WIPRO TECHNOLOGIES NIGERIA LIMITED

FINANCIAL STATEMENTS
31 MARCH 2020

Corporate information

Directors	Mr. Garry Collings (Resigned 18th March 2020) Mr. Vusi Mhlari (Resigned July 31st 2019) Kamini Shah (Appointed July 31st 2019) Thomas George (Appointed 18th March 2020)
Registered Office	7th Floor, Mulliner Towers 39 Alfred Rewane Road Ikoyi Lagos
Operational office	ADOL House 15 CIPM Avenue Central Business District Alausa, Ikeja Lagos
Company Secretaries	Deloitte Corporate Services Limited 235 Ikorodu Road Ilupeju Lagos
Auditors	BDO Professional Services 15 CIPM Avenue Central Business District Alausa, Ikeja Lagos
Principal Banker	Citibank Nigeria Limited

The directors present their report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 March 2020.

1. PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is to engage in consultancy in matters related to information technology in retail space.

2. RESULTS FOR THE YEAR

Results for the year are as follows:

	2020	2019
	N	N
Revenue	1,836,843,902	1,507,179,385
Profit before taxation	653,449,253	415,522,643
Taxation	(41,660,133)	(242,516,169)
Information technology development levy	(6,469,795)	(4,114,088)
Profit for the year after taxation	605,319,325	168,892,386

3. DIRECTORS

The Directors who served during the year were as follows:

Mr. Garry Collings
Mr. Ankur Prakash

4. DIRECTORS AND THEIR INTERESTS

In accordance with Section 277 of the Companies and Allied Matters Act CAP C20 LFN 2004, none of the Directors has notified the Company of any declarable interests in contracts with the Company.

The Directors do not have any interests required to be disclosed under Section 275 of the Companies and Allied Matters Act CAP C20 LFN 2004.

5. SHAREHOLDING STRUCTURE

The shareholding structure of the Company is as follows:

	Number of shares
Wipro Technologies South Africa (Proprietary) Ltd	99,000
Wipro Cyprus Private Ltd	1,000

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, CAP C20 LFN 2004, the Company's Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the Company as at the end of the financial year and of its profit or loss and cash flows for the year and comply with the provisions of the Act.

6. EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS

The Company has no physically challenged person in its employment. However, applications for employment by physically challenged persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees.

7. HEALTH, SAFETY AND WELFARE AT WORK

The Company places a high premium on the health, safety and welfare of its employees in their place of work. To this end, the Company has various forms of insurance policies, including Workmen's Compensation and Group Personal Accident Insurance, to adequately secure and protect its employees. In addition, medical facilities are provided to employees and their immediate families at the Company's expense.

8. EMPLOYEE INVOLVEMENT AND TRAINING

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees, and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings.

The Company has in-house training programmes, complemented when and where necessary with additional facilities from external institutions for the training of its employees.

9. AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20, LFN 2004, BDO Professional Services having indicated their willingness, will continue in office as auditors.

BY ORDER OF THE BOARD

SD/-

Company Secretary
Lagos, Nigeria

WIPRO TECHNOLOGIES NIGERIA LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2020

This statement which, should be read in conjunction with the Report of the Auditors, is made with a view to setting out for shareholders, the responsibilities of the Directors of the Company with respect to the financial statements.

In accordance with the provisions of the Companies and Allied Matters Act, CAP C20, LFN 2004, the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the financial position of the Company and of the profit or loss for the financial year.

The responsibilities include ensuring that:

a. appropriate internal controls are established both to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

b. the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which ensures that the financial statements comply with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

c. The Company has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

It is the responsibility of the directors to be satisfied that it is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the Company will not continue in business.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WIPRO TECHNOLOGIES NIGERIA LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Wipro Technologies Nigeria Limited** which comprise, the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011 and the Companies and Allied Matters Act, CAP C20, LFN 2004.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20, LFN 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

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

Auditors' responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 and any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act, CAP C20, LFN 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit

ii) in our opinion, proper books of account have been kept by the Company, and

iii) the Company's statement of financial position, and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

SD/-

Lagos, Nigeria

For: BDO Professional Services
Chartered Accountants

WIPRO TECHNOLOGIES NIGERIA LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 N	2019 N
Revenue	7	1,836,843,902	1,507,179,385
Cost of sales	8	(1,021,020,346)	(876,037,662)
Gross profit		815,823,556	631,141,723
Other operating income	9	64,616,705	12,859,903
Administrative expenses	10	(263,014,432)	(207,971,089)
Impairment losses on financial and contract assets	15(e)	-	(61,975,752)
Profit from operations		617,425,829	374,054,785
Finance income	11	36,337,463	42,736,765
Finance expenses	11	(314,039)	(1,268,907)
Net finance income		36,023,424	41,467,858
		653,449,253	415,522,643
Information technology development levy	13(h)	(6,469,795)	(4,114,088)
Profit before taxation	12	646,979,458	411,408,555
Tax expense	13(a)	(41,660,133)	(242,516,169)
Profit for the year		605,319,325	168,892,386
Other comprehensive income:			
Items that will not be reclassified to profit or loss		-	-
Items that will or may be reclassified to profit or loss		-	-
Other comprehensive income		-	-
Total comprehensive income		605,319,325	168,892,386

The accompanying notes and significant accounting policies on pages 8 to 27 and other national disclosures on pages 28 and 29 form an integral part of these financial statements.

Auditors' report, pages 1 to 3

WIPRO TECHNOLOGIES NIGERIA LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

		2020	2019
Assets	**Notes**	**N**	**N**
Non-currents			
Property, plant and equipment	14	10,586,596	6,207,851
Deferred tax assets	13(g)	-	47,214,802
		10,586,596	53,422,653
Current			
Trade and other receivables	15	1,966,537,045	1,417,069,486
Cash and cash equivalents	16	1,657,322,111	1,540,772,600
Total current assets		3,623,859,156	2,957,842,086
Current liabilities			
Trade and other payables	17	2,046,813,587	1,994,464,127
Income tax payable	13(f)	599,179,428	606,933,620
Other current liabilities	18	362,600,006	-
Total current liabilities		3,008,593,021	2,601,397,747
Net current assets		615,266,135	356,444,339
Non-current liabilities			
Deferred tax liabilites	13(g)	2,199,523	-
Accrued leave expenses	17(d)	975,026	508,129
Total net assets		622,678,182	409,358,863
Equity			
Share capital	19	16,300,000	16,300,000
Revenue reserve	20	606,378,182	393,058,863
Total Equity		622,678,182	409,358,863

The financial statements and notes on pages 4 to 29 were approved by the Board of Directors on ……………………….. and signed on its behalf by:

(i) Kamini Shah SD/-

(ii) Thomas George SD/-

The accompanying notes and significant accounting policies on pages 8 to 27 and other national disclosures on pages 28 and 29 form an integral part of these financial statements.

Auditors' report, pages 1 to 3

WIPRO TECHNOLOGIES NIGERIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Revenue reserve	Total equity
	N	N	N
Balance at 1 April 2018	16,300,000	224,166,477	240,466,477
Comprehensive income for the year:			
Profit for the year	-	168,892,386	168,892,386
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	168,892,386	168,892,386
Transactions with owners, recorded directly in equity	-	-	-
Balance at 31 March 2019	16,300,000	393,058,863	409,358,863
	N	N	N
Balance at 1 April 2019	16,300,000	393,058,863	409,358,863
Comprehensive income for the year:			
Profit for the year	-	605,319,325	605,319,325
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	605,319,325	605,319,325
Transactions with owners, recorded directly in equity	-	(392,000,006)	(392,000,006)
	-	(392,000,006)	(392,000,006)
Balance at 31 March 2020	16,300,000	606,378,182	622,678,182

The accompanying notes and significant accounting policies on pages 8 to 27 and other national disclosures on pages 28 and 29 form an integral part of these financial statements.

Auditors' report, pages 1 to 3

WIPRO TECHNOLOGIES NIGERIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 N	2019 N
Cash flows from operating activities			
Profit for the year		605,319,325	168,892,386
Adjustments for:			
Finance income	11	(36,337,463)	(42,736,765)
Finance expenses	11	314,039	1,268,907
Income tax expense	13(a)	41,660,133	242,516,169
Depreciation of property, plant and equipment	14	5,344,859	502,394
		616,300,893	370,443,091
Changes in working capital			
Increase in trade and other receivables		(549,467,559)	(8,302,161)
Increase in trade and other payables		52,349,460	357,534,930
Increase/(decrease) in accrued leave expenses(Non-current)		466,897	(672,237)
Net cash generated in operations		119,649,691	719,003,623
Income tax paid	13(f)	-	(12,017,661)
Net cash inflow from operating activities		119,649,691	706,985,962
Investing activities			
Purchase of property, plant and equipment	14	(9,723,604)	(6,511,143)
Interest received	11	36,337,463	42,736,765
Net cash inflow from investing activities		26,613,859	36,225,622
Financing activities			
Interest paid	11	(314,039)	(1,268,907)
Tax on dividend		(29,400,000)	-
Net cash outflow from financing activities		(29,714,039)	(1,268,907)
Net increase in cash and cash equivalents		116,549,511	741,942,677
Cash and cash equivalents at the beginning of the year		1,540,772,600	798,829,923
Cash and cash equivalents at the end of the year	16	1,657,322,111	1,540,772,600

The accompanying notes and significant accounting policies on pages 8 to 27 and other national disclosures on pages 28 and 29 form an integral part of these financial statements.

Auditors' report, pages 1 to 3

1. Corporate information and principal activities

Wipro Technologies Nigeria Limited, a private limited liability Company, was incorporated in Nigeria on 15 August 2012 under the Companies and Allied Matters Act, CAP C20, LFN 2004 .The principal activity of the Company is the provision of Consultancy services in matters related to information technology in retail space.

Its registered office is at 7th Floor, Mulliner Towers, 39 Alfred Rewane Road, Ikoyi, Lagos.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Standards Interpretation Committee (IFRIC), the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004 and the Financial Reporting Council of Nigeria Act No 6, 2011.

The financial statements were authorised for issue by the Board of Directors on …………………..

(b) Basis of measurement

The financial statements have been prepared under the historical cost concept and on an accrual basis, except for certain financial instruments which are measured at fair value as disclosed in the accounting policies in Note 5.

(c) Going concern

The directors assess the Company's future performance and financial position on a going concern basis and have no reason to believe that the Company will not be a going concern in the year ahead. For this reason, the financial statements have been prepared on a going concern basis.

(d) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which these entities operate (i.e., the "functional currency"). These financial statements are presented in Nigerian Naira, which is the functional currency of the Company.

(e) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3 Changes in significant accounting policies

New Accounting standards adopted by the Company:

IFRS 16 - Leases

The Company adopted IFRS 16 with a transition date of 1 January 2019. The Company has chosen not to restate comparatives on adoption of the standard, and therefore, the revised requirements are not reflected in the prior year financial statements.

The adoption of IFRS 16 did not have any material impact on the financial statements of the Company.

IFRIC 23 – Uncertainty over Income Tax treatments

The International Accounting Standards Board clarified the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The adoption of IFRIC 23 did not have any material impact on the financial statements of the Company.

Amendment to IAS 19 - Plan Amendment, Curtailment or Settlement

The International Accounting Standard Board has issued amendments to IAS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to IAS 19 did not have any material impact on financial statements of the Company.

Amendment to IAS 12 – Income Taxes

The International Accounting Standard Board had issued amendments to IAS 12 – Income Taxes. The amendments clarified that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events that generated the distributable profits. The adoption of amendment to IAS 12 did not have any impact on financial statements of the Company.

3. **New standards, amendments and interpretation issued but not yet adopted by the Company**

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the financial year ended 31 December 2019. They have not been adopted in preparing the financial statements for the year ended 31 December 2019 and are not expected to affect the Company in the year of initial application. In all cases the Company intends to apply these standards from application date as indicated in the table below.

Title	Key requirements	Effective Date
Conceptual Framework Amendments	Amendments to References to the Conceptual Framework in IFRS Standards sets out amendments to IFRS Standards, their accompanying documents and IFRS practice statements to reflect the issue of the revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework).	1 January 2020
IFRS 3 Amendment	IFRS 3 Amendment was issued in October 2018, establishes the definition of a business and effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period	1 January 2020
Amendments to IAS 1 and IAS 8	In October 2018, the IASB issued amendments to IAS 1- Financial Statement Presentation and IAS 8 -Accounting Policies, Changes in Accounting Estimates and Errors to clarify the definition of 'material' in the context of applying IFRS. As the concept of what is and is not material is crucial in preparing financial statements in accordance with IFRS, a change in the definition may fundamentally affect how preparers make judgments in preparing financial statements.	1 January 2020
IFRS 17 Insurance Contracts	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.	1 January 2023
IFRS 10 and IAS 28 Amendments	The International Accounting Standards Board (IASB) published Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) on 11 September 2014.The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method	Deferred indefinitely

4. **Critical accounting estimates and judgements**

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

(i) ***Income and deferred taxation***

The Company incurs amounts of income taxes payable, and also recognises changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management's ability to properly apply at times a very complex sets of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

(ii) **Expected credit losses on financial assets**

On application of IFRS 9, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(iii) **Revenue Recongition**

The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue and profit recognized are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

(iv) **Leases**

IFRS 16 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables including unbilled receivables, contract assets and contract costs, goodwill, intangible assets, and certain investments, the Company has considered internal and external information up to the date of approval of these interim condensed consolidated financial statements including credit reports and economic forecasts. The impact of the global health pandemic may be different from that estimated as at the date of approval of these interim condensed consolidated financial statements and the Company will continue to closely monitor any material changes to future economic conditions

5. **Summary of significant accounting policies**

The accounting policies set out below have been applied consistently to all years presented in these financial statements:

(a) **Foreign currency translation**

In preparing the financial statements of the Company, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions and any exchange differences arising are included in the income statement during the reporting period.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e. not retranslated).

Foreign currency differences on loans and other borrowings are recognised as finance income and expenses. Other foreign currency differences as a result of transactions are recognised in the related items within the operating results.

(b) **Revenue**

The Company derives revenue primarily from software development, maintenance of software/hardware and related services, business process services, sale of IT and other products.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the Company apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.
For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the services rendered:

i). Time and materials contract

Revenues and costs relating to time and materials, transaction-based or volume-based contracts are recognized as the related services are rendered.

ii). Fixed-price development contracts

Revenues from fixed-price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, are recognized using the “percentage-of-completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognized only to the extent of costs incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the income statement in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

iii). Maintenance contracts

Revenues related to fixed-price maintenance, testing and business process services are recognized based on the Company's right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If the company's invoicing is not consistent with value delivered, revenues are recognized as the service is performed using the percentage of completion method.
When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.
In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

iv). Others

 Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.
 The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.
 Revenues are shown net of allowances/ returns sales tax, value added tax, goods and services tax and applicable discounts and allowances.
 The Company accrues the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

 Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset and amortized over the contract term.
 The Company recognizes contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.
The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or the Company, no financing component is deemed to exist.
 The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis).
In doing so, the company first evaluates whether it controls the good or service before it is transferred to the customer. If the company controls the good or service before it is transferred to the customer, the Company is the principal; if not, the company is the agent.

v). Contract Asset and Liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the company recognizes a receivable for revenues related to time and materials contracts or volume-based contracts. The Company present such receivables as part of Trade receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in IFRS 9 using expected credit loss method.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are presented in Other current assets and primarily relate to unbilled amounts on fixed-price contracts utilizing the percentage of completion method of revenue recognition.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Contract liabilities or deferred revenue, consist of advance payments and billings in excess of revenues recognized and disclosed as part of current and non-current liabilities. The company classifies deferred revenue as current or non-current based on the timing of when revenue is expected to be recognised.

vi). Remaining Performance Obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period and an explanation of when the entity expects to recognize as revenue. As a practical expedient, disclosure is not required for:

- performance obligation that has an original expected duration of one year or less;
- contracts for which revenue is recognized based on the right to invoice for services performed.

Applying the above practical expedient, the company has not disclosed remaining performance obligations for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, transaction or volume basis.

(c) **Finance income and expenses**

Finance and other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of investments. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Finance expenses comprise interest cost on borrowings, gains or losses arising on re-measurement of financial assets measured at FVTPL. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of income using the effective interest method.

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

*i) **Recognition and measurement***

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Items of property, plant and equipment under construction are disclosed as capital work in progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

*ii) **Subsequent costs***

The cost of replacing a part of an item of property, plant and 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 costs of the day-to-day servicing and maintenance of an item of property, plant and equipment are recognised in the income statement during the period in which they are incurred.

*iii) **Depreciation***

Depreciation is calculated on items of property, plant and equipment to write down the cost of each asset to its residual value over its estimated useful life on a straight line basis. No depreciation is charged on items of property, plant and equipment until they are available for use.

The principal annual rates used for this purpose, which are consistent with those for the previous years, are as follows:

Type of asset	**%**
Computer Equipment	50
Furniture and Fixtures	19
Leasehold Improvement	33.33
Office Equipment	19

The assets depreciable methods, useful lives and residual values are reviewed annually and adjusted if necessary. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

*iv) **Derecognition***

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss component of the income statement within ‘other operating income or operating expenses’ in the year that the asset is derecognised.

(e) **Financial instruments**

The following is the summary of new and revised significant accounting policies related to Financial instruments.

a) Financial assets

Financial assets include cash and cash equivalents, trade receivables, unbilled revenues, employee and other advances and eligible current and non-current assets. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized when the Company has not retained control over the financial asset.

Recognition and measurement

Financial instruments are recognized initially at fair value. Subsequent to initial recognition, financial instruments are measured as described below:

Debt instruments

There are three measurement categories into which the company classifies its debt instruments:

Financial instruments measured at amortized cost:

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Financial instruments measured at fair value through other comprehensive income (FVTOCI):

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

a) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial asset; and

b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Interest income is recognized in the statement of income for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to the statement of income.

Financial instruments measured at fair value through profit or loss (FVTPL):

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in statement of income. The gain or loss on disposal is recognized in the statement of income.

Interest income is recognized in the statement of income for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the entity's right to receive dividend is established.

Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables, unbilled revenues and other assets.

Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

Financial liabilities

Financial liabilities include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities.

Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognized from the company's statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

(f) **Equity and Share Capital**

i) Share Capital

Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium. Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

ii) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

Impairment

i) Financial Assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate.

Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit loss. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

Impairment provisions for receivables from related parties and debt instruments measured at FVOCI are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial assets. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those which credit risk has increased significantly, life time expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime credit losses along with interest income on a net basis are recognised.

ii) Non - Financial Assets

The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of income. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(g) **Employee benefits**

(i)Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. The Company recognises wages, salaries, bonuses and other allowances for current employees in the income statement as the employees render such services.

A liability is recognised for the amount expected to be paid under short - term benefits if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plan

The Company operates a defined contribution plan as stipulated in the Pension Reform Act, 2014. Under the defined contributory scheme, the Company contributes 10%, while its employees contribute 8% of their annual basic, housing and transport allowances to the scheme. Once the contributions have been paid, the Company retains no legal and constructive obligation to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognised in the income statement as administrative expenses (employee benefits) when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

(h) **Provisions**

A provision is recognized only if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting period. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The unwinding of the discount is recognised as finance cost.

(i) **Taxation**

i) Current income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the reporting period in Nigeria where the Company operates and generates taxable income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, but it further excludes items that are never taxable or deductible. The Company is subject to the following types of current income tax:

- Company Income Tax - This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act, Cap C21, LFN 2004 as amended to date
- Tertiary Education Tax - Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act, LFN 2011 (Amended)

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

. temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is provided for using the liability method, which represents taxation at the current rate of corporate tax on all timing differences between the accounting values and their corresponding tax written down values. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(j) **Related party transactions**

Related parties include the related companies, the directors and any employee who is able to exert significant influence on the operating policies of the Company. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Company considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Where there is a related party transactions with the Company, the transactions are disclosed as to the type of relationship that exists with the Company and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

(k) **Leases**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under IFRS 16.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves-

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of twelve months or less (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of income.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments have been classified as cash used in Financing activities.

6. Financial risk management

General

Pursuant to a financial policy maintained by the Board of Directors, the Company use several financial instruments in the ordinary course of business. The Company's financial instruments are cash and cash equivalents, trade and other receivables and trade and other payables.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk, consisting of: currency risk, interest rate risk and price risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The Company's exposure to credit risk is mainly determined by the individual characteristics of each of the customers and the location of these customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The maximum credit risk as per statement of financial position, without taking into account the aforementioned financial risk coverage instruments and policy, consists of the book values of the financial assets as stated below:

	2020	2019
	N	N
Trade and other receivables(less Prepayments)	1,952,667,558	1,352,561,314
Cash and cash equivalents	1,657,322,111	1,540,772,600
	3,609,989,669	2,893,333,914

As at reporting date there is no concentration of credit risk with certain customers.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputations are accepted by the Company for business transactions.

Cash is held with:	N	N
Citi Bank Nigeria Limited	207,322,111	240,772,600
Fixed deposit in CitiBank Nigeria Limited	1,450,000,000	1,300,000,000
	1,657,322,111	1,540,772,600

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by the Board of Management. The focus of the liquidity review is on the net financing capacity, being free cash plus available credit facilities in relation to the financial liabilities. The following are the contractual maturities of financial liabilities:

	Book value	Contractual cashflow	One year or less	1-5 years	More than 5
As at 31 March 2020	N	N	N	N	N
Trade and other payables	2,046,813,587	2,046,813,587	2,046,813,587	-	-
As at 31 March 2019	N	N	N	N	N
Trade and other payables	1,994,464,127	1,994,464,127	1,994,464,127	-	-

Market risk

Market risk concerns the risk that Company income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Foreign exchange risk

The functional currency of the Company is the Nigerian naira.

The Company is exposed to foreign exchange risk when there are intercompany transactions with related Companies. These transactions are majorly denominated in US dollar. These cause gain or losses during conversion.

	Assets		Liabilites	
	2020	2019	2020	2019
	N	N	N	N
INR	7,489,155	-	-	361,202,844
US dollars	-	656,865,146	241,957,220	374,898,899
ZAR	160,171	50,074,093	(6,578,403)	1,219,206
Others*	2,573,112	-	2,698,409	1,101,797

* Other currencies included GBP, EURO,AED

Sensitivity analysis

Analysed below is the Company's sensitivity to a 5% increase or decrease in the Naira against the US dollars. The analysis shows the effect of the changes on the profit before tax.

5% Depreciation in Naira against other currencies	Gain	Loss	Net effect
	N	N	N
Assets	511,122	-	511,122
Liabilities	-	(11,903,861)	(11,903,861)
Net loss	511,122	(11,903,861)	(11,392,739)

5% Appreciation in Naira against other currencies	Gain	Loss	Net effect
	N	N	N
Assets	-	(511,122)	(511,122)
Liabilities	11,903,861	-	11,903,861
Net gain	11,903,861	(511,122)	11,392,739

Sensitivity analysis shows that the Company's profit before tax would have been N11,392,739 higher or lower if the Naira had depreciated or appreciated against above currencies.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain customer, investor, creditor and market confidence and to support future development of the business. The Board of Directors monitors the debt to capital ratio. The Board of Diectors also monitors the level of dividend to be paid to holders of ordinary shares. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the benefits of a sound capital position. There were no changes in the Company’s approach to capital management during the year. The Company is not subject to externally imposed capital requirements and has adequate cash flow to meet current liabilities as they fall due.

	2020	2019
	N	N
7. Revenue		
Revenue from IT Services	1,836,843,902	1,507,179,385

Revenue is net of Value Added Tax.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2020 by offerings and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors.

Particulars	**2020**	**2019**
Revenue by offerings	**N**	**N**
IT Maintenance and support services	1,836,843,902	1,507,179,385
Revenue by market	**N**	**N**
Communication industry clients	1,836,843,902	1,507,179,385
Revenue by contract type	**N**	**N**
Fixed price	1,832,358,519	1,396,619,704
Time and materials	4,485,383	110,559,681
	1,836,843,902	1,507,179,385
Timing of revenue recognition	**N**	**N**
At a point in time	-	1,412,199,205
Over time	1,836,843,902	94,980,180
	1,836,843,902	1,507,179,385

Trade Receivables and Contract balances

The below shows significant movements in contract assets

Particulars	**2020**	**2019**
	N	**N**
Balance at the beginning of the year	85,674,469	-
Revenues recognized during the year but not billed	104,316,322	85,674,469
Contract asset billed during the year	(85,674,469)	-
Impairment/(reversal) during the year	-	-
Balance at the end of the year	104,316,322	85,674,469

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the company's rights become unconditional.

The below shows significant movements in contract liabilities

Particulars	**2020**	**2019**
	N	**N**
Balance at the beginning of the year	205,205,779	94,980,180
Revenue recognized from opening balance of contract liabilities	(205,205,779)	(94,980,180)
Amount billed but not recognized as revenues	193,014,734	205,205,779
Balance at the end of the year	193,014,734	205,205,779

Contract liabilities represent advance consideration received from customers for contracts for which for which revenue is recognised overtime.

There are no revenues recognized during the reporting period from the performance obligations satisfied in previous periods.

Performance Obligation and Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in IFRS 15, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2020, other than those meeting the exclusion criteria mentioned above, is N 823,532,369 (2019: N1,331,868,215). The majority of the company's revenues were from fixed price maintenance contracts with an average contract period of 3 years. Accordingly, out of the above, the Company expects to recognize revenue of around 24% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

		2020	2019
8.	**Cost of sales**	N	N
	Software development charges	550,191,228	361,131,340
	Employee benefit expenses (Note 8 (a))	165,040,962	120,720,113
	Sales incentive	13,993,558	22,280,464
	Travelling expenses	31,538,225	22,892,200
	Local technical service fees (Onsite)	162,708,167	124,459,029
	Sub-contracting charges	97,548,206	224,554,516
		1,021,020,346	876,037,662
(a)	**Employee benefit expenses**		
	Employee benefit expenses (including directors) comprise:	N	N
	Wages and salaries	163,741,280	114,396,730
	Defined contribution pension costs	1,299,682	6,323,383
		165,040,962	120,720,113
9.	**Other operating income**	N	N
	Unrealised foreign exchange gain	64,101	12,021,685
	Allowance for impairment of other receivables no longer required (Note 15 (f))	1,691,122	838,218
	Allowance for impairment no longer required (Note 15 (e))	62,861,482	-
		64,616,705	12,859,903
10.	**Administrative expenses**	N	N
	Auditors' fees	5,549,000	3,704,528
	Depreciation of property, plant and equipment (Note 14)	5,344,859	502,394
	Staff welfare expenses	978,796	468,313
	Rent	103,306,408	95,831,292
	Realised foreign exchange loss	27,368,790	-
	Unrealised foreign exchange loss	70,379	1,290,926
	Communication expenses	6,311,385	3,366,649
	Legal and professional charges	38,868,816	31,406,878
	Travelling expenses	-	77,963
	Transportation expenses	48,453,979	42,719,274
	Repairs and maintenance	304,560	540,250
	Electricity expenses	14,397,657	22,570,284
	Business meetings and conference expenses	254,074	653,420
	NSITF expenses	1,709,292	1,500,173
	Insurance	1,983,156	945,721
	Rates and taxes	5,000	490,339
	Bank charges	4,463,754	1,583,803
	Subscription and membership fees	3,103,468	-
	Other expenses	541,059	318,882
		263,014,432	207,971,089

11. Finance income and expenses

	2020	2019
Finance income	N	N
Interest income on fixed deposits	36,337,463	42,736,765
Finance expenses		
Interest expenses on intercompany loan	(314,039)	(1,268,907)
Net finance income recognised in profit or loss	36,023,424	41,467,858

12. Profit before taxation

Profit before taxation is arrived at after charging:	N	N
Auditors' fees	5,549,000	3,704,528
Realised foreign exchange loss	27,368,790	-
Unrealised foreign exchange loss	70,379	1,290,926
and after crediting:		
Unrealised foreign exchange gain	64,101	12,021,685

13. Taxation

(a) ***Per statement of comprehensive income***	N	N
Company income tax	136,613,582	248,028,770
Additional provision for income tax	-	-
Education tax	9,264,842	16,535,251
Over provision in prior years	(153,632,616)	-
	(7,754,192)	264,564,021
Deferred tax	49,414,325	(22,047,852)
Total tax expense	41,660,133	242,516,169

(b) Income tax expense is the aggregate of the charge to the statement of profit or loss and other comprehensive income in respect of current income tax, education tax and deferred tax.

(c) The tax rate used is calculated at 30% of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Company Income Tax Act, CAP C21 LFN, 2004 (as amended).

(d) The charge for education tax is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004 which is 2% of the assessable profit for the year.

(e) **Reconciliation of total tax charge**

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in Nigeria applied to profits for the year are as follows:

	N	N
Profit for the year before tax	653,449,253	415,522,643
Expected tax charge based on the standard rate on Nigeria corporate tax at the domestic rate of 30%	196,034,776	124,656,793
Effect of incomes that are exempt from taxation	-	(3,857,971)
Effect of expenses that are not deductible in determining taxable profit	(59,421,194)	127,229,948
Capital allowances absorbed	-	-
Education tax at 2% of assessable profit	9,264,842	16,535,251
Additional provision for income tax	-	-
Over provision in prior years	(153,632,616)	-
Deferred tax	49,414,325	(22,047,852)
Tax expense recognised in profit or loss	41,660,133	242,516,169
Effective rate (%)	6%	58%

The tax rate used for 2020 and 2019 reconciliation above is the corporate tax rate of 30% and 2% for tertiary education tax payable by corporate entities in Nigeria on taxation profits for the year ended 31 March 2020.

(f) **Income tax payable**

Analysis of income taxes is as follows:	**2020**	**2019**
Tax as per statement of financial position	**N**	**N**
Balance at the beginning of the year		
Income tax	590,335,940	342,307,170
Education tax	16,597,680	12,080,090
	606,933,620	354,387,260
Payments during the year		
Income tax	-	-
Education tax	-	(12,017,661)
Provision for the year:		
Income tax	136,613,582	248,028,770
Education tax	9,264,842	16,535,251
Overprovision in prior years:		
Income tax	(153,632,616)	-
Balance at the end of the year	599,179,428	606,933,620

(g) **Deferred taxation**

(i) Calculation of deferred tax

	Opening balance 1 April 2019	**Recognised in net income**	**Recognised in OCI**	**Closing balance 31 March 2020**
	N	**N**	**N**	**N**
Deferred tax liabilities				
Excess of Carrying Amount over TWDV	52,088	1,541,577	-	1,593,665
Unrealised foreign exchange gain	-	-	-	-
	52,088	1,541,577	-	1,593,665
Deferred tax assets				
Bad and doubtful debts	36,442,203	(36,442,203)	-	-
Unrealised foreign exchange loss	10,105,131	(10,710,989)	-	(605,858)
Allowance for impairment of other receivables	719,556	(719,556)	-	-
	47,266,890	(47,872,748)	-	(605,858)
Net deferred tax assets	(47,214,802)	49,414,325	-	2,199,523

(ii) Deferred tax assets and liabilities are offset where the Company has a legally enforeceable right to do so.
The following are the deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting periods:

	2020	**2019**
	N	**N**
At beginning of the year	47,214,802	25,166,950
(Write back)/origination of temporary difference	(49,414,325)	22,047,852
At the end of the year	(2,199,523)	47,214,802

(iii) As a result of accelerated rates of capital allowances, the carrying amount of property, plant and equipment as at 31 March 2020 exceeded their corresponding tax written down values by N5,312,349 (2019: N173,630). The Company has no allowance for impairment of trade receivables (2019: N113,881,889), unrealised exchange loss of N1,893,305 giving rise to deferred tax liability of N2,199,523 which have been recognised in these financial statements.

(h) **Information Technology Development**

The Nigeria Information Technology Development Agency (NITDA) Act was signed into Law on 24 April, 2007. Section 12 (2a) of the Act stipulates that, specified companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. In line with the Act, the Company has provided for NITDA levy at the specified rate.

	2020	2019
Movement in information technology development levy:	**N**	**N**
Balance at the beginning of the year	4,135,748	2,187,724
Provision for the year	6,469,795	4,114,088
Payment during the year	(4,114,086)	(2,166,064)
Balance at the end of the year	6,491,457	4,135,748

14. **Property, plant and equipment**	**Computers**	**Office equipment**	**Total**
Cost	**N**	**N**	**N**
At 1 April 2018	-	632,100	632,100
Additions	6,511,143	-	6,511,143
At 31 March 2019	6,511,143	632,100	7,143,243
At 1 April 2019	6,511,143	632,100	7,143,243
Additions	9,723,604	-	9,723,604
At 31 March 2020	16,234,747	632,100	16,866,847
Depreciation			
At 1 April 2018	-	432,998	432,998
Charge for the year	382,294	120,100	502,394
At 31 March 2019	382,294	553,098	935,392
At 1 April 2019	382,294	553,098	935,392
Charge for the year	5,267,341	77,518	5,344,859
At 31 March 2020	5,649,635	630,616	6,280,251
Carrying amounts			
At 31 March 2020	10,585,112	1,484	10,586,596
At 31 March 2019	6,128,849	79,002	6,207,851

(a) **Impairment losses recognised in the year**
There were no impairment losses recognised during the year

(b) **Capital commitments**
In the opinion of the directors, there was no capital commitment as at 31 March 2020 (31 March 2019: Nil)

(c) **Assets pledged as security**
At 31 March 2020, the Company has none of its assets pledged as security for liabilities (31 March 2019: Nil)

	2020	2019
15. **Trade and other receivables**	**N**	**N**
Trade receivables	517,324,491	238,559,724
Allowance for impairment of trade receivables	-	-
Trade receivables-net	517,324,491	238,559,724
Receivable from related companies (Note 15(b))	578,240,322	546,325,277
Receivable from staff	-	1,589,775
Advance payment to suppliers	-	2,275,984
Accrued interest income	239,301	2,796,164
Other financial receivables	104,316,322	85,674,460
Total financial assets other than cash and cash equivalents classified as amortised cost	1,200,120,436	877,221,384
Other receivables and prepayments (Note 15(c))	766,416,609	539,848,102
Total trade and other receivables	1,966,537,045	1,417,069,486

The carrying value of trade and other receivables classified as amortised cost approximates fair value. Trade receivables are non-interest bearing. Trade receivables are reported net of allowance for impairment in the statement of financial position.

The Company does not hold any collateral as security for its trade and other receivables.

		2020	2019
(a)	At 31 March, the age analysis of trade receivables is as follows:	N	N
	Neither past due nor impaired	220,616,288	238,559,724
	Past due < 60 days	187,243,342	-
	Past due 60-180 days	109,464,861	-
	Past due 180 - 360 days	-	-
	Past due 360 days and above	-	-
		517,324,491	238,559,724
(b)	***Receivable from related Companies***	N	N
	Wipro Limited	20,708,732	-
	Wipro Technologies South Africa (Proprietary) Limited	557,531,590	546,325,277
		578,240,322	546,325,277
(c)	***Other receivables and prepayments***	N	N
	Withholding tax receivables	144,490,033	271,410,863
	VAT receivables	6,892,199	391,207
	Prepayments(Note 15(d))	13,869,487	64,508,172
	Withholding tax credit notes	652,742,789	319,668,363
		817,994,508	655,978,605
	Allowance for impairment of withholding tax receivables (Note 15(e))	(51,020,407)	(113,881,889)
	Allowance for impairment of other receivables (Note 15 (f))	(557,492)	(2,248,614)
		766,416,609	539,848,102
(d)	***Prepayments***	N	N
	Prepaid Rent	924,500	924,500
	Prepaid expenses	12,944,987	63,583,672
		13,869,487	64,508,172
(e)	***Movement in allowance for impairment of withholding tax receivables:***	N	N
	Balance at the beginning of the year	113,881,889	51,906,137
	Allowance for impairment during the year	-	61,975,752
	Write back of allowance for impairment no longer required (Note 9)	(62,861,482)	-
	Balance at the end of the year	51,020,407	113,881,889
(f)	***Movement in allowance for impairment of other receivables:***	N	N
	Balance at the beginning of the year	2,248,614	3,086,832
	Allowance for impairment during the year	-	-
	Write back during the year (Note 9)	(1,691,122)	(838,218)
	Balance at the end of the year	557,492	2,248,614

16. **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, call deposits at banks and investments in fixed deposits. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in statement of financial position as follows:

	2020	2019
	N	N
Cash at bank and in hand	207,322,111	240,772,600
Fixed Deposits	1,450,000,000	1,300,000,000
	1,657,322,111	1,540,772,600

		2020	2019
17.	**Trade and other payables**	N	N
	Trade payables (Note 17(a))	11,887,387	19,004,377
	Other payables (Note 17(b))	417,198,478	355,104,549
	Payable to related companies (Note 17(c))	1,617,727,722	1,620,355,201
		2,046,813,587	1,994,464,127

(a) The carrying value of trade and other payables classified as financial liabilities are measured at amortised cost and approximates fair value.

(b)	***Other payables***	N	N
	Accrued leave expenses (Note 17(d))	1,505,727	2,054,657
	VAT payable	22,914,876	10,984,515
	WHT payable	38,827,237	12,476,723
	Salaries and manpower costs payable	10,677,009	6,777,982
	Other staff payable	907,268	-
	Pension payable	1,779,163	1,768,771
	NSITF payable	134,898	217,386
	Deferred revenue	193,014,734	205,205,779
	Accrued expenses	140,946,109	111,482,988
	Information Technology Development levy (Note 13(h))	6,491,457	4,135,748
		417,198,478	355,104,549
(c)	***Payable to related companies***	N	N
	Wipro Limited	1,545,683,446	1,504,282,557
	Wipro Travel Services Limited	51,939,619	56,661,543
	Wipro Holdings (UK) Plc.	19,916,474	54,141,705
	Wipro Technologies South Africa (Proprietary) Limited	188,183	282,000
	Wipro Digital	-	4,987,396
		1,617,727,722	1,620,355,201
(d)	**Accrued leave expenses**	N	N
	Current	1,505,727	2,054,657
	Non-current	975,026	508,129
		2,480,753	2,562,786
18	**Other current liability**	N	N
	Dividend declared	392,000,006	-
	Withholding tax payable	(29,400,000)	-
	Dividend payable	362,600,006	-

In October 2019, the shareholders declared a gross dividend of N392,000,006 as recommended by directors payable to shareholders whose names appear on the Register of Members in respect of the year ended 31 March 2019 subject to deduction of withholding tax.

19	**Share capital**		
	Authorised		
	Value		
	Ordinary shares of N163 each	N16,300,000	N16,300,000
	Number		
	Ordinary shares of N163 each	100,000	100,000
	Issued and fully paid:		
	Value		
	Ordinary shares of N163 each	N16,300,000	N16,300,000
	Number		
	Ordinary shares of N163 each	100,000	100,000

The share capital comprises only one class of ordinary shares. The ordinary shares carry a voting right and the right to a dividend.

20 **Revenue reserve**

	2020	2019
The movement in revenue reserve is analysed below:	N	N
Balance at the beginning of the year	393,058,863	224,166,477
Transfer from statement of profit or loss	605,319,325	168,892,386
Transactions with owners directly recorded in equity	(392,000,006)	-
Balance at the end of the year	606,378,182	393,058,863

21 **Related party transactions**

Related parties include the parent company, fellow subsidiaries, affiliated companies, entities held under common control and key management personnel.

(a) Total remuneration of related parties recognised in the income statement are as follows:

	2020	2019
	N	N
Short term benefits	-	-
Long term benefits	-	-
Others	-	-
	-	-

(b) During the year, the Company made transactions to/from Wipro Holdings UK Limited, Wipro Limited and other related Companies.

(c) The amount of outstanding balances at the year end are as disclosed in notes 15(b) and 17(c) to the financial statements.

22 **Capital commitments**

There were no commitments to capital expenditure at the date of the statement of financial position (2019 : Nil).

23 **Contingent liabilities**

There were no contingent liabilities at the date of the statement of financial position (2019 : Nil).

24 **Events after the reporting period**

The directors are of the opinion that there is no event after the reporting period which could have had a material effect on the state of affairs of the Company as at 31 March 2020 and the financial performance for the year ended on that date, which has not been adequately provided for or disclosed in these financial statements, other than those described below:

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

STATEMENT OF VALUE ADDED

	2020		2019	
	N	%	N	%
Revenue	1,836,843,902		1,507,179,385	
Finance income	36,337,463		42,736,765	
Other operating income	64,616,705		12,859,903	
	1,937,798,070		1,562,776,053	
Less: Bought-in-materials and services:				
- Local	(299,889,765)		(317,887,714)	
- Imported	(812,780,396)		(706,405,969)	
Value added	825,127,909	100	538,482,370	100
Value added as a percentage of revenue	45%		36%	
APPLIED AS FOLLOWS				
Payment to employees:				
Employee benefit expenses	166,019,758	20	121,188,426	23
Payments to providers of capital				
Finance expenses	314,039	-	1,268,907	-
Payment to government:				
Taxation	41,660,133	5	242,516,169	45
Information technology development levy	6,469,795	1	4,114,088	1
Depreciation of property, plant and equipment	5,344,859	1	502,394	-
Results for the year	605,319,325	73	168,892,386	31
	825,127,909	100	538,482,370	100

WIPRO TECHNOLOGIES NIGERIA LIMITED
FINANCIAL STATEMENTS, 31 MARCH 2020
OTHER NATIONAL DISCLOSURE
FIVE -YEAR FINANCIAL SUMMARY

Statement of profit or loss and other comprehensive income

	2020	2019	2018	2017	2016
	N	N	N	N	N
Revenue	1,836,843,902	1,507,179,385	1,408,354,460	1,677,899,548	1,418,127,724
Profit before taxation	653,449,253	415,522,643	218,772,426	285,818,030	183,013,182
Information technology development levy	(6,469,795)	(4,114,088)	(2,187,724)	(2,829,882)	-
Taxation	(41,660,133)	(242,516,169)	(237,245,642)	(132,254,374)	(116,017,863)
Profit/(loss) after taxation	605,319,325	168,892,386	(20,660,940)	150,733,774	66,995,319

Statement of financial position

	2020	2019	2018	2017	2016
	N	N	N	N	N
Property, plant and equipment	10,586,596	6,207,851	199,102	319,202	439,302
Deferred tax assets	-	47,214,802	25,166,950	60,993,543	12,916,321
Net current assets	615,266,135	356,444,339	216,280,791	200,837,911	97,038,021
Total assets less current liabilities	625,852,731	409,866,992	241,646,843	262,150,656	110,393,644
Non-current liabilities	(3,174,549)	(508,129)	(1,180,366)	(1,023,239)	-
Net assets	622,678,182	409,358,863	240,466,477	261,127,417	110,393,644
Equity					
Share capital	16,300,000	16,300,000	16,300,000	16,300,000	16,300,000
Revenue reserve	606,378,182	393,058,863	224,166,477	244,827,417	94,093,644
Shareholders' funds	622,678,182	409,358,863	240,466,477	261,127,417	110,393,644