters Act, 1968, commenced operations on 15 April 1985. On 20 May 2008, in accordance with the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, the Company was converted to Public Limited Liability Company. The company shares are yet to be listed on the Nigerian Stock Exchange (NSE). The company is domiciled in Nigeria and the registered office is located at 16-18 Adeola Hopewell Street .Victoria Island, Lagos.

b) Principal activities:

The principal activities of the Company locally and internationally during the year continue to be the supply, installation and maintenance of communications, telecommunications and information technology systems.

c) Statement of Compliance

The consolidated and separate financial statements of Resourcery Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

d) Operating environment

Emerging markets such as Nigeria are subject to different risks than more developed markets, including economic, political, social, and legislative risks. Prior to 31 December 2020, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Nigeria and the country's economy in general. The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. These conditions could slow or disrupt Nigeria's economy, adversely affecting the Company's access to capital and cost of capital for the Company and more generally, its business, results of operations, financial condition and prospects.

Because Nigeria produces and exports large volumes of oil, Nigeria's economy is particularly sensitive to the price of oil on the world market which has fluctuated significantly during the financial year ended 31 December 2020.

2 Significant accounting policies

The significant accounting policies applied in the preparation of the consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. All entities within the Group apply the same accounting policies.

2.1 Basis of preparation

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated and separate financial statements have been prepared under the historical cost basis, except for equity instruments that have been subsequently measured at fair value through other comprehensive income (FVOCI). The consolidated and separate financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The consolidated and separate financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the notes, comprising of a summary of significant accounting policies and other explanatory notes.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.1 Basis of preparation - Continued

The preparation of the consolidated and separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the Group and the Company's accounting policies. Changes in assumptions may have a significant impact on the consolidated and separate financial statements in the period the assumptions changed. The directors believe that the underlying assumptions are appropriate and that the Group and Company's financial statements therefore present the financial position and results fairly. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the consolidated and separate financial statements.

Current versus non-current classification

The group presents assets and liabilities in the statement of financial position based on current/non-current classification.

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

All other assets are classified as non-current.

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

The group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.2 Basis of Consolidation - Continued

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

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

If the Group loses control over a subsidiary, it:
Derecognises the assets (including goodwill) and liabilities of the subsidiary
Derecognises the carrying amount of any non-controlling interests
Derecognises the cumulative translation differences recorded in equity
Recognises the fair value of the consideration received
Recognises the fair value of any investment retained
Recognises any surplus or deficit in profit or loss
Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The consolidated and separate financial statements of the Group include that of:

Name	Principal Activities	Country of Incorporation	Percentage	Nature of interest
Resourcery Plc	Ressourery Plc's principal activities includes supply, installation and maintenance of communications, telecommunications and information technology systems.	Nigeria		Parent
Resourcery Africa Ltd, Ghana	Resourcery Ghana Limited, which is involved in the supply, installation and maintenance of communication, telecommunication and information technology system. Resourcery Ghana is a private entity. The company established Resourcery Ghana in order to significantly expand its business within the African countries and also to bridge the gap with its African customers.	Ghana	100%	Subsidiary
Triversa Solutions Limited	Triversa Solutions Limited is involved in sales and implementation of the Business Application Solutions. The entity was also established to handle the software aspects of the Group business.	Nigeria	30%	Associate

2.3 Summary of significant accounting policies

a Investment in associate

i Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiary. The group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiary of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Accounting for other entities in the separate financial statements

In the separate financial statements of Resourcery Plc (the Company), investment in subsidiary is recognised at cost and dividend income is recognised in other income in profit or loss of the Company.

The company assesses at the end of each reporting period whether there is objective evidence that an investment is impaired. An investment 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 investment and has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the recoverable amount. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit and loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit and loss.

c) Fair value measurement

The group measures its equity securities classified as fair value through other comprehensive income, at fair value at each reporting date. Fair-value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are summarized in the notes.

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

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

The principal or the most advantageous market must be accessible to the Group.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

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

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

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

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

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

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

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated and separate financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated and separate financial statements are presented in 'Naira' (N), which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses are presented in the statement of profit or loss within other operating income or administrative expenses.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

(iii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Naira at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

e) Revenue from contracts with customers

The company is principally engaged in the supply, installation and maintenance of communications, telecommunication and information technology systems.

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

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

Equipment Supply and Installation

Revenue from supply of equipment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue from the sale of goods is recognised at a point in time, generally upon delivery of the goods. Delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the supply contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The group also provides installation services that are either sold separately or bundled together with the supply of equipment to a customer. The installation services can be obtained from other providers and do not significantly customise the supply of the equipment. Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services. The group recognises revenue from installation services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from the supply of equipment are recognised at a point in time, generally upon delivery of the equipment.

Support Services

The group provides support services such as Software support, Hardware Support, Performance Monitoring, On-site Technical Support and Maintenance Services. The services represent a series of distinct services that are substantially the same and have the same pattern of transfer to the customer.

The group recognises revenue from managed support services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Variable Consideration

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

• Significant financing component

With respect to performance obligations for which the period between when the Group transfers a promised good or service to the customer and when the customer pays for that good or service is less than one year, the Group applies the practical expedient permitted by IFRS 15 and does not adjust the promised amount of consideration for the effects of a significant financing component.

In those cases in which there is a contractual or legal right to charge late-payment interest owing to the delay in collection with respect to the contractually established periods, such interest is only recognised when it is highly probable that it will actually be collected.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

Contract balances

• Trade receivables

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

• Contract liabilities

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

f) Property, Plant and Equipment Recognition and measurement

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

The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are recognised as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the entity: and (b) the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the profit and loss statement during the period in which they were incurred.

Subsequent costs

The cost of replacing a part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal Group is not depreciated while it is classified as held for sale.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

Computer equipment	- 2 years
Furniture and fittings	- 4 years
Motor vehicles	- 4 years
Office equipment	- 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively if appropriate. When deciding on depreciation rates and methods, the principal factors the Group takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets. When reviewing residual values, the Company estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are recognised in profit or loss during the period in which they were incurred.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.The useful lives of intangible assets are assessed as finite.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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

Navision Dynamics	4 years

Navision Dynamics is the computer software purchased by the Company since 2014 and this is the only enterprise resource planning software used by the Company.

h) Leases

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets (ROU)

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

• Office buildings 1 - 2 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

h) Leases

(ii) Lease liabilities

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

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

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

i) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Group that generates cash flows that largely are independent from other assets and Groups. Impairment losses are recognised in the statement of profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

j) 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.

i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified at initial recognition as, amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

Financial assets - Classification

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

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

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The company's financial assets includes financial assets at amortised cost and fair value through OCI.

Financial assets at amortised cost (debt instruments)

The group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The group's financial assets at amortised cost includes trade and other receivables, and redeemable preference shares.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Impairment of financial assets - Continued

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

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

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

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

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

ii) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and other liabilities, as appropriate.

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

The group's financial liabilities include trade and other payables and borrowings.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The group has not designated any financial liability as at fair value through profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

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

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

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

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

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

k) Inventory and work-in-progress
Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Raw materials, non-returnable	-	purchase cost on a weighted average basis including transportation and applicable clearing charges.
Finished goods and work in progress	-	average cost of direct materials and labour plus the appropriate amount attributable to overheads. This comprises mainly of on-going networking projects. The group transfers such assets to the appropriate class once they are completed
Inventory-in-transit	-	purchase cost incurred to date.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items.

i) Share capital
The company has one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

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

Dividend on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders.

Fair value reserves
Fair value through other comprehensive income assets are measured at fair value and the movement is in the Other comprehensive income and fair value reserve. It is a non-distributable reserve

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3 Summary of significant accounting policies - Continued

m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that the Group will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs recognised when the Group has a detailed formal plan for the restructuring that has been communicated to the affected parties. Provisions are not recognised for future operating losses. The group discloses contingent liability where it is a possible obligation that arises from past events and whose occurrence or non-occurrence is contingent on one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised 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. The group also makes disclosure about possible assets 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.

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

Contingent assets are disclosed only when they are probable.

n) Current and deferred income tax

The tax for the period comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity respectively.

The tax currently payable is based on the minimum tax computed for the year. Minimum tax payable arises when the tax assessment results in taxable losses. In which case the tax authority completely excludes the taxable profit calculation and compute minimum tax as 0.25% of turnover less franked investment income.

The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted under the Companies Income Tax Act at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Education tax is computed at 2% of the assessable profits.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiary where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits and sufficient taxable temporary difference in the future will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities on a net basis.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

o) Employee retirement benefits

Short term employee benefits
These are benefits that are expected to be settled wholly, before twelve months after the end of the annual reporting period in which the employee rendered the related service. According to IAS 19, all short term benefits are to be recognised and measured as liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefit, the Company shall recognise the excess as an asset, to the extent that the prepayment will lead to future reduction in future payment or cash refund or as an expense.

Defined Contribution scheme
The company operates a defined contribution plan which is funded by contributions from the Company and the employees which is funded through payroll being 10% for Company and 8% for employees on qualifying emoluments as contained in the amended Pension Reform Act 2014. The amount contributed by the Company is recognised as employee benefit expenses and charged to the statement of profit or loss. The company has no further payment obligation once the contributions have been paid.

p) Loss per share
Basic loss per share is calculated by dividing net loss after tax attributable to ordinary equity holders of the Company, excluding any costs of servicing other equity instruments, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effective interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

q) Convertible preference shares
Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible preference shares, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.5 Standards that became effective during the year

Definition of Material -Amendments to IAS 1 and IAS 8
The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

• that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
• the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.5 Standards that became effective during the year - Continued

Definition of a Business -Amendments to IFRS 3
The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

Revised Conceptual Frameworkfor Financial Reporting
The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:
• increasing the prominence of stewardship in the objective of financial reporting
• reinstating prudence as a component of neutrality
• defining a reporting entity, which may be a legal entity, or a portion of an entity
• revising the definitions of an asset and a liability
• removing the probability threshold for recognition and adding guidance on derecognition
• adding guidance on different measurement basis, and
• stating that profit or loss is the primary performance indicator andthat, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

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

*IFRS 17 Insurance Contracts
•Property, Plant and EquipmentProceeds before intended use -Amendments to IAS 16
•Reference to the Conceptual Framework -Amendments to IFRS 3
•Classification of Liabilities as Current or Non-current -Amendments to IAS 1
•Onerous Contracts - Cost of Fulfilling a Contract Amendments to IAS 37
•Annual Improvements to IFRS Standards 2018-2020
•Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28

3 Significant accounting judgments, estimates and assumptions
The preparation of the the Group's consolidated and separate financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 In particular, information about assumptions and estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in relation to the following:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Estimates and assumptions

a) Impairment of financial instruments
(i) Provision for expected credit losses of trade receivables

The group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 19.1.

3 Significant accounting judgments, estimates and assumptions - Continued
a) Impairment of financial instruments - Continued

(ii) Measurement of the expected credit loss allowance for other financial assets
The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 37.1, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:
- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and Establishing Groups of similar financial assets for the purposes of measuring ECL.

b) Revenue from Contracts with Customers
The group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of satisfaction of supply of equipment
The group concluded that revenue for sales of product is to be recognised as a point in time; when the customer obtains control of the products. The group assess when control is transferred using the indicators below:
- The group has a present right to payment for the product;
- The group has legal title to the product;
- The group has transferred physical possession of the asset and delivery note received;
- The group has the significant risks and rewards of ownership of the product; and
- The group has accepted the asset

Determining the timing of satisfaction of services
Revenue from contract with customers is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group.The fact that another entity would not need to re-perform the service that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs. The group has determined that the input method is the best method in measuring progress because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Group's performance completed to date.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

c) Impairment of non-financial assets

Determining whether assets are impaired requires an estimation of the value-in-use of the cash-generating units to which assets have been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The assets were tested for impairment and there was no indication of impairment observed after testing. Therefore, no impairment loss was recognised during the year ended 31 December 2020 (2019: Nil).

d) Deferred taxation

The company and its subsidiary are subject to income taxes within Nigeria and the countries where the subsidiary are domiciled which does not require much judgment in terms of provision for income taxes but a certain level of judgment is required for recognition of the deferred tax assets. Management is required to assess the ability of the Company to generate future taxable economic earnings that will utilize the deferred tax assets. An assumption over the generation of future taxable profits depends on management's estimates of future cash flows. The estimates are based on the future cash flow from operations.

e) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f) Property, plant and equipment

Judgements are utilised in determining the depreciation rates and useful lives of these assets at the end of the period. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the summarized accounting policies. Refer to note 13.

g) Going concern assessment

Management is aware of certain conditions such as continuous loss position, negative equity and net current liabilities that indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Refer note 36.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

4 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the same entity) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

4.1 Business Information

For management purposes, the Group is organized into business units based on its products and services. Management currently identifies the Group's three service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

No operating segments have been aggregated to form the above reportable operating segments. 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 the consolidated and separate financial statements. However, income taxes, finance income, finance expenses and some other administrative expenses are managed on a Group basis and are not allocated to operating segments.

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

THE GROUP

Business information can be analysed as follows for the reporting periods under review:

	Networking	**Equipment supply**	**Support services**	**Total segments**
Year ended 31 December 2020	**N'000**	**N'000**	**N'000**	**N'000**
Revenue				
External customers	124,061	145,695	905,508	1,175,264
Total revenue	124,061	145,695	905,508	1,175,264
Total cost of sales	(461,861)	(226,506)	(131,960)	(820,327)
Gross (loss)/Profit	(337,800)	(80,811)	773,548	354,937
Depreciation of Property, plant and Equipment	(443)	(520)	(3,231)	(4,193)
Net impairment charge of Trade receivables	(11,273)	(13,239)	(82,280)	(106,792)
Employee benefits	(22,644)	(26,593)	(165,279)	(214,517)
Segment profit	(372,160)	(121,163)	522,758	29,435
Total assets				
Property, plant and equipment	692	812	5,049	6,553
Other non current asset	103,051	-	-	103,051
Current asset	224,960	264,189	1,641,958	2,131,107
	328,703	265,001	1,647,007	2,240,711

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

4 Segment Information - Continued

4.1 Business Information - Continued

	Networking N'000	Equipment supply N'000	Support services N'000	Total segments N'000
Total liabilities				
Interest bearing loans and borrowings	15,633	18,359	114,101	148,092
Contract liabilities	3,897	4,577	28,444	36,918
Trade and other payables	394,320	463,083	2,878,101	3,735,504
	413,850	486,018	3,020,646	3,920,514
Year ended 31 December 2019				
Revenue				
External customers	801,799	400,899	229,085	1,431,783
Total revenue	801,799	400,899	229,085	1,431,783
Total cost of sales	(557,142)	(278,571)	(159,184)	(994,897)
Gross Profit	244,657	122,328	69,901	436,886
Depreciation of Property, plant and Equipment	(3,292)	(1,646)	(940)	(5,878)
Net impairment charge of Trade receivables	44,768	22,384	12,791	79,942
Employee benefits	(197,491)	(98,746)	(56,426)	(352,663)
Segment profit	88,641	44,320	25,326	158,287

THE GROUP

Total assets	Networking N'000	Equipment supply N'000	Support services N'000	Total segments N'000
Property, plant and equipment	1,865	933	533	3,331
Other non current asset	95,714	-	-	95,714
Current asset	1,337,098	668,548	382,027	2,387,673
	1,434,677	669,481	382,560	2,486,718
Total liabilities				
Interest bearing loans and borrowings	131,321	65,661	37,520	234,502
Contract liabilities	37,092	18,546	10,598	66,236
Trade and other payables	1,860,785	930,391	531,652	3,322,828
	2,029,198	1,014,598	579,770	3,623,566

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

4 Segment Information - Continued

THE COMPANY	Networking	Equipment supply	Support services	Total segments
Year ended 31 December 2020	**N'000**	**N'000**	**N'000**	**N'000**
Revenue				
External customers	124,061	145,695	905,508	1,175,264
Total revenue	124,061	145,695	905,508	1,175,264
Cost of sales				
External customers	(461,861)	(226,506)	(131,960)	(820,327)
Total cost of sales	(461,861)	(226,506)	(131,960)	(820,327)
Gross (loss)/Profit	(337,800)	(80,811)	773,548	354,937
Depreciation of Property, plant and Equipment	(443)	(520)	(3,231)	(4,193)
Net impairment charge of Trade receivables	(11,273)	(13,239)	(82,280)	(106,792)
Employee benefit	(22,362)	(26,262)	(163,221)	(211,846)
Segment profit	(371,878)	(120,832)	524,816	32,106
Total assets				
Non current asset				
Property, plant and equipment	692	812	5,049	6,553
Other non current asset	11,757	13,807	85,812	111,376
Current asset	232,648	273,218	1,698,073	2,203,938
	245,097	287,837	1,788,934	2,321,867
Total liabilities				
Interest bearing loans and borrowings	15,633	18,359	114,101	148,092
Contract liabilities	3,897	4,577	28,444	36,918
Trade and other payables	389,947	457,946	2,846,179	3,694,072
	409,476	480,882	2,988,724	3,879,082

	Networking	Equipment supply	Support services	Total segments
Year ended 31 December 2019	**N'000**	**N'000**	**N'000**	**N'000**
Revenue				
External customers	686,716	343,358	196,204	1,226,278
Total revenue	686,716	343,358	196,204	1,226,278
Cost of sales				
External customers	(485,016)	(242,508)	(138,576)	(866,100)
Total cost of sales	(485,016)	(242,508)	(138,576)	(866,100)
Gross Profit	201,700	100,850	57,628	360,178
Depreciation of Property, plant and Equipment	(2,839)	(1,420)	(811)	(5,070)
Net impairment charge of Trade receivables	44,768	22,384	12,791	79,943
Employee benefit	(165,015)	(82,508)	(47,147)	(294,670)
Segment profit	78,614	39,307	22,461	140,381

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

4 Segment Information - Continued

	Networking N'000	Equipment supply N'000	Support services N'000	Total segments N'000
Year ended 31 December 2019				
Total assets				
Non current asset				
Property, plant and equipment	1,865	933	533	3,331
Other non current asset	57,926	28,963	16,550	103,439
Current asset	1,368,608	684,304	391,031	2,443,942
	1,428,399	714,199	408,114	2,550,712
Total liabilities	131,321	65,661	37,520	234,502
	36,930	18,465	10,551	65,946
Interest bearing loans and borrowings	1,832,316	916,158	523,518	3,271,992
Contract liabilities				
Trade and other payables	2,000,567	1,000,284	571,589	3,572,440

Reconciliation of liabilities

	THE GROUP 31-Dec 2020 N'000	THE GROUP 31-Dec 2019 N'000	THE COMPANY 31-Dec 2020 N'000	THE COMPANY 31-Dec 2019 N'000
Segment liabilities	3,920,514	3,623,566	3,879,082	3,572,440
Income tax liabilities	45,835	43,595	53,889	51,422
Total liabilities	3,966,349	3,667,161	3,932,971	3,623,862

Reconciliation of segment profit/(loss)

	THE GROUP 31-Dec 2020 N'000	THE GROUP 31-Dec 2019 N'000	THE COMPANY 31-Dec 2020 N'000	THE COMPANY 31-Dec 2019 N'000
Segment profit	29,435	158,287	32,106	140,381
Administrative expense	(176,184)	(682,149)	(324,156)	(402,095)
Other operating income	(432,816)	321,490	(433,835)	227,933
Finance Income	440	4,168	440	3,268
Finance expenses	(3,970)	(57,887)	(3,970)	(54,237)
Loss before taxation	(583,095)	(256,091)	(729,415)	(84,750)

Administrative expenses

Administrative expenses are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, finance income, finance expenses and some other administrative expenses are not allocated to those segments as they are also managed on a Group basis.

Information about major customers

Major customers are leading blue chip companies in Nigeria, and they include the providers of telecommunication, manufacturers, Financial Services providers and Government agencies etc

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

4 Segment Information - Continued

Industry Information

The group's revenue from external customers by industry is listed below:

	THE GROUP		THE COMPANY	
	31-Dec 2020	31-Dec 2019	31-Dec 2020	31-Dec 2019
	N'000	N'000	N'000	N'000
Banking	828,568	460,821	828,568	425,177
Connected real estate	7,477	71,249	7,477	65,738
Energy and power	59,943	110,619	59,943	102,063
Manufacturing services	120,226	101,333	120,226	93,496
Public sector	102,955	172,400	102,955	159,067
Service provider/Africa	76,305	515,361	56,095	380,737
	1,195,474	1,431,783	1,175,264	1,226,278

5 Revenue from contracts with customers

5.1 Disaggregated revenue information

THE GROUP

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

	For the year ended 31 December 2020		
Segments	**Sale of goods**	**Rendering of service**	**Total**
	N'000	**N'000**	**N'000**
Type of goods or service			
Networking services	-	124,061	124,061
Sale of equipment	145,695	-	145,695
Support services	-	905,508	905,508
Total revenue from contracts with customers	**145,695**	**1,029,569**	1,175,264
Geographical markets			
Nigeria	145,695	1,029,569	1,175,264
Ghana	-	-	-
Total revenue from contracts with customers	**145,695**	**1,029,569**	1,175,264
Timing of revenue recognition			
Goods transferred at a point in time	145,695	-	145,695
Services transferred over time	-	1,029,569	1,029,569
Total revenue from contracts with customers	**145,695**	**1,029,569**	**1,175,264**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	For the year ended 31 December 2019		
Segments	**Sale of goods**	**Rendering of service**	**Total**
	N'000	**N'000**	**N'000**
Type of goods or service			
Networking services	-	801,799	801,799
Sale of equipment	400,899	-	400,899
Support services	-	229,085	229,085
Total revenue from contracts with customers	**400,899**	**1,030,884**	**1,431,783**
Geographical markets			
Nigeria	400,899	965,017	1,365,916
Ghana	-	65,867	65,867
Total revenue from contracts with customers	**400,899**	**1,030,884**	**1,431,783**
Timing of revenue recognition			
Goods transferred at a point in time	400,899	-	400,899
Services transferred over time	-	1,030,884	1,030,884
Total revenue from contracts with customers	**400,899**	**1,030,884**	**1,431,783**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

5. Revenue from contracts with customers - Continued

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 4):

	For the year ended 31 December 2020			
	Networking	Equipment supply	Support services	Total
	N'000	N'000	N'000	
Revenue				
External customer	124,061	145,695	905,508	1,175,264
	124,061	**145,695**	**905,508**	**1,175,264**

	For the year ended 31 December 2020			
	Networking	Equipment supply	Support services	Total
	N'000	N'000	N'000	
Revenue				
External customer	801,799	400,899	229,085	1,431,783
	801,799	**400,899**	**229,085**	**1,431,783**

There are no intersegment adjustments and elimination during the year.

THE COMPANY

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

	For the year ended 31 December 2020		
Segments	Sale of goods	Rendering of service	Total
	N'000	N'000	N'000
Type of goods or service			
Networking services	-	124,061	124,061
Sale of equipment	145,695	-	145,695
Support services	-	905,508	905,508
Total revenue from contracts with customers	**145,695**	**1,029,569**	**1,175,264**
Geographical markets			
Nigeria	145,695	1,029,569	1,175,264
Total revenue from contracts with customers	**145,695**	**1,029,569**	**1,175,264**
Timing of revenue recognition			
Goods transferred at a point in time	145,695	-	145,695
Services transferred over time	-	1,029,569	1,029,569
Total revenue from contracts with customers	**145,695**	**1,029,569**	**1,175,264**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

5. Revenue from contracts with customers - Continued

	For the year ended 31 December 2020		
Segments	**Sale of goods**	**Rendering of service**	**Total**
	N'000	**N'000**	**N'000**
Type of goods or service			
Networking services	-	686,716	686,716
Sale of equipment	1343,358	-	343,358
Support services	-	196,204	196,204
Total revenue from contracts with customers	**343,358**	**882,920**	**1,226,278**
Geographical markets			
Nigeria	343,358	882,920	1,226,278
Total revenue from contracts with customers	**343,358**	**882,920**	**1,226,278**
Timing of revenue recognition			
Goods transferred at a point in time	343,358	-	343,358
Services transferred over time	-	882,920	882,920
Total revenue from contracts with customers	**343,358**	**882,920**	**1,226,278**

5.2 Contract balances

	THE GROUP		THE COMPANY	
	31-Dec 2020	**31-Dec 2019**	**31-Dec 2020**	**31-Dec 2019**
	N'000	**N'000**	**N'000**	**N'000**
Trade receivables (Note 19)	491,686	741,481	491,686	741,481
Contract liabilities (Note 27)	36,918	66,236	36,918	65,946

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2020, N366 million (2019: N260 million) was recognised as provision for expected credit losses on trade receivables for the Group.

Contract liabilities are accrual of expenses recognized in cost of goods sold for a particular period and project. The group and Company accrues for this cost when agreed customer's milestone invoice are to be booked, but not all materials, labour and overhead cost which are pre-computed based on costing sheet have been utilized.

5.3 Performance Obligation

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

Networking services
The performance obligation is satisfied over-time and payment is generally due upon completion of the service and acceptance of the customer.

Support Services
The performance obligation is satisfied over-time and payment is generally due upon completion of the service and acceptance of the customer. Support services basically relates to the deployment of on- site technical expertise/ancillary services to customers for optimal utilization of the Group and Company's products and services.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

6. COST OF SALES

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Networking	461,861	551,238	461,861	485,016
Equipment supply	226,506	275,619	226,506	242,508
Support Services	131,960	157,497	131,960	138,576
	820,327	**984,354**	820,327	866,100

7. ADMINISTRATIVE EXPENSES

		THE GROUP		THE COMPANY	
		31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Advertising and promotions		5,001	3,280	5,001	3,280
Audit fee		8,084	11,159	7,388	8,000
Bank charges		3,226	8,139	3,176	7,446
Directors' remuneration		27,915	29,698	27,915	29,698
Donation		-	150	-	-
Fines and penalty		-	214,738	-	214,738
Insurance		1,436	1,377	1,436	1,298
Leave allowance		17,837	5,725	17,837	5,725
Terminal benefits		149	2,222	149	2,222
Legal and other professional fees		21,979	25,355	20,994	21,546
Marketing expenses		7,845	7,295	7,845	6,552
Nigeria Housing Fund		-	133	-	-
Pension contribution - Employer		5,029	23,368	5,029	23,115
Printing and stationery		467	3,497	451	3,367
Rent- short-term leases		25,756	-	25,756	-
Rates		690	9,882	690	5,626
Repairs and maintenance		11,612	24,881	11,510	22,153
Salary and wages		158,978	268,981	156,307	210,556
Security		8,722	11,267	8,642	10,771
Staff welfare		27,953	44,805	27,953	43,268
Telephone and internet access		6,085	6,217	6,037	4,750
Training and development		4,720	9,784	4,720	9,784
Subscriptions		4,173	5,367	4,173	5,262
Travelling and accommodation		5,836	10,322	5,631	8,400
		353,493	727,642	348,640	647,557
Depreciation of Property, Plant and Equipment	**13**	4,193	5,878	4,193	5,070
Depreciation of Right-of-use assets	**14**	-	29,739	-	29,739
		357,686	763,259	352,833	682,366

*Fines and penalties represent levies by tax authorities (FIRS) based on back-duty audit assessment.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

8. Impairment loss (reversal)/expense

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Net impairment charge of Trade receivables	106,792	(79,942)	106,792	(79,943)
Impairment of investment in preference shares	19,281	19,281	19,281	19,281
'Impairment of intercompany receivables	-	-	-	188
Reversal of unused impairment	(6,637)	-	(6,637)	-
	119,436	(60,661)	119,436	(60.474)

* Intercompany receivables has been assessed for impairment during the year, however the impairment amount is immaterial and has not been recognised.

9. OTHER OPERATING INCOME/EXPENSES

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
*Net foreign exchange differences	(539,289)	(4,892)	(540,308)	(4,875)
Profit on disposal of property plant and	4,676	1,015	4,676	1,015
equipment (PPE)	-	30	-	-
Profit on derecognised PPE	-	92,712	-	700
Gain on disposal of subsidiary	-	221,695	-	221,695
First Fund Limited loan forgiveness	93,035	-	93,035	-
"Debt forgiveness - DGIT	-	2,784	-	2,784
Obsolete stock	8,762	8,146	8,762	6,614
***Sundry income				
	(432,816)	321,490	(433,835)	227,933

*Net foreign exchange differences includes the exchange differences arising from the remeasurement of DGIT debt forgiveness.

** Debt forgiveness relates to the outstanding payables renegotiated with Data Group IT (DGIT) Limited during the year.

DGIT has agreed to receive the sum of $210,000 as the final settlement for the debt owed by the Group. The actual amount of the transaction at initiation is $279,000 and as at 2019 year end the amount had increased to $468,430 due to the monthly interest charged on the unpaid balances from the date of default.

*** Sundry income includes mainly the sale of scrap and equipments.

10 FINANCE EXPENSE AND INCOME

10.1 FINANCE COST

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
	3,970	57,887	3,970	54,237
Finance cost calculated using effective interest rate:				
Interest expense - Borrowings	3,970	57,887	3,970	54,237

10.2 FINANCE INCOME

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
			440	3,268
Interest received on bank deposits	440	4,168		
	440	4,168	440	3,268

The interest income on bank deposits was earned at an average rate of 8% per annum which is the effective interest rate.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

11 LOSS BEFORE TAXATION FOR THE YEAR IS STATED AFTER CHARGING

	THE GROUP		THE COMPANY	
	31-Dec 2020	31-Dec 2019	31-Dec 2020	31-Dec 2019
	N'000	N'000	N'000	N'000
Depreciation of Property, plant and Equipment	4,193	5,878	4,193	5,070
Depreciation of Right-of-use assets	-	29,739	-	29,739
Directors' remuneration	27,915	29,698	27,915	29,698
Salary and wages	158,978	268,981	156,307	210,556
Pension contribution - Employer	5,029	23,368	5,029	23,115
Audit fee	8,084	11,159	7,388	8,000
Profit on disposal of Property, Plant and Equipment	(4,676)	(1,015)	(4,676)	(1,015)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

12 BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss for the year attributable to ordinary equity holders of the Group and the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts is calculated by dividing the net loss attributable to ordinary equity holders of the Group and the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the loss and share data used in the basic loss per share computations:

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
	(564,772)	4,124	(560,338)	(95,305)
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,389,186	3,389,186	3,389,186	3,389,186
Basic and diluted loss per share (naira)	(0.17)	0.00	(0.17)	(0.03)

13 PROPERTY, PLANT AND EQUIPMENT

13.1 THE GROUP

	Computer equipment N'000	Furniture and Fittings N'000	Motor vehicle N'000	Office equipment N'000	Total N'000
Cost:					
At 1 January 2019	121,580	30,759		60,270	288,566
Additions	650	1,101	-	346	2,097
Disposals	(316)	-	-	(7,203)	(7,519)
Exchange Difference	(4)	(33)	(71)	-	(108)
Derecognition	(2,725)	(255)	-	(346)	(3,326)
At 31 December 2019	119,185	31,572	(71)	53,067	279,710
Additions	2,094	-	-	5,321	7,415
Disposals	-	(3,186)	(15,397)	(5,638)	(24,221)
At 31 December 2020	140,273	28,465	60,666	52,751	262,904
Accumulated depreciation:					
At 1 January 2019	120,298	29,318	71,035	60,270	280,921
Charge for the year	1,193	1,037	3,561	87	5,878
Disposals	(137)	-	-	(7,203)	(7,340)
Exchange difference	(4)	(20)	(76)	171	71
Derecognition	(2,680)	(213)	-	(258)	(3,151)
At 31 December 2019	118,670	30,122	74,520	53,067	276,379
Charge for the year	1,166	560	1,366	1,101	4,193
Disposals	-	(3,186)	(15,397)	(5,638)	(24,221)
At 31 December 2020	138,830	27,575	60,666	48,531	256,351
Net Book Value:					
At 31 December 2020	1,443	890	-	4,220	6,553
At 31 December 2019	515	1,450	(74,591)	-	3,331

The subsidiary's (Resourcery Ghana Limited) assets are fully depreciated.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

13 PROPERTY, PLANT AND EQUIPMENT - Continued

13.2 THE COMPANY

The movement in these accounts during the year was as follows:

	Computer equipment N'000	Furniture and Fittings N'000	Motor vehicle N'000	Office equipment N'000	Total N'000
Cost:					
At 1 January 2019	118,244	27,750	69,692	53,034	268,720
Additions	650	1,100	-	-	1,750
At 31 December 2019	118,894	28,850	69,692	53,034	270,470
Additions	2,094	-	-	5,321	7,415
Disposals	-	(3,186)	(15,397)	(5,638)	(24,221)
At 31 December 2020	120,988	25,664	54,295	52,717	253,664
Accumulated depreciation:					
At 1 January 2019	117,404	26,762	64,869	60,237	269,272
Charge for the year	975	638	3,457	-	5,070
Disposals	-	-	-	(7,203)	(7,203)
At 31 December 2019					
Charge for the year	118,379	27,400	68,326	53,034	267,139
Disposals	1,166	560	1,366	1,101	4,193
	-	(3,186)	(15,397)	(5,638)	(24,221)
At 31 December 2020					
	119,545	24,774	54,295	48,497	247,111
Net Book Value:					
At 31 December 2020					
	1,443	890	-	4,220	6,553
At 31 December 2019					
	515	1,450	1,366	-	3,331

13.3 Assets pledged as security

The group and the Company has no restriction on its asset as at 31 December 2020 (2019: Nil).

13.4 Impairment losses recognized in the year

No impairment loss has been recognized as none of the property, plant and equipment has suffered impairment.

13.5 Contractual commitment

There is no other contractual commitment for the purchase of items of property, plant and equipment.

14 LEASES

The group and Company has a lease contract for its office building. Leases of office building generally have lease terms between 1 and 2 years. The group and Company's obligations under its leases are secured by the lessor's title to the leased assets. There were no lease liabilities on the Group and Company's leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

14 LEASES - Continued

	THE GROUP N'000	THE COMPANY N'000
As at 1 January 2019	-	-
Impact of IFRS 16	6,905	6,905
Additions	22,834	22,834
Depreciation expense	(29,739)	(29,739)
As at 31 December 2019	-	-
As at 31 December 2020	-	-
The following are the amounts recognised in profit or loss:	**N'000**	**N'000**
Depreciation expense on right-of-use assets	29,739	29,739
Total amount recognised in profit or loss	29,739	29,739

15. INTANGIBLE ASSETS

	THE GROUP Computer Software N'000	THE COMPANY Computer Software N'000
Cost:		
At 1 January 2020	18,984	18,984
Additions	-	-
At 31 December 2020	18,984	18,984
Amortisation:		
At 1 January 2020	18,984	18,984
Charge for the year	-	-
At 31 December 2020	18,984	18,984
Net Book Value:		
At 31 December 2020	-	-
At 31 December 2019	-	-

Intangible assets represent computer software which is being amortized over its useful economic life of four (4) years. This software has been fully depreciated but still in use.

16 INVESTMENT IN SUBSIDIARY, ASSOCIATE AND PREFERENCE SHARES

16.1 Investment in Subsidiary

Information about subsidiary

Name	Principal activities	Country of incorporation	% equity interest 31-Dec 2020	31-Dec 2019
Resourcery Ghana Limited	Information Technology	Ghana	100	100

Amount invested in subsidiary	**31-Dec 2020 N'000**	**31-Dec 2019 N'000**
Resourcery Ghana Limited	7,725	7,725
	7,725	7,725

There was partial share disposal of investment in Triversa Solutions Limited leading to the Company becoming an associate immediately before the prior year end. See Note 16.1.1.

At Resourcery, we offer solutions in the following areas:

Solutions Map

Network & Infrastructure

- Building Management Systems
- Data Centre Solution (Data, Power, Cooling, Infrastructure)
- Fire and Safety Solution
- Intelligent Building Infrastructure Systems
- Physical Security Systems
- Power Solutions
- Public Address System
- Routing and Switching
- Smart Building Solutions
- Structured Cabling Systems (LAN, WAN, Wireless)

Business Voice & Video

- Call Centre & Contact Centre
- Digital Media Systems
- IPTV & Video on Demand
- TelePresence
- Unified Communication
- Video Conferencing

Computing & Storage

- Backup and Archiving
- Business Continuity
- Cloud Computing
- Disaster Recovery
- Server Consolidation
- Server Virtualization
- Storage Consolidation

Business Applications

- Anti-Money Laundering & Fraud Management
- Business Intelligence & Analytics
- Customer Relationship Management (CRM)
- Data Management & Customer Intelligence
- Enterprise Content Management (ECM)
- Enterprise Resource Planning (ERP)
- Risk Intelligence (Credit Risk, Market Risk, eGRC)
- Software Infrastructure Solutions

Data Security

- Application Security
- Identity Management
- Mobile Device Management
- Network Security
- Perimeter & Internal Security
- Security & Event Management
- Strong Authentication
- Vulnerability Assessment & Penetration Testing
- Web Security

Managed Services & Support

- Data Centre Support
- Desktop and End User Support
- Incident Management
- LAN Support
- Managed Services
- Manpower Support
- Network and Security Management
- Server Management
- Software Support
- Storage and Backup Management

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

16 INVESTMENT IN SUBSIDIARY, ASSOCIATE AND PREFERENCE SHARES - Continued

Resourcery Ghana Limited

The company has 100% interest in Resourcery Ghana Limited, which is involved in the supply, installation and maintenance of communication, telecommunication and information technology system. Resourcery Ghana is a private entity. The company established Resourcery Ghana in order to significantly expand its business within the African countries and also to bridge the gap with its African customers.

16.1.1 Disposal of subsidiary

Triversa Solutions Limited

On 15 December 2019, Resourcery Plc agreed to sell and transfer 400,000 ordinary shares at the rate of two naira (N2.00) per share to Letchworth Associates Partners Limited. As a result, Resourcery Plc has only 300,000 ordinary shares which is 30% interest in Triversa Solutions Limited. Thus, Triversa Solutions Limited has become an associate of the Company effective this date. Triversa Solutions Limited is involved in sales and implementation of Business Application Solutions. Triversa Solutions is a private entity, and it was established to handle the software aspects of the Group business.

Consideration received

The company has a consideration receivable of N800,000 in the deconsolidation of Triversa, being disposal of 400,000 units of shares to Letchworth Limited at N2 per share.

Analysis of assets and liabilities over which the Company lost control

	15 December 2019 N'000
Current assets	
Trade receivable	53,476
Cash and bank	5,597
Non-current assets	
Property, plant and equipment	175
Current liabilities	
Interest bearing loans and borrowings	(2,500)
Trade and other payables	(130,329)
Contract liabilities	(57,598)
Net liabilities deconsolidated	(131,179)

Gain on deconsolidation of subsidiary	**15 December 2019 N'000**
Fair value of investment retained	600
Less: Carrying amount of investment retained	
Consideration receivable	(800)
Net liabilities deconsolidated	(131,179)
Non-controliing interests	39,867
	(92,112)
Gain on deconsolidation of subsidiary	92,712

Gains on deconsolidation of subsidiary was included in other operating income for the year ended 31 December 2019

Net cash outflow arising from deconsolidation of the subsidiary	**15 December 2019 N'000**
The balance of cash and cash equivalent deconsolidated	5,597

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

16.2 Investment in Associate

Triversa Solution Limited
On 15 December 2019, Resourcery Plc agreed to sell and transfer 400,000 ordinary shares at the rate of two naira (N2.00) per share to Letchworth Associates Partners Limited. As a result, Resourcery Plc has only 300,000 ordinary shares which is 30% interest in Triversa Solutions Limited. As at the year end 2020, the interest in Triversa still remain 30%. Triversa's principal business activity is the provision of consultancy services. The company is incorporated and commenced operation in Nigeria from 2015.

	THE GROUP		THE COMPANY	
Amount invested in Associate - Movement	**31-Dec 2020 N'000**	**31-Dec 2019 N'000**	**31-Dec 2020 N'000**	**31-Dec 2019 N'000**
1 January	600	600	600	600
Share of loss in associate	(600)	-	-	-
31 December	-	600	600	600

Resourcery's Plc share of loss in Triversa was not fully recognised since the accumulated share of loss is higher than the initial investments. Resourcery's Plc initial investment in Triversa is N600 thousand as at 15 December 2019. The share of loss of Triversa for the year ended is N768 thousand leaving an unrecognised loss of N168 thousand.

Triversa Solutions Limited:
Summarised statement of financial position as at 31 December 2020:

	31-Dec 2020 N'000	**15-Dec-19 N'000**
Non-current assets	1,320	175
Current assets	63,761	59,074
Current liabilities	(101,455)	(190,428)
	(36,374)	(131,179)
Total equity attributable to:		
Equity holders of parent	(36,374)	(131,179)
Non-controlling interest	-	-
Equity/net asset	(36,374)	(131,179)
Group's share in equity - 30%	(10,912)	(41,977)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Summarised statement of profit/loss for the year ended 31 December 2020:	**31-Dec 2020 N'000**	**15-Dec-19 N'000**
	75,082	139,638
Revenue Cost of sales Administrative expenses Other operating income	(55,190)	(95,620)
Finance costs	(29,309)	(48,224)
	7,252	930
Loss before taxation	(396)	(3,650)
Loss for the year	(2,560)	(6,926)
Total comprehensive loss	(2,560)	(6,926)
Attributable to Group	(2,560)	(6,926)
Attributable to non-controlling interests	(768)	-
	-	(2,078)

* The Triversa values stated above are figures obtained from the unaudited Management accounts as the Triversa audit is yet to commence as at the time of preparation of these financial statements. We do not expect the audited numbers to be materially different from what has been reported in the Management accounts.

16.3 Investment in preference shares

Triversa Solutions Limited

On 15 December 2019, Triversa agreed to issue to Resourcery one million (1,000,000) cumulative redeemable preference shares at the price rate of N97.59 per preference share to liquidate Resourcery's claims against it in respect of all intercompany payables and deposit in the sum of N97,598,877. The investment in preference shares has an annual fixed preferred dividend rate of 4.5% on the outstanding shares at the end of every payment period. Triversa Solutions Limited is involved in sales and implementation of Business Application Solutions. Triversa Solutions is a private entity, and it was established to handle the software aspects of the Group business.

	THE GROUP		**THE COMPANY**	
	31-Dec 2020 N'000	**31-Dec 2019 N'000**	**31-Dec 2020 N'000**	**31-Dec 2019 N'000**
Opening balance	78,318	-	78,318	-
Triversa Solutions Limited	-	97,599	-	97,599
Reclassification from accrued expenses - Note 26	(1,804)	-	(1,804)	-
Reversal of impairment - preference shares	6,637	-	6,637	-
Impairment - preference shares	(19,281)	(19,281)	(19,281)	(19,281)
	63,871	78,318	63,871	78,318

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

17 EQUITY INVESTMENT

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Marketable securities:				
At 1 January	1,840	1,600	1,840	1,600
Fair value gain/(loss)	(160)	240	(160)	240
Total - Marketable securities	1,680	1,840	1,680	1,840
Unquoted securities:				
At 1 January	14,956	58,315	14,956	58,315
Disposal	-	(100,000)	-	100,000)
Fair value changes	22,544	56,633	22,544	56,633
Foreign exchange difference	-	8	-	8
Total - Unquoted securities	37,500	14,956	37,500	14,956
At 31 December	39,180	16,796	39,180	16,796

17.1 Analysis of marketable securities:

17.1.1 Courtville Investment Plc

Balance as at 1 January	1,840	1,600	1,840	1,600
Fair value changes	(160)	240	(160)	240
(8 million ordinary shares at N0.21 per share)				
Market value as at 31 December	1,680	1,840	1,680	1,840

The fair value is derived from quoted market prices in active market.

17.1.2 Pagatech Limited

	THE GROUP		THE COMPANY	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Analysis of unquoted securities:				
Pagatech Limited (Mauritius)	14,956	58,315	14,956	58,315
Disposal	-	(100,000)	-	100,000)
Fair value changes	22,544	56,633	22,544	56,633
Foreign exchange difference	-	8	-	8
Equity investment in Pagatech	37,500	14,956	37,500	14,956

Pagatech offers money transfer services via mobile phone. Pagatech works on the most basic SMS enabled phone and on all mobile networks, it offers other products such as buying/selling airtime credit, bill payment and retail payment. The company holds an investment in the equity of pagatech. These shares are measured at fair value. The fair value for the year ended 31 December 2020, has been determined as the amount FBN Quest is willing to accept these shares as a settlement for its outstanding debt from the company. This amount has been documented and signed by both parties.

18 INVENTORY

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
	83,546	26,369	83,546	26,369
Materials	-	3,627	-	3,627
Goods-in-transit	212,758	188,083	212,758	188,083
Work-in-progress				
	296,304	218,079	296,304	218,079
Provision for slow moving stock	(8,968)	(14,779)	(8,968)	(14,779)
Total inventories at lower of cost and net realizable value	287,336	203,300	287,336	203,300

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

18 INVENTORY - Continued

Provision for slow moving stock

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Opening Balance	14,779	70,064	14,779	70,064
Inventory written off	(5,811)	(54,261)	(5,811)	(54,261)
Reversal of over provision	-	(1,024)	-	(1,024)
	8,968	14,779	8,968.	14,779

The group's inventory items are consumed in the process of providing services to its customers. During 2020, N8.9 million (2019: N14.7 million) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales. Inventories are written down to its net realizable value.

19 TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Financial assets				
Trade receivables	491,686	741,481	491,686	741,481
Staff loan	933	1,538	933	1,538
Due from related parties	823	81	98,597	98,624
Non-financial asset				
Staff Advances	3,348	821	3,348	821
Other receivables (Note 19.2)	1,694,240	1,619,328	1,671,158	1,580,257
	2,191,030	2,363,249	2,265,722	2,422,721
Allowance for expected credit losses	(364,574)	(260,410)	(366,293)	(262,129)
	1,826,456	2,102,839	1,899,429	2,160,592

Trade receivables

Trade and other receivables have been reviewed for indicators of impairment. As at 31 December 2020, certain trade receivables were found to be impaired and an allowance for credit losses of N364 million and N366 million (2019: N260 million and N262 million) has been recorded for Group and Company accordingly. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

Staff loans and advances

Staff loans are loans given to staff without interest. Staff advances are advances given to staff to carry out on-site activities.

Other receivables

Other receivables relate to withholding tax and value added tax receivables. The withholding tax receivables are advance income tax deducted by suppliers at source and remitted to the Federal and State tax authorities, as the case applies. The Withholding tax (WHT) certificates when received can be used to settle the Company income tax. The value added tax (VAT) receivable are output VAT deducted at source on customers projects (especially government parastatals, ministries, departments and agencies (MDAs) invoices. When these MDAs are invoiced, they pay net of VAT and WHT, as they have statutory obligations to deduct such taxes at source.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

19.1 Allowance for expected credit loss

An analysis of changes in the aggegate ECL allowances (Trade receivables, receivables from related parties and staff loan) is, as

Group

Trade receivables	Trade receivables 2020 ₦'000	Related parties 2020 ₦'000	Staff loan 2020 ₦'000	Total ₦'000	Trade receivables 2019 ₦'000	Related parties 2019 ₦'000	Staff loan 2019 ₦'000	Total ₦'000
As at 1 January	260,375	-	35	260,410	340,318	-	35	340,353
Provision for expected credit losses	104,164	-	-	-	1,705	-	-	1,705
Unused amount reversed	-	-	-	-	(81,648)	-	-	(81,648)
As at 31 December	364,539	-	35	364,574	260,375	-	35	260,410

Company

Trade receivables	Trade receivables 2020 ₦'000	Related parties 2020 ₦'000	Staff loan 2020 ₦'000	Total ₦'000	Trade receivables 2019 ₦'000	Related parties 2019 ₦'000	Staff loan 2019 ₦'000	Total ₦'000
As at 1 January	260,375	1,719	35	262,129	340,318	1,531	35	341,884
Provision for expected credit losses	104,164	-	-	104,164	-	188	-	188
Unused amount reversed	-	-	-	-	(79,943)	-	-	(79,943)
As at 31 December	364,539	1,719	35	366,293	260,375	1,719	35	262,129

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

19.2 Other receivables

Other receivables comprises of the following:

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Withholding tax receivable	1,377,338	1,317,780	1,364,523	1,294,916
Value added tax receivable	306,635	279,855	306,635	279,855
	10,267	-	-	-
Deposit with suppliers	-	5,486	-	5,486
	1,694,240	1,603,121	1,671,158	1,580,257

20 PREPAYMENTS

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31 -Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Insurance	672	738		738
Others	255	-	255	-
	927	738	255	738
At 1 January	738	6,998	738	6,998
Addition	1,335	1,496	1,335	1,496
Reclassification to right-of-use asset	-	(6,905)	-	(6,905)
Amortisation	(1,146)	(851)	(1,146)	(851)
At 31 December	927	738	927	738
Current assets	927	738	927	738

21. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short-term deposits with 90 days tenure. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Cash in hand	232	204	1232	223
Cash at banks	16,156	80,592	16,014	79,089
Cash and cash at banks	16,388	80,796	16,246	79,312
Cash and cash equivalents	16,388	80,796	16,246	79,312

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Cash at bank is considered a highly liquid form of current asset, as well as cash in hand. The maturity period is within a day and as such no impairment loss under ECL is computed.

At 31 December 2020, the Group had Nil (2019: Nil) balances of undrawn committed borrowing facilities.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

22 SHARE CAPITAL

	THE GROUP		THE COMPANY	
	31-Dec 2020	31-Dec 2019	31-Dec 2020	31-Dec 2019
Authorised share capital	**Number**	**Number**	**Number**	**Number**
8,000,000 ordinary shares of 50 kobo each	4,000,000	4,000,000	4,000,000	4,000,000
Ordinary shares issued and fully paid	N'000	N'000	N'000	N'000
3,389,186 ordinary shares of 50k each	1,694,593	1,694,593	1,694,593	1,694,593
At 31 December	1,694,593	1,694,593	1,694,593	1,694,593

There was no movement in the authorised and issued share capital of the Group during the year ended 31 December

23 OTHER COMPONENTS OF EQUITY

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
23.1 SHARE PREMIUM				
At 1 January	352,752	352,752	352,752	352,752
At 31 December	352,752	352,752	352,752	352,752

Share premium is a non-distributable reserve for recording additional paid in capital in excess of the nominal value.

23.2 FAIR VALUE RESERVE

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
At 1 January	13,407	39,915	13,407	39,915
Net gain/(loss) on equity instruments at FVOCI	22,384	56,873	22,384	56,873
Transfer of fair value reserve of equity instruments designated at FVOCI	-	(83,381)	-	(83,381)
At 31 December as per fair value reserve	35,79	13,407	35,791	13,407

	THE GROUP	
	31-Dec 2020 N'000	31-Dec 2019 N'000
23.3 FOREIGN CURRENCY TRANSALTION RESERVE		
At 1 January	(564)	7,865
Exchange difference on translating foreign operation.	(2,807)	(8,429)
At 31 December	(3,371)	(564)

23.4 Exchange rate used in translating foreign subsidary account to Naira	**31-Dec 2020**	**31-Dec 2019**
Statement of financial position:	N/Cedis	N/Cedis
Total assets	64.82	63.00
Total liabilities	64.82	63.00
Equity	103.00	103.00
Statement of profit or loss	65.67	66.49

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

24 INTEREST BEARING LOANS AND BORROWINGS

24.1 Current Interest-bearing loans and borrowings

		THE GROUP		THE COMPANY	
	Interest Rate	**31-Dec 2020 N'000**	**31-Dec 2019 N'000**	**31-Dec 2020 N'000**	**31-Dec 2019 N'000**
FBN Quest Funds (FFL)	**18.50%**	115,000	200,000	115,000	200,000
Related Parties:					
AB&DE	**21.00%**	4,602	8,542	4,602	8,542
Fafunwa education	**21.00%**	25,741	23,831	25,741	23,831
Uzo Obi	**N/A**	2,749	2,129	2,749	2,129
Related party loan		148,092	234,502	148,092	234,502
Current Interest bearing loans and borrowings		148,092	234,502	148,092	234,502

24.2 Movement in borrowings:

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	**31-Dec 2019 N'000**	**31-Dec 2020 N'000**	**31-Dec 2019 N'000**
Current				
At 1 January	234,502	693,179	234,502	672,564
Repayment of related parties loan	(91,000)	(100,862)	(91,000)	(81,958)
Settlement through equity investment transfer	-	(100,000)	-	(100,000)
Loan forgiveness	-	(221,695)	-	(221,695)
Interest paid	-	(17,418)	-	(12,057)
Repayment of bank overdraft	-	(78,718)	-	(78,718)
	143,502	174,486	143,502	178,136
Addition to borrowings:				
Related Parties:				
Uzo Obi	-	2,129	-	2,129
Foreign exchange differences	620	-	620	-
Interest expense	3,970	57,887	3,970	54,237
At 31 December	148,092	234,502	148,092	234,502
Current	148,092	234,502	148,092	234,502

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

24 INTEREST BEARING LOANS AND BORROWINGS- Continued

FBN Quest Funds (FFL)

In 2019, Resourcery Plc ("the Company") entered into a Convertible notes settlement agreement with FBNQuest Funds Limited ("FFL" or "the Lender"). As at the agreement date on 30 September 2019, the Company acknowledges that it is indebted to the Lender to the sum of N571.5million. In the agreement, the Lender agrees to accept from the Company, the payment of N350million, as full repayment of all outstanding obligations in respect of the debt. The company is to settle N250million in cash (out of which N50million was paid in 2019) and NIOOmillion in form of an in-specie transfer (in 2019) of 75% of its equity investment in Pagatech Holding Limited ("Pagatech"). The future commitment in the agreement is that the Company shall not sell, transfer or otherwise dispose of its 25% residual shares in Pagatech, until all settlement procedures have been completed. During the year, the Group repaid N85 million in cash to reduce its outstanding liabilities to FBNQuest.

Related Parties: AB&DE and Fafunwa Education

AB&DE (the managing directors family) advance loan of N18.66 million with an interest rate of 21%, while Fafunwa Education (the managing directors family) advanced a sum of N42.7 million (Company: N22.1 million) with an interest rate of 21% in the prior year. These loans are payables on demand. During the year, the Group repaid N6 million in cash to reduce its outstanding liabilities.

Uzo Obi

This represents a short term advance of ($5,849.42) granted to Resourcery Plc by Mr Uzo Obi an executive director of the Company.

25 Deferred Taxation

Deferred tax relates to the following:

	THE GROUP	
	31-Dec 2020	**31-Dec 2019**
	N'000	**N'000**
Reflected in the statement of Financial Position as follows:		
Deferred tax assets	(218,829)	(183,974)
Unrecognised deferred tax assets	218,829	183,974
	-	-

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Company

The group and Company have deductible temporary difference of N38.9 million (2019; N33.6 million), unused tax losses of N62 million (2019; N95.9 million) and unutilised tax credit of N117.9 million (2019; N54.4 million).

Deferred tax assets have not been recognised in respect of these temporary differences, tax credits and losses as they may not be used to offset taxable profits elsewhere, they have arisen in the Group due to the losses that they have been making for sometime, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Details of unrecognised deferred tax asset is as shown below

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Accelerated depreciation for tax purposes	(3,136)	(3,782)	(3,136)	(3,782)
Trade and other receivables - impairment loss	(30,047)	(24,039)	(30,047)	(24,039)
Impairment of investment in preference shares	(5,784)	(5,784)	(5,784)	(5,784)
Unused tax losses	(62,058)	(95,924)	(62,058)	(95,924)
Unutilised tax credit	(117,803)	(54,445)	(117,803)	(54,445)
Unrecognised Deferred tax assets	(218,829)	(183,974)	(218,829)	(183,974)

26 TRADE AND OTHER PAYABLES

		THE GROUP		THE COMPANY	
		31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Financial liabilities					
Trade payables		2,633,918	2,287,254	2,631,436	2,284,429
Due to related parties	Note 31	2,736	1,004	1,062,636	1,804
Other payables	Note 26.1	1,098,850	1,034,570	-	985,759
		3,735,504	3,322,828	3,694,072	3,271,992

Trade payables principally comprise amount outstanding for trade purchases and on-going-costs. The average credit period taken for trade purchases is 60 days. For most suppliers, no interest is charged on the trade payable.

26.1 Other payables consists of:

		THE GROUP		THE COMPANY	
		31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Financial liability					
Unclaimed Dividend		5,304	5,304	5,304	5,304
**Professional fees		8,161	24,045	7,388	21,525
Non-financial liabilities					
Sundry payable	Note 26.2	691,841	622,297	660,587	576,489
Pension payable		226,879	223,216	226,799	223,216
***Other accrued expenses		166,665	159,708	162,558	159,225
		1,098,850	1,034,570	1,062,636	985,759

*Pension payable relates to employer's contribution to the scheme accrued for 2020 and 2019. This has not been remitted due to insufficient fund experienced by the Group.

**Professional fees relate to audit and other professional services fees rendered to Resourcery Plc outstanding as at 31 December 2020. The accrual was based on the amount negotiated with the service providers.

***Other accrued expenses relates to expenses that are not yet paid for by the Company. These categories of expenses varies from accrual for legal fees, Outsourced HR fee, IT facilities expense, allowance for staff housing, provision for severance packages among other.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

26 TRADE AND OTHER PAYABLES - Continued
26.2 Sundry Payables

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Nigeria Insurance Trust Fund	22,700	23,105	22,461	21,107
Withholding tax payable	41,522	44,674	39,887	42,896
Industrial Training Fund	20,000	18,066	20,000	18,066
Paye As You Earn	133,268	119,705	133,268	114,868
Staff fines and penalties	191	191	191	191
Value added tax payable	474,160	413,554	444,780	379,361
Staff payable	-	3,002	-	-
	691,841	622,297	660,587	576,489

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

27 CONTRACT LIABILITIES

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 Restated N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Contract liabilities	36,918	66,236	36,918	65,946
	36,918	66,236	36,918	65,946
As at 1 January	66,236	122,523	65,946	114,319
Released to profit or loss	(29,318)	(46,668)	(29,028)	(48,373)
As at 31 December	36,918	66,236	36,918	65,946

Contract liabilities relates to goods and services paid for but not yet received by the customers.

28 CURRENT TAX LIABILITIES

Resourcery Plc measures and records its current income tax payable and its tax bases in its assets and liabilities in accordance with the tax legislation of Nigeria where Resourcery Plc operates.

Resourcery Plc is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses and certain income being treated as non-taxable for tax purposes. The tax for the period has been computed based on the newly enacted finance act 2020.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at the year end, the unrecognised deferred tax asset is N219 million.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Charge to profit or loss:				
Minimum tax	2,937	7,280	2,937	7,279
Education tax	2,258	3,174	2,258	3,174
Capital gain tax	446	102	446	102
	5,641	10,556	5,641	10,555

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

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Profit/(Loss) before taxation:	(559,131)	12,602	(554,697)	(84,750)
Income tax expense calculated at 30%	(167,739)	3,781	(166,409)	(25,425)
Minimum tax	2,937	7,280	2,937	7,279
Education tax	2,258	3,174	2,258	3,174
Capital gain tax	446	102	446	102
Impact of unrecognised deferred tax	(218,829)	(103,986)	(218,829)	(103,986)
Non- deductible expenses for tax purpose	386,568	103,368	385,238	129,411
Income tax expense recognised in profit or loss	5,641	10,556	5,641	10,555

Current tax liabilities in the statement of financial position:

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
At 1 January	43,595	46,479	51,422	46,479
Charge for the year	5,641	10,556	5,641	10,555
	49,236	57,035	57,063	57,034
Payment during the year	(3,401)	(13,440)	(3,174)	(5,612)
At 31 December	45,835	43,595	53,889	51,422

The income tax charge for the year in the consolidated and separate financial statements is in accordance with the provision of the Companies Income Tax Act CAP C21, Laws of the Federation of Nigeria 2020 as amended while the Education Tax is in accordance with the provisions of Education Tax Act CAP E4, Laws of the Federation of Nigeria 2020.

29 DIVIDEND PROPOSED AND PAID

The directors do not recommend the payment of dividend for the year ended 31 December 2020 (2019: Nil).

30 INFORMATION REGARDING DIRECTORS, KEY MANAGEMENT STAFF AND EMPLOYEES

30.1 KEY MANAGEMENT PERSONNEL

For the purpose of related party disclosures, key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of the Group. Resourcery Plc, key management personnel are considered to be designations from senior divisional head.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Directors emoluments:				
Short term benefits:				
Fees and other emoluments:				
Directors' fees and other emoluments	27,915	29,698	27,915	29,698
	27,915	29,698	27,915	29,698
Fees and other emoluments is analysed as:				
Director's fees	-	770	-	770
** Other emoluments*	27,915	28,928	27,915	28,928
	27,915	29,698	27,915	29,698
Highest paid Director	17,329	9,998	17,329	9,998

*Other emoluments represents salaries and allowances of the Company's three (3) Executive Directors. The other Directors' are not entitled to salaries and other emoluments.

**Director's fees represents fees paid to the Company's three (3) Independent Non- Executive directors including the Chairman

The directors emoluments falls within the following range:

	THE GROUP		THE COMPANY	
	31-Dec 2020 Number	31-Dec 2019 Number	31-Dec 2020 Number	31-Dec 2019 Number
Less than 5,000,000	-	-	-	-
5,000,001 -10,000,000	3	3	3	3
	3	3	3	3
Directors				
Directors with no emoluments	3	3	3	3
Directors with emoluments	3	3	3	3
	6	6	6	6

	THE GROUP		THE COMPANY	
30.2 INFORMATION RELATING TO EMPLOYEES	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Employee costs				
Aggregate payroll costs:				
Salary and wages	158,978	268,981	156,307	210,556
Leave allowance	17,837	5,725	17,837	5,725
Pension contribution - employer	5,029	23,368	5,029	23,115
Training and development	4,720	9,784	4,720	9,784
Staff welfare	27,953	44,805	27,953	43,268
	214,517	352,663	211,846	292,448

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

30.2 INFORMATION RELATING TO EMPLOYEES - Continued

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Staff cost was classified as:				
Administrative expenses	214,517	352,663	211,846	292,448
	Number	Number	Number	Number
STAFF NUMBER				
Finance	7	5	7	5
Customer Fulfillment Group	29	23	29	23
Business Development Group	12	16	12	16
Business Support Group	26	27	26	27
	74	71	74	71

The employees received remuneration (excluding pension contribution and certain benefits) during the year in the following ranges:

			THE GROUP		THE COMPANY	
			31-Dec 2020 N'000 Number	31-Dec 2019 N'000 Number	31-Dec 2020 N'000 Number	31-Dec 2019 N'000 Number
N		N				
100.000	-	500,000	9	3	9	3
500.001	-	1,000,000	20	21	20	21
1,000,001	-	3,000,000	30	31	30	31
Above	-	3,000,000	15	16	15	16
			74	71	74	71

31 RELATED PARTY DISCLOSURES

31.1 Trading transactions and nature of relationship:
Related party transactions arose from the Company and its related party.

IMPS LIMITED

The company is owned by a relative of the entity's Director and it is responsible for collection, warehousing and disbursing fund on behalf of the Company to its foreign suppliers. It is also involved in purchase as well as collection of outstanding fee from the Company's foreign partners.

The tables below provide the total amount of transactions that have been entered into with the related party for the relevant financial years.

	THE GROUP				THE COMPANY			
	Receivable balance		Payable balance		Receivable balance		Payable balance	
Name of Related Parties	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
IMPS Limited	24	81	-	-	24	81	-	-
Resourcery Africa, Ghana (Subsidiary)	-	-	-	-	97,773	97,743	-	-
Triversa Limited	-	-	-	1,004	-	-	-	1,804
Letchworth Associate Partners Limited	800	800	-	-	800	800	-	-
Other Intercompany Creditors	-	-	2,736	-	57	-	-	-
	824	881	2,736	1,004	98,654	98,624	-	1,804

•Related party balances have been assessed for impairment under IFRS 9, however the impairment on these balances are considered immaterial and has not been recognised.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

30.2 INFORMATION RELATING TO EMPLOYEES - Continued

31.2 Loans to/ from related parties:	Relationship		Interest	Amount owed to related parties Group N'000	Amount owed to related parties Company N'000
AB&DE	The managing director	2020	21%	4,602	4,602
		2019	21%	8,542	8,542
FBN Quest Funds	Shareholder	2020	18.5%	115,000	115,000
		2019	18.5%	200,000	200,000
	Managing director	2020	18.00%	25,741	25,741
Fafunwa Education	family foundation	2019	18.00%	23,831	23,831
Uzo Obi	Executive director	2020		2,749	2,749
		2019		2,129	2,129
Total		2020		148,092.	148,092
Total		2019		234,502	234,502

Terms and conditions of transaction with related parties
The transactions (payment and receipt) with related parties are made on terms equivalent to those that prevail in arm's length transactions. The balance at the year-end is unsecured and are not interest free. Settlement occurs both in cash and also through exchange of equity instruments.

31.3 Nature of the Subsidiary and Associate

Subsidiary
Resourcery Ghana Limited - Resourcery Plc has 100% shareholding in Resourcery Ghana Limited. Resourcery Plc has power over the investee and also exposure to, or rights to, variable returns from its involvement with the investee and the ability to affect those returns through its power.

Associate
Triversa Solutions Limited - Resourcery Plc has 30% interest in Triversa Solutions Limited in 2020 (70% interest in 2019 as a subsidiary).

31.4 Key management personnel

List of Directors of Resourcery Ghana Limited
Tani Fafunwa - Director
Akanimo Ekong - Director

List of key management of staff Resourcery Ghana Limited
Tani Fafunwa - Director
Akanimo Ekong - Director

List of Directors of Triversa Solutions Limited
Andrew Ejoh - Director
Williams Omotayo Olufemi - Director
Sowade Olajide Bolarinwa - Director

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

32 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2020 (2019; Nil).

33 GUARANTEES

The group has a bond and guarantee line with Access Bank in the sum of N300million (2019: Access Bank amounting to N300 Million) as at the reporting date.

34 CAPITAL COMMITMENTS

There were no known capital commitments as at 31 December 2020 (2019: Nil)

35 EVENTS AFTER REPORTING DATE

The novel coronavirus ("COVID-19") pandemic was unprecedented and its impact continues to threaten economies globally. The pandemic affected various industries and sectors, some more than others; over the past twelve calendar months we have witnessed companies that have ceased operations, reduced operations and those trying to stay afloat. However, the liquidity challenges and funding gaps on infrastructure projects and assets created by the funding gaps was gradually been bridged from Q1 2021.

Resourcery Plc operates in the Information Technology Industry providing infrastructures to support different sectors of the economy in developing, constructing and operations of network assets.

Information Technology needs are dynamic necessary for developed and upcoming companies to succeed in this new digital work era; need for investment in capital expenditure in Cloud Computing, digitalization, Big Data Analytics, Cyber Security, Process Automation to enhance visibility and sustainability of most businesses.

Though, the company could not secure new contracts in Quarters 3 & 4, 2020, due to reduction in spending from all sectors, to improve 2020 revenue as forecasted, however 2019 Turnover level was still maintained with a wide range of cost cutting measures affecting staff costs, operational costs and project budgets.

Coronavirus (COVID-19) - Impact Evaluation

The company has performed a detailed analysis of its balances in the financial statements and conclude that there is no material impact of COVID-19 on its performance and the Company's assets are not impaired or depreciated in value due to the outbreak of COVID-19. Thus, we consider the impact of the pandemic to be a non-adjusting post balance sheet event at the reporting date.

We will continue to monitor the situation as new information unfolds or becomes available; and adjustments thereof will be reflected in the appropriate reporting period(s). While the amounts in the statement of financial position reflects the carrying amounts as 31 December 2020, the following should be noted in relation to COVID-19 impact.

Expected credit loss on trade receivables: our credit policy is set and agreed by the (clients); Hence no further impairment is required in respect of the outstanding receivables at the reporting date as a result of global pandemic.

Cash and bank: The company has performed detailed cashflow analysis in line with cash required for its operations and ability to meet its obligations, based on the assessment, there is no impact on the Company's operations.

Trade and other payables: The company has the capacity to meet its obligations as and when due. Payments to vendors are upon receipt of inflows from the various clients and as agreed under different terms and conditions.

Having performed the COVID-19 impact assessment on the business, there are no other material events after the reporting date, which could have a material effect on the state of affairs of the Company as at 31 December 2020 and on the profit for the year ended on that date which have not been adequately provided for or disclosed in these set of financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

OUTLOOK FOR RESOURCERY PLC

In what appears to sound gloomy lies the opportunity for infrastructure investors to acquire valuable hard assets from a valuation perspective (which is tyPIcal during an economic downtown) and reposition for the longer term when various initiatives have stabilized and there is an economic rebound.

Though the infrastructure financing took a downward plunge in the short term; the pandemic seems to be positively contained to a limit, as focus is been shifted from crisis management to making adequate invest in infrastructure for development, as well as preventing and mitigating the impact of future outbreaks contractually.

Investors have now diversified their portfolios from traditional infrastructure assets to telecommunications infrastructure, data centers and utilities, Cloud Computing, Cyber Security, Process Automation, Big Data Analytics, as most of the aforementioned can be considered essentials.

We as a Company will continue to take advantage of the new work era as a catalyst to rethink how infrastructure assets and investments should be structured. Proper and adequate project planning for ongoing projects is in top gear, this include assessing the impact of supply delays on project completion, contract review and re-evaluation with consideration given to incorporating certain key clauses to mitigate against risks caused by unforeseen circumstances in the future.

We will continue to monitor the situation as new information becomes available and adjustment thereof will be reflected in the appropriate reporting period.

36 MATERIAL UNCERTAINTY TO GOING CONCERN

The Group recorded net loss of N565 million (2019: N 2 million) while the Company reported a net loss of N 560 million (2019: N 95 million) for the year ended 31 December 2020 and as of that date the Group's total liabilities exceeded its total assets by N 1,726 million (2019: N 1,180 million) and the Company's total liabilities exceeded its total assets by N 1,611 million (2019: N1.073 million). Also, as at 31 December 2020, the Group reported a negative working capital of N1.835 million (2019: N 1,279 million) and the Company reported a negative working capital of N 1,729 million (2019: N 1,180 million). These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern and therefore may be unable to realise its assets and settle liabilities in the ordinary course of business.

However, in recognition of the need to resuscitate the Group and the Company's operations, management intends to undertake the following initiatives:

• Management plans to return to profitability: Management has thought it necessary to focus on the execution of private sector contracts while de-emphasizing public sector projects: This is thought necessary in order to restrain the possible irrecoverable long outstanding debts of the company and therefore alleviate the possible working capital difficulties. The private sector jobs currently undertaken are seen to operate seamlessly without liquidity challenges. In addition, the company has continued to gain shareholders support in terms of contract referrals which has translated to significant job wins for the company. The Group and Company is striving for more robust and profitable revenue portfolio that will drive higher margins, lead to sustainable growth and expansion. The company has redefined the critical paths of its value chain and business winning strategy for contracts both within and outside the country.

• There is also an inclination by the management to desist from loans and borrowings from financial institutions. This will help to eliminate the company's exposure as well as high finance costs and other charges.

• The company also plans to take advantage of the waivers and other favourable restructuring terms commitments with the legacy vendors. This followed through by prioritizing prompt settlement of the legacy vendors in line with revised and restructured agreements.

The company also is pursuing rigorously with its long outstanding debtors to ensure repayments of previously impaired debt and commitments. The customers have communicated the settlement timelines to the company and this is being followed through.

The consolidated and separate financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations; the Group and the Company is able to provide its services and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

37 FINANCIAL RISK MANAGEMENT

37.1 Financial risk management objectives and policies

The group's principal financial liabilities comprise of Interest bearing loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The group's principal financial assets include loans, trade and other receivables, cash and short-term deposit and equity investments measured at FVOCI. The group is exposed to the following risks from its use of financial instruments:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the strategic and finance planning committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by the executive management to reflect changes in market conditions and the Group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The committee is supported by various management functions and checks that undertakes both regular and ad hoc reviews of compliance with established controls and procedures.

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 its contractual obligations, and arises principally from the Group's receivables from clients and other related parties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	THE GROUP		THE COMPANY	
	31-Dec 2020	31-Dec 2019	31-Dec 2020	31-Dec 2019
	N'000	N'000	N'000	N'000
Trade and other receivables	128,868	482,690	579,514	579,514
Bank and short-term deposits	16,156	80,592	79,089	79,089
	145,024	563,282	658,603	658,603

In monitoring customer credit risk, customers are Grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relates to all customers. Customers that are graded as high risk are placed on a restricted customer list and monitored by the Credit Committee, and future sales are made on a prepayment basis. Trade and other receivables consist of trade receivables, staff loans and due from related parties.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

37.1 Financial risk management objectives and policies - Continued

Management has credit policies in place and the exposure to credit risk is managed on an on-going basis by an established Credit Control Unit in the finance department. The risk of bad credit is minimised such that advance payments are built into the payment terms for most customers. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Credit risk from balances with banks and financial institutions is managed by the Chief Financial Officer in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Audit Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The cash and bank balances are held by banks and financial institutions in Nigeria and Ghana.

Ageing of trade receivables
Impairment of financial assets

I. **Trade receivables**

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

Trade receivables relate to receivables from customers for good sold and services rendered.

The average credit period taken on sales of goods or services rendered varies between 1-3months. The variability of the credit terms largely depends on the nature of the contract and type of customer which could either be in the public, telecommunication or banking sectors. No interest is charged on outstanding trade receivables. It is the Group's policy to recognize a 100% provisions on receivables that are due for over 36 months based on management's judgment that those receivables are unlikely to be recovered. Impairment charge for doubtful receivables are recognised against trade receivables between 13 months and 36 months based on estimated irrecoverable amounts determined by reference to the past default experience of the counterparty and an analysis of their current financial position. Credit services are made subject to observation of all credit approval procedures.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the service was rendered up to the reporting date. In the current year, the Group has recognized an impairment of N107 million (2019: loss: N1.7 million) in respect of impaired trade receivables. This is recorded within administrative expenses in the profit or loss.

Set out below is the information about the credit risk exposure on the Group and Company's trade receivables as at 31 December 2019 using a provision matrix:

THE GROUP
31 December 2020

Trade receivables
Days past due

	0 - 30 days N'000	31 -90 davs N'000	91 -180 davs N'000	180-365 days N'000	365 days N'000	Total N'000
Expected credit loss rate	1.04%	6.26%	25.62%	25.62%	95.86%	
Estimated total gross carrying amount at default	15,596	70,652	40,803		364,636	491,686
Expected credit loss	162	4,420	10,454		349,539	364,574

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

37.1 Financial risk management objectives and policies - Continued

31 December 2019 — **Trade receivables Days past due**

	0 - 30 days N'000	31 -90 davs N'000	91 -180 davs N'000	180-365 days N'000	365 days N'000	Total N'000
Expected credit loss rate	1.04%	6.21%	25.62%	25.62%	100.00%	
Estimated total gross carrying amount at default	419,101	531	1,089	87,447	233,313	741,481
Expected credit loss	4,345	33	279	22,405	233,313	260,375

THE COMPANY

31 December 2020 — **Trade receivables Days past due**

	0 - 30 days N'000	31 -90 davs N'000	91 -180 davs N'000	180-365 days N'000	365 days N'000	Total N'000
Expected credit loss rate	1.04%	6.26%	25.62%	25.62%	96.33%	
Estimated total gross carrying amount at default	15,596	70,652	40,803	-	364,636	491,686
Expected credit loss	162	4,420	10,454	-	351,258	366,293

31 December 2019 — **Trade receivables Days past due**

	0 - 30 days N'000	31 -90 davs N'000	91 -180 davs N'000	180-365 days N'000	365 days N'000	Total N'000
Expected credit loss rate	1.04%	6.21%	25.62%	25.62% ‘	100.00%	
Estimated total gross carrying amount at default	419,101	531	1,089	87,447	233,313	741,481
Expected credit loss	4,345	33	279	22,405	233,313	260,375

ii. Expected credit loss measurement - other financial asset

The group applied the general approach in computing expected credit losses (ECL) for intercompany receivables and staff loan. The group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. Group expects to receive, discounted at an approximation of the original effective interest rate.

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

37.1 Financial risk management objectives and policies - Continued

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

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 delivering cash or other financial asset. 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.

The group has a clear focus on ensuring sufficient access to capital to finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the Group has various credit arrangements with some banks which can be utilised to meet its liquidity requirements.

TyPIcally the credit terms with clients are more favorable compared to payment terms to its vendors in order to help provide 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 reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Non-derivative financial liabilities:

	THE GROUP		THE COMPANY	
THE GROUP	**Less than 3 months N'000**	**3 to 12 months N'000**	**Cash flows Total N'000**	**Carrying value N'000**
31 December 2020:				
Interest bearing loans and borrowings	-	147,607	147,607	148,092
Trade and other payables*	2,650,119	-	2,650,119	2,650,119
	2,650,119	147,607	2,797,726	2,798,211
31 December 2019:				
Interest bearing loans and borrowings	-	276,712	276,712	234,502
Trade and other payables*	2,317,607	-	2,317,607	2,317,607
	2,317,607	276,712	2,594,319	2,552,109

THE COMPANY	**Less than 3 months N'000**	**3 to 12 months N'000**	**Cash flows Total N'000**	**Carrying value N'000**
31 December 2020:				
Interest bearing loans and borrowings	-	147,607	147,607	148,092
Trade and other payables*	2,644,128	-	2,644,128	2,644,128
	2,313,062	276,712	2,589,774	2,547,564
31 December 2019:				
Interest bearing loans and borrowings	-	276,712	276,712	234,502
Trade and other payables*	2,313,062	-	2,313,062	2,313,062
	2,313,062	276,712	2,589,774	2,547,564

*Financial liabilities of trade and other payables do not include sundry payable, pension payable, other accrued expenses and other payables.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Equity Price risk

The group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The group manages the equity price risk through by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the board of directors on a regular basis. The group's Board of Directors reviews and approves all equity investment decisions.

			THE GROUP	THE COMPANY
		Change in price	**Effect on equity**	**Effect on equity**
			N'000	**N'000**
		5%	1,875	1,875
	2020	-5%	(1,875)	(1,875)
Paga Tech				
		5%	84	84
Courtville		-5%	(84)	(84)
	2019			
Paga Tech		5%	748	748
		-5%	(748)	(748)
Courtville				
		5%	92	92
		-5%	(92)	(92)

Currency risk

The group is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Group, primarily the Naira. The currency in which these transactions primarily are denominated is US Dollars (USD). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

In managing currency risk, the Group aims to reduce the impact of short-term fluctuations on earnings. The group has no export sales but it has clients that are invoiced in NGN but with FX indexation. The group's significant exposure to currency risk relates to its loan facilities that are mainly in USD. Although the Group has various measures to mitigate exposure to foreign exchange rate movement over the longer term, the gains/losses on foreign exchange balances impact on profit or loss. The group monitors the movement in the currency rates on an on-going basis.

Sensitivity analysis

The strengthening of the Naira, as indicated below against the Dollar, Pounds, Euros, and Rand at 31 December 2020 would have increased/(decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period and has no impact on equity. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis at 31 December 2020, albeit that the reasonably possible foreign exchange rate variances were different as indicated below:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

37 FINANCIAL RISK MANAGEMENT - Continued

37.1 Financial risk management objectives and policies - Continued

THE GROUP

Foreign currency balances in 2020			
Financial asset	**USD**	**GBP**	**EUR**
Cash and cash equivalent	2,682	145	175
Financial liabilities:			
	(5,501,872)	-	-

Foreign currency balances in 2019			
Financial asset	**USD**	**GBP**	**EUR**
Cash and cash equivalent	1,740	145	175
Financial liabilities:			
Trade and other payables	(5,888,472)	-	-

	Change in US$ rate	**Effect on loss before tax N'000**	**Effect on equity N'000**
2020	5%	(60,024)	(60,024)
	-5%	66,343	66,343
2019	5%	(107,289)	(107,289)
	-5%	107,289	107,289

	Change in GBP rate	**Effect on loss before tax N'000**	**Effect on equity N'000**
2020	**5%**	(3,282)	(3,282)
	-5%	3,628	3,628
2019	**5%**	(3)	(3)
	-5%	3	3

	Change in EUR rate	**Effect on loss before tax N'000**	**Effect on equity N'000**
2020	5%	(3,548)	(3,548)
	-5%	3,921	3,921
2019	5%	(4)	(4)
	-5%	4	4

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

37.1 Financial risk management objectives and policies - Continued Interest rate risk profile:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group is not exposed to the risk of changes in market interest rates. The changes in interest rate would not significantly affect the profit reported by the Group as the interests on the loan are fixed.

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital on the basis of the gearing ratio, which is net debt (Total borrowings less cash and cash equivalent) divided by total capital plus net debt. The group and Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	THE GROUP		THE COMPANY	
	31-Dec 2020 N'000	31-Dec 2019 N'000	31-Dec 2020 N'000	31-Dec 2019 N'000
Trade and other payables	3,735,504	3,322,828	3,694,072	3,271,992
Interest bearing loans and borrowings	148,092	234,502	148,092	234,502
Less: Cash and cash equivalents	(16,388)	(80,796)	(16,246)	(79,312)
Net debt	3,867,208	3,476,534	3,825,918	3,427,182
Total equity	(1,725,638)	(1,180,443)	(1,611,104)	(1,073,150)
Total capital Employed	2,141,570	2,296,091	2,214,814	2,354,032
Gearing ratio	181%	151%	173%	146%

There were no changes in the Group's approach to capital management during the year.
Net debt is arrived at after deducting cash and cash equivalents from trade and other payables and interest bearing loans and borrowings

The group is not subject to externally imposed capital requirements.

38 FAIR VALUE MEASUREMENT

Set out below is a comparison by class of the carrying amounts and fair values of the Group and Company's financial instruments that are carried in the consolidated and separate financial statements.

	31-Dec 2020		31-Dec 2019	
	Carrying Amount N'000	Fair value N'000	Carrying Amount N'000	Fair value N'000
THE GROUP				
Financial assets				
Trade and other receivables	493,442	493,442	743,100	743,100
Equity investments	39,180	39,180	16,796	16,796
	532,622	532,622	759,896	759,896
Financial liabilities				
Trade and other payables	2,650,119	2,650,119	2,317,607	2,317,607
Interest-bearing loans and borrowings	148,092	123,410	234,502	179,695
	2,798,211	2,773,529	2,552,109	2,497,302

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

THE COMPANY				
Financial assets				
Trade and other receivables	591,216	591,216	841,643	841,643
Equity investments	39,180	39,180	16,796	16,796
	630,396	630,396	858,439	858,439
Financial liabilities				
Trade and other payables	2,644,128	2,644,128	2,313,062	2,313,062
Interest-bearing loans and borrowings	148,092	123,410	234,502	179,695
	2,792,220	2,767,538	2,547,564	2,492,757

Trade and other receivables consists of trade receivables, staff loan and due from related parties. Trade and other payables consists of trade payables, due to related parties, and unclaimed dividend.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Fair value of the Group's interest bearing loans and borrowing are determined by using the DCF method using a discount rate that reflects the issuer's borrowing rate, including its own credit risk as at 31 December 2020.

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value of quoted notes is based on price quotations at the reporting date. The fair values of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Description of significant unobservable inputs to valuation:
The following table provides the fair value measurement hierarchy of the Group's assets and liabilities. Quantitative disclosures of fair value measurement hierarchy for assets as at 31 December:

THE GROUP and COMPANY	**Date of Valuation**	**Fair Value Measurement using;**		
		Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**
		N'000	**N'000**	**N'000**
Assets measured at fair value:				
Equity investments	31-Dec-20	39,180	1,680	37,500
Equity investments	31-Dec-19	16,796	1,840	14,956
Liabilities for which fair values are disclosed:	31-Dec-20	123,410	-	123,410
Interest-bearing loans and borrowings	31-Dec-19	179,695	-	179,695
Interest-bearing loans and borrowings				

There have been no transfers between Level 1 and Level 2 during the period.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

The following methods and assumptions were used to estimate the fair values:

- The fair values of the Group's interest-bearing borrowings are determined by using the DCF method using discount rate that reflects the prime lending rate as at the end of the reporting period adjusted for extra risk in the entity.
- The fair values of the quoted equity financial assets are derived from quoted market prices in active markets.

Valuation technique of unquoted equity investment

Type	**Valuation technique**	**Significant unobservable inputs**
Unquoted equity investment	Market approach; The valuation is based on the amount agreed with the lender (FBN quest) at which the remaining Pagatech shares will be exchanged as a write-off of a portion of the outstanding loan.	Not applicable

39 Correction of error

Overstatement of cost of sales

During the audit of Resourcery Ghana, the auditor noted that cost of sales of prior year was overstated leading to overstating the trade & other payables/contract liabilities by the same amount. This error was as a result of booking accruals for products not yet received. This has been appropriately reversed and corrected accordingly.

Balance sheet extract- Group

	31 -Dec 2019 **N'000**	**Remeasure ment** **N'000**	**31 -Dec 2019 Restated** **N'000**
Equity	(12)	(552)	(564)
Foreign currency translation reserve	(3,251,173)	10,542	(3,240,631)
Accumulated loss			
	(3,251,185)	9,990	(3,241,195)
Current Liabilities	3,323,199	(371)	3,322,828
Trade and other payables	75,855	(9,619)	66,236
Contract liabilities			
	3,399,054	(9,990)	3,389,064
Statement of profit or loss extract;			
Cost of sales	(994,896)	10,542	(984,354)
Other comprehensive income (OCI)			
Exchange difference on translating foreign operation	(7,877)	(552)	(8,429)
	(1,002,773)	9,990	(992.783)

CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2020

	31 Dec 2020 N'000	%	31 Dec 2019 N'000	%	31 Dec 2020 N'000	%	31 Dec 2019 N'000	%
Revenue	1,175,264		1,431,783		1,175,264		1,226,278	
Other operating income	(432,816)		321,490		(433,835)		227,933	
Less: Bought in materials and services								
- Imported	(863,119)		(1,035,603)		(856,962)		(925,974)	
- Local			(258,901)		(214,241)		(231,493)	
VALUE ADDED	(120,671)		458,769		(329,774)		296,744	
APPLIED AS FOLLOWS:								
To pay employees:								
- Salaries, wages and other allowances	214,517	(64)	352,663	77	211,846	(64)	292,448	99
To pay government:								
- Income tax	5,641	(2)	10,556	2	10,555	(3)	10,555	4
To pay providers of capital:								
- Finance costs	3,970	(1)	57,887	13	3,970	(1)	54,237	18
To provide for replacement of assets and development:								
- Depreciation charge on PPE	4,193	(1)	5,878	1	4,193	(1)	5,070	2
- Depreciation charge on Right of use assets	-	-	29,739	6	-	-	29,739	10
- Loss for the year	(564,772)	168	2,046	0	(560,338)	170	(95,305)	(32)
	(336,451)	100	458,769	100	(329,774)	100	296,744	100

The value added represents additional wealth created by its own and employees' efforts. This statement shows the allocation of that wealth to employees, provider of finance, shareholders, government and that retained for the future creation of more wealth.

FIVE-YEAR FINANCIAL SUMMARY- THE GROUP

	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Non-current assets	109,604	99,045	67,560	175,793	105,805
Current assets	2,131,107	2,387,673	3,927,978	3,810,929	5,091,039
TOTAL ASSETS	2,240,711	2,486,718	3,995,538	3,986,722	5,196,844
Equity	(1,725,638)	(1,180,443)	(1,233,011)	(589,369)	(74,981)
Non -Controlling interest	-	-	(37,789)	(26,651)	(11,380)
TOTAL EQUITY	(1,725,638)	(1,180,443)	(1,270,800)	(616,020)	(86,361)
Current Liabilities	3,966,349	3,667,161	5,266,338	4,602,742	5,283,205
TOTAL LIABILITIES	3,966,349	3,667,161	5,266,338	4,602,742	5,283,205
TOTAL EQUITY AND LIABILITIES	2,240,711	2,486,718	3,995,538	3,986,722	5,196,844
Revenue	1,175,264	1,431,783	1,847,058	2,863,832	3,861,849
Profit/(Loss) before taxation	(559,131)	12,602	(369,056)	(655,779)	(794,112)
Taxation	(5,641)	(10,556)	(6,238)	(7,541)	(8,541)
Loss for the year	(564,772)	2,046	(375,294)	(663,320)	(802,653)
Other Comprehensive income/(loss) for the year	19,577	48,444	(93,399)	133,661	(30,135)
Total comprehensive income/(loss) for the year	(545,195)	50,490	(468,693)	(529,659)	(832,788)
Loss per share (naira) - Basic	(0.17)	0.00	(0.11)	(0.19)	(0.24)
Net assets per share - Actual (naira)	(1.02)	(0.70)	(0.75)	(0.36)	(0.05)

FIVE-YEAR FINANCIAL SUMMARY - THE COMPANY

	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Non-current assets	117,929	106,770	74,991	179,773	232,993
Current assets	2,203,938	2,443,942	4,013,689	3,705,845	4,988,708
TOTAL ASSETS	2,321,867	2,550,712	4,088,680	3,885,618	5,221,701
Equity	(1,611,104)	(1,073,150)	(1,034,718)	(462,682)	149,867
TOTAL EQUITY	(1,611,104)	(1,073,150)	(1,034,718)	(462,682)	149,867
Current Liabilities	3,932,971	3,623,862	5,123,398	4,348,300	5,071,834
TOTAL LIABILITIES	3,932,971	3,623,862	5,123,398	4,348,300	5,071,834
TOTAL EQUITY AND LIABILITIES	2,321,867	2,550,712	4,088,680	3,885,618	5,221,701
Revenue	1,175,264	1,226,278	1,601,908	2,644,414	3,584,821
Loss before tax	(554,697)	(84,750)	(280,765)	(745,846)	(760,022)
Taxation	(5,641)	(10,555)	(6,238)	(7,541)	(8,541)
Loss for the year	(560,338)	(95,305)	(287,003)	(753,387)	(768,563)
Other Comprehensive income/(loss) for the year	22,384	56,873	(97,414)	137,329	1,295
Total comprehensive loss for the year	(537,954)	(38,432)	(384,417)	(616,058)	(767,268)
Loss per share (naira)					
- Basic	(0.17)	(0.03)	(0.08)	(0.22)	(0.23)
Net assets per share					
- Actual (naira)	(0.95)	(0.63)	(0.61)	(0.27)	0.09

PROXY FORM

Annual General Meeting to be held at Vision Room, 16 Adeola Hopewell Street, Victoria Island, Lagos on Thursday, 29th July 2021 at 10.00a.m.

I/We* ___________________________________ of _________________________________, being a member/members of Resourcery Plc hereby appoint Adegbayike Olusegun of
____ or failing him Ike Onyia of
____ or failing him Andrew Ejoh
____ or failing him Babatunde Sobande of____, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 29th July 2021 and at any adjournment thereof.

Signed this _________ day of ___________________ 2021

Signature ________________________________

S/N	RESOLUTION	FOR	AGAINST	ABSTAIN
	ORDINARY BUSINESS			
1.	To lay before the meeting, the Audited Financial Statements for the year ended 31st December, 2020, together with the Reports of the Directors, External Auditors and the Audit Committee thereon			
2	To re-elect Directors of the Company			
3	To authorize Directors to fix the remuneration of the External Auditor			
4	To elect Members of the Audit Committee			
5.	To disclose the remuneration of Managers			

Please, indicate with "X" in the appropriate box who you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

NOTE
A member who is unable to attend an Annual General meeting is allowed by law to vote by proxy. A proxy form has been prepared to enable you exercise your right in case you cannot personally attend the meeting. The proxy form should not be completed if the member is attending the meeting.

If you are unable to attend, read the following instructions very carefully:

(a.) Write your name in BLOCK CAPITALS on the proxy form where marked*
(b.) Write your name of your proxy where marked**, and ensure the proxy form is dated and signed by you.
©.) The Common Seal should be affixed on the proxy form if executed by a corporation.
(d.) The proxy form must be posted so as to reach the address shown overleaf not later than 48 hours before the time for holding the meeting

- -

Before posting the above proxy form, please tear off this part and retain it for admission to the meeting

ADMISSION CARD
Resourcery Plc

Annual General Meeting to be held at Vision Room, 16 Adeola Hopewell Street, Victoria Island, Lagos on Thursday, 29th July 2021 at 10.00a.m.

Name of Shareholder:

____

Signature of person attending:

____

NOTE
The admission card must be produced by the shareholder or his/ her proxy in order to be admitted at the meeting. Shareholders or the proxies are requested to sign the admission card at the entrance in the presence of the Registrar on the day of Annual General Meeting.

Affix
Current Passport
(To be stamped by Bankers)

Please write your name at the Back of your passport photograph

CRESCENT REGISTRARS LIMITED

E-DIVIDEND ACTIVATION FORM

Date (DD/MM/YYYY)

☐☐ / ☐☐ / ☐☐☐☐

Instruction:

Only Clearing Banks are acceptable

Please complete all sections of this form to make it eligible for processing and return to the address below

THE REGISTRAR
CRESCENT REGISTRARS LIMITED
23,Olusoji Idowu Street, Ilupeju, Lagos. Nigeria.
Tel:+234 1 453 8671-4

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below;

PROCESSING FEE: N 150.00
PAY TO CRESCENT REGISTRARS, ECOBANK
ACCT. NUMBER
3772000237

Bank Verification Number

Bank Name

Bank Branch/Address

Bank Account Number

Account Opening Date

Shareholder Account Information
Surname/Company name First name Other Names

Address

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone (1) Tel (2)

E-mail Address

Signature(s) Company Seal (If applicable)

Joint/Company's Signatories Authorised Signature of Bank/Stamp

kindly tick & quote your shareholder account no. in the box below:

Tick	Name of Company	Shareholder Number
	Adswitch Plc	
	Afromedia Plc	
	Courteville Bus. Solutions Plc	
	Cutix Plc	
	Dangote Flour Mills Plc	
	Imo State Government Bond	
	Plateau State Government Bond	
	Resourcery Plc	
	Sunu Assurances Plc	

For enquiries, please call 01-4538671 & 4 or send email to info@crescentregistrars.com

By sending this form and checking the option "I AGREE", I, as the Data Subject, hereby consent to the processing of my above given Personal data which I hereby voluntarily provide to Crescent Registrars Ltd." AGREE ☐ DISAGREE ☐