

**THOMAS WYATT NIGERIA PLC**  
**[RC: 663]**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH, 2013**



**BBC PROFESSIONALS**  
**CHARTERED ACCOUNTANTS**

**THOMAS WYATT NIGERIA PLC**  
**[RC: 663]**

**ANNUAL REPORT AND FINANCIAL STATEMENTS - 2013**

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**THOMAS WYATT NIGERIA PLC**  
**(RC: 663)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS - 2013**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr Ike Emeagwali(Alternate Sir Chris Ogbechie)	- Chairman
Mr Emman Obinyan (Deceased 18 October, 2013)	- Managing Director
Mr Eugene Anenih	- Non-Executive Director
Alhaja Ayodele Kudaisi	- Non-Executive Director
Mr Steve Mayaki	- Non-Executive Director
Senator Nenadi E Usman	- Non-Executive Director
Mr J C Okechukwu	- Non-Executive Director

**COMPANY SECRETARY**

Doris Etafo (Miss)  
10, Abebe Village Road  
Iganmu, Lagos  
P.M.B 1006 Ebute Metta  
[Tel:-01-8906789, 01-7613397](tel:01-8906789,01-7613397)  
[Email:dorisetrafo@thomaswyattplc.com](mailto:dorisetrafo@thomaswyattplc.com)

**REGISTERED OFFICE**

10,Abebe Village Road  
Iganmu, Lagos  
P.M.B 1006 Ebute Metta  
[Tel:-01-8906789, 01-7613397](tel:01-8906789,01-7613397)  
Email:corporateservices@thomaswyattplc.com  
Website:www.thomaswyattplc.com

**BANKERS**

Diamond Bank Plc  
First Bank of Nigeria Limited  
Union Bank of Nigeria Plc  
United Bank for Africa Plc

**REGISTRARS**

Meristem Registrars Limited  
213 Herbert Macaulay Street,  
Sabo, Yaba, Lagos  
[Tel:01-8920491,8920492](tel:01-8920491,8920492)  
E-mail:info@meristemregistrars.com

**INDEPENDENT AUDITORS**

BBC PROFESSIONALS  
[Chartered Accountants]  
24, Ilupeju By-Pass  
Ilupeju  
Lagos

## THOMAS WYATT NIGERIA PLC

### FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH, 2013

	<b>2 0 1 3</b> ₦	<b>2 0 1 2</b> ₦	<b>change</b> %
Revenue	<b>94,027,906</b>	122,345,141	(23)
Profit/(loss) before taxation	<b>13,595,043</b>	(43,981,942)	(131)
Loss after taxation	<b>(6,890,314)</b>	(45,211,074)	(85)
Total equity (negative)	<b>(39,410,631)</b>	(32,520,317)	21
Retained loss	<b>(320,968,631)</b>	(314,078,317)	2
Total assets	<b>639,126,907</b>	529,834,732	21
Total liabilities	<b>678,537,538</b>	562,355,049	21
Issued and fully paid share capital	<b>110,000,000</b>	110,000,000	-
<b>PER 50 KOBO SHARE DATA:</b>			
	kobo	kobo	change %
Loss per share (Basic and diluted)	<b>(3)</b>	(21)	(85)
Net liabilities per share (Basic and diluted)	<b>(18)</b>	(15)	20
<b>Number of employees (number)</b>	<b>51</b>	41	24

# THOMAS WYATT NIGERIA PLC

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH, 2013

### 1. FINANCIAL STATEMENTS

The directors present their annual report and the audited financial statements of the company for the year ended 31 March, 2013.

### 2. RESULT FOR THE YEAR

	<b>N'000</b>
Profit before taxation	<b>13,595</b>
Taxation	<b>(20,485)</b>
Loss after taxation transferred to equity	<b>(6,890)</b>
	<b>=====</b>

### 3. LEGAL FORM

The company was incorporated under the Companies Act (CAP. 37) as a Limited Liability Company on 18th March, 1948.

### 4. PRINCIPAL ACTIVITIES

The principal activities of the company are manufacturing and marketing of paper products, marketing of office equipment and writing materials.

### 5. DISTRIBUTORS

The company's distributors are located in all the six geopolitical zones of Nigeria.

### 6. OWNERSHIP STRUCTURE

The ownership structure of the company is as follows:

	<b>Shareholdings as at 31 March</b>			
	<b>2013</b>		<b>2012</b>	
	<b>Number of shares</b>	<b>%</b>	<b>Number of shares</b>	<b>%</b>
Moorehouse Management Limited	<b>49,106,335</b>	<b>22.32</b>	49,106,335	22.32
N N Acquisition Limited	<b>22,346,573</b>	<b>10.16</b>	22,346,573	10.16
Ojukwu Transport Limited	<b>11,070,011</b>	<b>5.03</b>	11,070,011	5.03
Nigeria Citizens Associates	<b>137,477,081</b>	<b>62.49</b>	137,477,081	62.49
	<b>220,000,000</b>	<b>100</b>	220,000,000	100
	<b>=====</b>	<b>===</b>	<b>=====</b>	<b>===</b>

### 7. DIRECTORS

#### (a) Names

The names of the current directors are listed on page 2.

#### (b) Rotation

In accordance with Article 90 of the company's Articles of Association of the company, Mr Ike Emeagwali and Mr Eugene Anenih shall retire by rotation and being eligible offer themselves for re-election.

#### (c) Appointment

The Board appointed one Non-Executive Director, Mr J.C. Okechukwu, effective 1st November, 2012. He will be presented to the shareholders at the Annual General Meeting.

# THOMAS WYATT NIGERIA PLC

## REPORT OF THE DIRECTORS (Cont'd) FOR THE YEAR ENDED 31 MARCH, 2013

### 8. DIRECTORS INTEREST

#### (a) Shareholdings

Interest of the directors (direct or indirect) in the issued shares of the company were as

	<b>Number</b>	<b>of</b>	<b>shares</b>
Mr Ike Emeagwali	<b>330,000</b>		330,000
Mr Emman Obinyan (deceased)	<b>2,637,723</b>		2,637,723
Mr Eugene Anenih(indirect)	<b>7,267,723</b>		7,267,723
Alhaja Ayodele Kudaisi	<b>22,500</b>		22,500
Mr Steve Mayaki	<b>1,956,607</b>		1,956,607
Senator Nenadi E Usman (Mrs)	<b>1,530,722</b>		1,530,722
	<b>=====</b>		<b>=====</b>

#### (b) Disclosable interest in contracts

None of the directors has notified the company for the purpose of Section 227 of the Companies and Allied Matters Act CAP C20 LFN 2004 of any disclosable interest in contracts with which the company was involved during the year ended 31 March, 2013.

### 9. DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year, and of the profit or loss for that period, and comply with the Companies and Allied Matters Act CAP C20 LFN 2004. In doing so they ensure that:

- proper accounting records are maintained;
- internal control procedures are instituted which, as far as is reasonably possible safeguard the assets and prevent and detect fraud and other irregularities;
- applicable accounting standards are followed;
- suitable accounting policies are adopted and consistently applied;
- judgements and estimates made are reasonable and prudent; and
- the going-concern basis is used, unless it is inappropriate to presume that the company will continue in business.

**THOMAS WYATT NIGERIA PLC**

**REPORT OF THE DIRECTORS (Cont'd)  
FOR THE YEAR ENDED 31 MARCH, 2013**

**10. MAJOR SHAREHOLDERS**

The issued share capital of the company is N110million made up of 220million ordinary shares of 50k each. According to the register of members, no individual shareholder other than as shown below, held more than 5% of the issued share capital of the company as at 31 March, 2013.

	<b>2 0 1 3</b>	
	<b>Number</b>	<b>%</b>
Moorehouse Management Ltd	<b>49,106,335</b>	<b>22.32</b>
N N Acquisition Limited	<b>22,346,573</b>	<b>10.16</b>
Ojukwu Transport Limited	<b>11,070,011</b>	<b>5.03</b>
Nigeria Citizens & Associates	<b>137,477,081</b>	<b>62.49</b>

**Notes:**

- =====
- (a) Moorehouse Management Limited owns 22.32% of the shares of Thomas Wyatt Nigeria Plc, which is beneficially held by four of its directors en bloc. They are: Messrs Emman Obinyan (deceased), Ike Emeagwali, Steve Mayaki and Isaac Orolugbagbe.
  - (b) N N Acquisition Limited has 10.16% of the shares of Thomas Wyatt Nigeria Plc which is beneficially held by Mr Eugene Anenih.
  - (c) Thomas Wyatt and family and other foreign shareholders hold 9,350,000 shares which is 4.25%.

**11. FIXED ASSETS**

Movements in fixed assets during the year are shown in Note 4 on page 28. In the opinion of the directors, the market value of the company's properties is not less than the value shown in the financial statements.

**12. DONATIONS**

The company made no donation to any organisation during the year.

**13. EMPLOYMENT AND EMPLOYEES**

**(a) Employment of physically challenged persons**

It is the policy of the company not to discriminate in considering applications for employment including those from physically challenged persons. All employees whether physically challenged or not are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. The company has in its employment four people with varying degrees of disability.

**(b) Employees' involvement and training**

Employees are fully involved in determining the fortunes of the company. This is achieved by ensuring effective communication between management and staff at all levels through regular discussions with representatives of the senior staff association and junior staff union. Consequently, the company is assured of the loyalty and support of its employees. Incentive schemes designed to meet the circumstances of all categories of employees are in place. Management, professional and technical expertise are highly prized by the company and investments in developing such skills continue unabated.

Apart from on-the-job-training, formal internal/external management, supervisory, safety/health and occupational courses are provided yearly for employees.

## THOMAS WYATT NIGERIA PLC

### REPORT OF THE DIRECTORS (Cont'd) FOR THE YEAR ENDED 31 MARCH, 2013.

#### 14. AUDIT COMMITTEE

Pursuant to Section 359 (3) of the Companies and Allied Matters Act CAP C20 LFN 2004, the company has in place as at the date of this report an Audit Committee comprising two directors and two shareholders,

Mr Matthew A Adedoyin	(Shareholders' Representative)	Chairman
Mr Robert Ibekwe	(Shareholders' Representative)	Member
Alhaja Ayodele S Kudaisi	(Directors' Representative)	Member
Mr Steve Mayaki	(Directors' Representative)	Member

The functions of the Audit Committee are laid down in Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004.

#### 15. ENVIRONMENTAL POLICY

This policy statement serves to demonstrate the company's responsibility to the environment and the pursuit of world-class vision in all aspects of its operations. The company strives to comply with all current and future environmental laws and regulations.

#### 16. BUSINESS INTEGRITY

The company believes that corruption is evil in the business environment as it is in the society generally. It maintains appropriate anti-corruption policies and programmes in its business.

#### 17. RESPECT FOR LAW

Thomas Wyatt Nigeria Plc ensures that its existence and operations remain within the law. Its employees comply with the laws and regulations of the country.

#### 18. PENSION REFORM ACT, 2004

Following the Company's compliance with the Pension Reform Act, 2004, and presentations made to the Company by various Pension Fund Administrators (PFAs), members of staff have been enrolled with PFA of their choice.

#### 19. CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Directors are committed to internationally recognized best practices in Corporate Governance. The company adopts responsible attitude towards Corporate Governance and issues of Corporate Social Responsibility. It conducts its business with integrity and pay due regard to the legitimate interests of all the stakeholders.

The Company is committed to best practice of procedures in corporate governance. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.

- (a) The Board consists of seven (7) Directors. The Company has a non-Executive Chairman and a Managing Director, who is the Chief Executive Officer.
- (b) The Board meetings are held quarterly. However, special or emergency board meetings are held when necessary.
- (c) The Board takes decisions on policy matters and directs the affairs of the Company, reviews its operations, financial performance and formulates growth strategy.
- (d) In conformity with the Code of Best Practice in Corporate Governance, the following committees have been established:
  - (i) Finance and Strategy Committee: The Finance and Strategy Committee consists of four (4) Directors including the Managing Director, who meets quarterly and/or as often as the need arises. They are responsible for reviewing in detail all the company's finance and strategies and making recommendations on such matters to the board.



19. **CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY (Cont'd)**

**Membership of the committee :**

Mr. Ike Emeagwali	-	Chairman
Mr. Emman Obinyan (deceased)	-	Member
Senator Nenadi Usman (Mrs)	-	Member
Alhaja Ayodele Kudaisi	-	Member
Mr J.C Okechukwu (Nominee-Director of Bank of Industry)	-	Member

**Membership Human Capital Committee includes**

Mr. Ike Emeagwali (Alternate, Sir Chris Ogbeche)	-	Chairman
Mr. Emman Obinyan	-	Member

(ii) **Management Committee:**

The Management Committee comprises the Managing Director and Heads of Departments of the Company. The Committee meets weekly to discuss operational issues and progress of on-going projects. They are charged with the responsibility of identifying and accessing the risk profile within which the company is operating, with a view to eliminating or minimizing the impact of such risks to the achievement of set company objectives.

(iii) **Audit Committee**

Audit Committee is composed of four (4) members (two Shareholders and two Directors). It is chaired by a member representing the shareholders and the committee meets three times a year

The Committee reviews and reports on the Company's internal control system, accounting and reporting policies, the scope and planning of both the external and internal audit programmes.

20. **FREQUENCY OF MEETINGS**

The Board, Finance & Strategy Committee, Human Capital Committee and Audit Committee meetings are convened whenever the need arises. However the Board of Directors and the Finance & Strategy Committee meeting hold every quarter barring any specially convened meetings while the Audit Committee meeting is held three times in a year.

21. **ANALYSIS OF ATTENDANCE AT MEETINGS**

**BOARD MEETINGS**

S/N	Name	No of Meeting	No of Attenda
1	Sir Chris Ogbeche	4	3
2	Mr. Emman Obinyan	4	4
3	Mr Eugene Anenih	4	4
4	Alhaja Ayodele S. Kudaisi	4	4
5	Mr. Steve Mayaki	4	1
6	Senator Nenadi Usman (Mrs.)	4	-
7	Mr J.C Okechukwu	4	3

**FINANCE & STRATEGY COMMITTEE MEETINGS**

S/N	Name	No of Meeting	No of Attenda
1	Mr. Steve Mayaki	1	-
2	Mr. Emman Obinyan	1	1
3	Mr Eugene Anenih	1	1
4	Senator Nenadi Usman (Mrs.)	1	-

**AUDIT COMMITTEE MEETINGS**

S/N	Name	No Of Meeting	No of Attenda
1	Mr. Matthew A. Adedoyin	3	3
2	Mr. Robert Ibekwe	3	3
3	Alhaja Ayodele S. Kudaisi	3	3
4	Mr. Steve Mayaki	3	-

**HUMAN CAPITAL DEVELOPMENT COMMITTEE**

S/N	Name	No Of Meeting	No of Attenda
1	Mr. Ike Emeagwali	2	2
2	Mr. Emman Obinyan	2	2

22. **INDEPENDENT AUDITORS**

The auditors, Messrs BBC Professionals, Chartered Accountants, have indicated their willingness to continue in office in accordance with Section 357 (2) of the Companies and Allied Matters Act CAP C20 LFN 2004. A resolution will be proposed authorising the directors to determine their remuneration at the next Annual General Meeting.

Lagos, Nigeria

BY ORDER OF THE BOARD

2014

Doris Etafo (Miss)  
Acting Company Secretary  
Apex Mill House  
10 Abebe Village Road  
Iganmu, Lagos  
Nigeria

## **THOMAS WYATT NIGERIA PLC**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013**

The companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. These responsibilities include:

- a) ensuring that the company 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;
- b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error ; and
- c) preparing the company's financial statements using suitable accounting policies supported by reasonable and prudent judgement and estimates, that are consistently applied .

The directors accept full responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with International and Financial Reporting Standards and the requirements of the companies and Allied Matters Act.

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

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

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**Mr Eugene Anenih**  
Director

---

**Alhaja Ayodele Kudaisi**  
Director

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THOMAS WYATT NIGERIA PLC**

We have audited the accompanying financial statements of **Thomas Wyatt Nigeria Plc** on pages 11 to 40 which comprise the statement of financial position as at 31 March 2013, the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, the summary of significant accounting policies and explanatory notes.

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act CAP C20 LFN 2004. and the Financial Reporting Council of Nigeria Act No 6, 2011. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian Standards on Auditing (NSAs). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial statements.

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

**OPINION**

In our opinion, the company has kept proper accounting records and the financial statements are in agreement with the records in all material respect and give in a prescribed manner, information required by the Companies and Allied Matters Act, CAP C20 LFN 2004. The financial statements give a true and fair view of the financial position of Thomas Wyatt Nigeria Plc as at 31 March, 2013 and of its financial performance and cash flows of the company for the year then ended in accordance with International Financial Reporting Standard being Standards and Interpretations issued by International Accounting Standards Board adopted by the Financial Reporting Council of Nigeria.

**REPORT ON OTHER LEGAL REQUIREMENTS**

The Companies and Allied Matters Act 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, so far as it appears from our examination of those books; and
- (iii.) The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Lagos, Nigeria

2014

**Gloria Egwenu - FCA  
FRC/2013/CAN/000000260;  
For: BBC PROFESSIONALS  
Chartered Accountants**

**THOMAS WYATT NIGERIA PLC**  
**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH, 2013**

	Notes	31 March		1 April
		2013	2012	2011
		₦	₦	₦
<b><u>Non-Current Assets</u></b>				
Property, plant and equipment	4	484,261,704	389,321,923	398,394,398
Investment		562,361	562,361	562,361
<b>Total non- current assets</b>		<b>484,824,065</b>	<b>389,884,284</b>	<b>398,956,759</b>
<b><u>Current assets</u></b>				
Inventories	5	30,357,335	28,331,635	28,954,074
Trade receivables	6	61,300,075	45,061,052	24,878,155
Other receivables and prepayments	7	60,176,501	65,488,181	61,883,252
Cash and cash equivalents	8	2,468,931	1,069,580	1,501,332
<b>Total current assets</b>		<b>154,302,842</b>	<b>139,950,448</b>	<b>117,216,813</b>
<b>Total assets</b>		<b>639,126,907</b>	<b>529,834,732</b>	<b>516,173,572</b>
<b><u>Equity and liabilities</u></b>				
<b><u>Equity</u></b>				
Ordinary shares capital	9	110,000,000	110,000,000	110,000,000
Share Premium		171,558,000	171,558,000	171,558,000
Retained loss		(320,968,631)	(314,078,317)	(268,867,243)
<b>Total equity</b>		<b>(39,410,631)</b>	<b>(32,520,317)</b>	<b>12,690,757</b>
<b><u>Liabilities</u></b>				
<b><u>Current liabilities</u></b>				
Trade and other payables	10	476,379,523	441,125,970	392,882,656
Current income tax payable	11	11,371,682	6,698,399	6,805,183
Bank overdrafts		2,218,747	43,473,092	36,604,363
Obligation under defined contribution		51,961,119	50,773,619	50,043,960
<b>Total current liabilities</b>		<b>541,931,071</b>	<b>542,071,080</b>	<b>486,336,162</b>
<b><u>Non-current liabilities</u></b>				
Obligation under defined benefit	12	13,049,459	10,484,786	7,779,986
Finance lease liabilities		97,945,751	-	-
Deferred taxation	11.3	25,611,257	9,799,183	9,366,667
<b>Total non-current liabilities</b>		<b>136,606,467</b>	<b>20,283,969</b>	<b>17,146,653</b>
<b>Total liabilities</b>		<b>678,537,538</b>	<b>562,355,049</b>	<b>503,482,815</b>
<b>Total equity and liabilities</b>		<b>639,126,907</b>	<b>529,834,732</b>	<b>516,173,572</b>

Note: The notes on pages 15 to 37 to form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on ----- 2014 and signed on its behalf by:

\_\_\_\_\_  
**Mr Eugene Anenih**  
 Director

\_\_\_\_\_  
**Alhaja Ayodele Kudaisi**  
 Director

**THOMAS WYATT NIGERIA PLC  
STATEMENT OF PROFIT OR LOSS**

**FOR THE YEAR ENDED 31 MARCH, 2013**

	<b>Notes</b>	<b>2 0 1 3</b>	<b>2 0 1 2</b>
		<b>₦</b>	<b>₦</b>
Revenue	14	<b>94,027,906</b>	122,345,141
Cost of sales		<b>(57,206,263)</b>	(106,099,923)
<b>Gross profit</b>		<b>36,821,643</b>	16,245,218
Other incomes	15	<b>65,674,628</b>	45,420,228
Administration expenses		<b>(81,629,364)</b>	(94,197,943)
Distribution expenses		<b>(4,628,991)</b>	(2,680,380)
<b>Results from operating activities</b>		<b>16,237,916</b>	(35,212,877)
<b>Net finance cost</b>		<b>(2,642,873)</b>	(8,769,065)
<b>Profit/loss before taxation</b>	13	<b>13,595,043</b>	(43,981,942)
<b>Taxation</b>		<b>(20,485,357)</b>	(1,229,132)
<b>Loss after taxation</b>		<b>(6,890,314)</b>	(45,211,074)

**PER 50 KOBO SHARE DATA**

Loss per share (kobo) - Basic and diluted	<b>(3)</b>	(21)
-------------------------------------------	------------	------

Note: The notes on pages 15 to 37 to form an integral part of these financial statements.

**THOMAS WYATT NIGERIA PLC  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH, 2013**

	Notes	2 0 1 3 ₦	2 0 1 2 ₦
<b>Cash flows from operating activities</b>			
Cash generated from operations	17.2	53,537,077	3,802,184
Tax paid		-	(903,400)
<b>Net cash flows generated from operating activities</b>		<b>53,537,077</b>	<b>2,898,784</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(106,186,259)	(1,430,200)
<b>Net cash used in investing activities</b>		<b>(106,186,259)</b>	<b>(1,430,200)</b>
<b>Cash flows from financing activities</b>			
Loan Received		97,945,751	-
Finance cost		(2,642,873)	(8,769,065)
<b>Net cash generated/ used in financing activities</b>		<b>95,302,878</b>	<b>(8,769,065)</b>
<b>Net increase/( decrease) in cash and cash equivalents</b>		<b>42,653,696</b>	<b>(7,300,481)</b>
Cash and cash equivalents at 1 April		(42,403,512)	(35,103,031)
<b>Cash and cash equivalents at 31 March</b>	8	<b>250,184</b>	<b>(42,403,512)</b>

Note: The notes on pages 15 to 37 to form an integral part of these financial statements.

**THOMAS WYATT NIGERIA PLC**  
**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH, 2013**

	Share premium ₦	Share capital ₦	Retained loss ₦	Total equity ₦
<b><u>2 0 1 2</u></b>				
At 1 April, 2011	171,558,000	171,558,000	(268,867,243)	74,248,757
Loss for the year	-	-	(45,211,074)	(45,211,074)
				-
At 31 March, 2012	<b>171,558,000</b>	<b>171,558,000</b>	<b>(314,078,317)</b>	<b>29,037,683</b>
<b><u>2 0 1 3</u></b>				
At 1 April, 2012	171,558,000	171,558,000	(314,078,317)	29,037,683
Loss for the year	-	-	(6,890,314)	(6,890,314)
				-
At 31 March, 2013	<b>171,558,000</b>	<b>171,558,000</b>	<b>(320,968,631)</b>	<b>22,147,369</b>

Note: The notes on pages 15 to 37 to form an integral part of these financial statements.

## THOMAS WYATT NIGERIA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

#### 1. GENERAL INFORMATION

The company was incorporated under the Companies Act (Cap 37) as a limited liability company on 18 March, 1948. The principal activities of the company are manufacturing and marketing of school exercise books, hard cover note books, pads, drawing books envelopes, writing pads, duplicating and photocopying papers, reporters note books, files, toilet and facial papers .

#### 2. BASIS OF PRESENTATION IN LINE WITH IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (the IASB). These are first financial statements prepared in accordance with International Financial Reporting Standards and IFRS 1, First-Time Adoption of International Financial Reporting Standards has been applied in preparing these financial statements. Additional information required by national regulations is included where appropriate.

Details of how the transition from pre-changeover Nigeria GAAP to IFRS affected the financial position and financial performance are disclosed in [Note 18](#)

These financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the explanatory notes. The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, **except financial assets and liabilities measured at fair value.**

The financial statements are presented in Naira, which is the Company's presentational currency. The figures shown in the financial statements are stated in Naira.

The cash flows from operating, investing and financing activities are determined by using the indirect method. The company's assignment of the cash flows to operating, investing and financing category depends on the business model (management approach).

#### **New standards, interpretations and amendments to existing standards that became effective during the year or not yet effective**

The following new standards, interpretations and amendments to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2011.

#### **Amendments to IAS 1 Presentation of Items of Other Comprehensive Income:**

These amendment improve the presentation of the components of other comprehensive income, mainly the Company will be required to group items presented in OCI based on whether or not they will be reclassified to profit or loss subsequently. They are effective for annual periods beginning on or after 1 July, 2012.

#### **Amendments to IAS 1 Presentation of Financial Statements:**

The amendment clarifies that additional comparative information is not necessary for periods beyond the minimum required by IAS 1, however if voluntarily presented, it should be in accordance with IFRS, without triggering a requirement to provide a complete set of financial statements. It also clarifies that, in the case of changes in accounting policies retrospectively or a retrospective restatement or reclassification which has a material effect on the information in the statement of financial position at the beginning of the preceding period, the Company should present the statement of financial position at the end of the current period and the beginning and end of the preceding period. However, other than disclosure of certain specified information, related notes will not be required to accompany the opening statement of financial position as at the beginning of the preceding period. The amendment is effective for annual periods beginning on or after 1 January, 2013.

#### **Amendments to IFRS 13 Fair Value Measurement**

Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. The IFRS is the result of joint efforts by the IASB and FASB to develop a converged fair value framework. The IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

**Amendments to IFRS 13 Fair Value Measurement (Cont'd)**

- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.

Applicable to annual reporting periods beginning on or after 1 January 2013.

**Amendments to IAS 19 Employee Benefits (2011)**

An amended version of IAS 19 Employee Benefits with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes. The key amendments include:

- Requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19)
- Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features

Applicable to annual reporting periods beginning on or after 1 January 2013

**Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities**

Amends IAS 32 Financial Instruments: Presentation to clarify certain aspects because of diversity in application of the requirements on offsetting focused on four main areas:

- the meaning of currently has a legally enforceable right of set-off
- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Applicable to annual periods beginning on or after 1 January 2014

**Amendments to IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities**

Amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosures to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Applicable to annual periods beginning on or after 1 January 2013 and interim periods within those periods

**Amendments to IFRS 9, 'Financial Instruments'**

This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.

Effective for annual periods beginning on or after 1 January 2015

**THOMAS WYATT NIGERIA PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS statement of financial position at 1 April, 2011 for the purpose of the transition to IFRS unless otherwise indicated.

**(a) Revenue recognition**

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

Revenue for printing jobs done is recognized when:

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

**(b) Finance income**

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

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

**(c) Borrowing costs**

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

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

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

Property and equipment, including Owner-occupied property are initially stated at cost which includes the purchase prices as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of Leasehold land and building was determined by reference to a previous GAAP revaluation (carried out on June 23, 2005). The company elected to apply the optional exemption to use this previous revaluation as deemed cost at 1 April 2011, the date of transition.

After initial recognition, Leasehold Land and building are subsequently measured at fair value while other assets are subsequently stated at cost less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Depreciation is provided on a straight line basis over the useful lives of the following classes of assets:

<b>Asset Class</b>	<b>Period</b>
Furniture and Fittings	10 years
Motor vehicles	4 years
Office equipment	10 years
Plant and Machinery	10 years
Leasehold Building	50 years

The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognized in the income statement as an expense. An item of property and equipment is derecognized upon disposal or when no further 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 income statement in the year the asset is derecognized.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

**(e) Inventories**

Inventories are stated at the lower of cost and estimated net realisable value. Costs comprise direct materials costs and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Spare parts and servicing equipment are usually carried as inventory and recognized in profit or loss as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment. Such classified spares are depreciated as property, plant and equipment over the useful life on a straight line basis. Good-in-transit are carried at purchase cost to date.

**(f) Leases - Lease assets**

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

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

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

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

**(g) Financial assets**

**i. Initial recognition and measurement**

Financial assets within the scope of IAS 39 are classified as, fair value through profit or loss (FVTPL), available for sale (AFS), loans and receivables and held to maturity investments as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated.

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

The Company's financial assets include cash and short-term deposits, trade and other receivables and loans.

**ii. Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as follows:

**Financial assets at fair value through profit and loss**

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Company as at fair value through profit or loss upon initial recognition. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments and equity instruments, as well as financial assets with embedded derivatives. They are recognised in the statement of financial position as 'Financial assets held for trading'.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to the income statement. Gains and losses arising from changes in fair value are included directly in the income statement and are reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest income and expense and dividend income and expenses on financial assets held for trading are included in 'Net finance cost' or 'Dividend income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

Financial assets carried at fair value through profit/loss are recognised in the statement of financial position as 'Financial assets designated at fair value'. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains on financial instruments held for trading'

**Loans and other receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortized cost, using the Effective Interest Rate, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortization is included in 'finance income' in the income statement. Gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortization process.

**Held to maturity financial assets**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the intention and ability to hold until maturity. After initial measurement, held to maturity financial assets are measured at amortized cost, using the Effective Interest Rate, less impairment. The Effective Interest Rate amortization is included in 'investment income' in the income statement. Gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortization process.

**Available-for-sale financial assets**

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit or loss

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in the statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the statement of comprehensive income is recognised in the income statement. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement in 'Dividend income' when the Company's right to receive payment is established.

**(h) Derecognition of financial assets**

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired or
- The Company retains the right 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
- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

**(i) Impairment of financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. For each classification as below:

**i. Financial assets carried at amortized cost**

For financial assets carried at amortized cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of investment income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'finance cost' in the income statement.

**ii. Assets classified as available for sale**

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account. The cumulative loss measured as: the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

**Impairment of financial assets (Cont'd)**

**iii. Trade receivables**

They are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence such as the probability of solvency or significant financial difficulties of the debtors) that the Company will not be able to collect the entire amount due under the original terms of the invoice. Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognised when they are assessed as uncollectible. 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 previous recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognised in the profit or loss.

**(j) Reclassification of financial assets**

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlike to recur in the near-term. In addition, the Company may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Company has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively

**(k) Financial liabilities**

**i. Initial recognition and measurement**

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

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

**ii. Subsequent measurement**

The subsequent measurement of financial liabilities depends on their classification, as follows:

**Interest bearing loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortization is included in finance cost in the statement of profit or loss.

**(l) Derecognition of financial liabilities**

A financial liability is derecognized 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

**Classification of financial instruments between debt and equity**

A financial instrument is classified as debt if it has a contractual obligation to:

- deliver cash or another financial asset to another entity or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

**(m) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset in the income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

**(n) Fair value of financial instruments**

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, net asset model and other relevant valuation models.

Certain financial instruments are recorded at fair value using valuation techniques because current market transactions or observable market data are not available. Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, counterparty credit and liquidity spread and limitations in the models. Also, profit or loss calculated when such financial instruments are first recorded ('Day 1' profit or loss) is deferred and recognized only when the inputs become observable or on derecognition of the instrument.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

**(o) Impairment of non-financial assets**

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be fully recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value-in-use and fair value less costs to sell, the asset is written down accordingly.

For the purpose of 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 assessment of the time value of money and the risks specific to the asset.

**(p) Provision**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions for restructuring costs are recognized when the company has a detailed formal plan for the restructuring that has been communicated to affected parties. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are not recognized for future operating losses.

## THOMAS WYATT NIGERIA PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

#### (q) **Equity movements**

##### i. **Ordinary share capital**

The Company has issued ordinary shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity, net of tax.

##### ii. **Dividends on ordinary share capital**

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are paid.

Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

##### iii. **Treasury share movements**

Where the Company purchase its equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

#### (r) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an in significant risk of changes in value.

#### (s) **Foreign currency**

##### i. **Functional and presentation currency**

These financial statements are present in the Nigeria Naira (=N=), which is the company's functional currency. All financial information present in Naira has been rounded to the nearest thousand.

##### ii. **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses relating to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or finance cost'. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'Other operating income' or 'Other operating expense'.

#### (t) **Employee benefits**

##### i. **Defined benefit plan**

The defined benefit plan defines an amount of gratuity the employee will receive on retirement, dependent on date of employment, year of service and compensation. The defined benefit plan is being accounted using the projected unit method that considers the rate of inflation, the degree of salary increases of employees, the retirement age among other factors.

The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflow flows using market rates on government bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in statement of profit or loss.



NOTES TO THE FINANCIAL STATEMENTS  
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**Employee benefits (Cont'd)**

ii. **Defined contribution scheme**

The Company operates a defined contribution plan which is funded by contributions from the Company and the employees. The company's contribution is recognised as employee benefit expenses and charged to the income statement. The contributions of both the company and the employees are paid on a monthly basis to a pension fund administrator. The company has no legal or constructive obligation to pay further contributions if the pension fund administrator does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due.

In line with the provisions of the Pension Reform Act 2004, the company established a defined contribution pension scheme for its employees. Employees contributions of 7.5% of their insurable earnings (basic, housing and transport) to the scheme are funded through payroll deductions while the company's contributions of 10% are charged to profit or loss.

iii. **Short-term employee benefit**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plan if the company has a present legal or constructive obligation to pay this amount as a result of past services [provided by the employee, and the obligation can be estimated reliably.

(u) **Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

(v) **Contingencies**

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

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

(w) **Taxes**

i. **Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in Nigeria. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current income tax relating to items recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

**Taxes (Cont'd)**

**ii. Deferred tax**

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(x) Risk management**

**i. Company's risk review**

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

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

**ii. Risk management Approach**

The company addresses the challenge of risks comprehensively through an enterprise wide risk management framework by applying leading practices that is supported by a robust governance structure consisting of the Board of Directors and Exexecutive Management Committees. The board drives the risk governance and compliance process through its committes. The audit committee provides oversight on the systems of internal control, financial reporting and compliance. The risk Management/Strategy Committee reviews the operational and technological development. The Finance and control committee reviews business plan, annual budget and control, financing arrangement, balance sheets, management accounts, options, capital restructuring, crdeit/debt management and material control. The Board's Governance/remuneration committee is responsible for the development and evaluation of the company's internal organisation and process, reviews the operating and remuneration policies.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013

**Risk management (Cont'd)**

iii. **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 contractual obligations and arises principally from the company receivables from customers.

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

iv. **Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that the settled by delivery of cash or other financial assets. The company'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 company's reputation.

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

v. **Market risk**

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

The company is not exposed to any equity risk.

vi. **Operational risk**

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

Operational risks arise from all the company's operations.

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

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

- Requirements for the appropriate segregation of duties including the independent authorization of transactions.
- Requirement/ for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified

vii. **Interest rate risk**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

(y) **Significant accounting judgments, estimates and assumptions**

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

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

The following are the critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

**Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company, accounting for about 76% of the Company's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

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

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

**Allowance for doubtful receivables**

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

**Taxation**

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority. Under the Nigerian tax system, self-assessment returns are subjected to a desk review for the determination of tax due for remittance in the relevant year of assessment. This is however not conclusive as field audits are carried out within six years of the end of the relevant year of assessment to determine the adequacy or otherwise of sums remitted under self-assessment thus making tax positions uncertain.

THOMAS WYATT NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold	Leasehold	Capital Work	Plant and	Motor	Furniture and office	T o t a l
<b>COST/DEEMED COST</b>	Land N	Building N	in Progress N	machinery N	vehicles N	equipment N	N
At 1 April, 2011	213,280,000	159,852,000	-	19,661,541	3,538,719	2,062,138	398,394,398
On Transfer	-	-	-	610,987	-	-	610,987
Of additions	-	-	-	950,000	-	480,200	1,430,200
Disposal							-
At 31 March, 2012	213,280,000	159,852,000	-	21,222,528	3,538,719	2,542,338	400,435,585
Of additions		-	104,858,099	76,000	-	1,252,160	106,186,259
Disposal							
<b>At 31 March, 2013</b>	<b>213,280,000</b>	<b>159,852,000</b>	<b>104,858,099</b>	<b>21,298,528</b>	<b>3,538,719</b>	<b>3,794,498</b>	<b>506,621,844</b>
<b>DEPRECIATION</b>							
To 1 April, 2011	-	-	-	-	-	-	-
Charge for the year	-	8,639,995	-	2,122,253	97,180	254,234	11,113,662
At 31 March, 2012	-	8,639,995	-	2,122,253	97,180	254,234	11,113,662
Charge for the year	-	8,639,995	-	2,129,853	97,180	379,450	11,246,478
On Disposal							
<b>At 31 March, 2013</b>	<b>-</b>	<b>17,279,990</b>	<b>-</b>	<b>4,252,106</b>	<b>194,360</b>	<b>633,684</b>	<b>22,360,140</b>
<b>NET BOOK VALUE</b>							
<b>At 31 March, 2013</b>	<b>213,280,000</b>	<b>142,572,010</b>	<b>104,858,099</b>	<b>17,046,422</b>	<b>3,344,359</b>	<b>3,160,814</b>	<b>484,261,704</b>
At 31 March, 2012	213,280,000	151,212,005	-	19,100,275	3,441,539	2,288,104	389,321,923
At 1 April, 2011	213,280,000	159,852,000	-	19,661,541	3,538,719	2,062,138	398,394,398

Leasehold land and building were last revalued on 23 June 2005 by Jide Taiwo & Co, a firm of Estate Surveyors and valuers on the basis of open market capital values. The assets are reflected in this financial statement at that valuation. Assets other than Leasehold land and buildings are stated at cost.

Costs accumulated under capital work in progress are not depreciated until the completion and use of the assets. Included in Plant and Machinery are items which were previously treated as inventories in NGAAP but now capitalized.

THOMAS WYATT NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013 (cont'd)

	<u>31 March</u>		<u>1 April</u>
	2013	2012	2011
	₦	₦	₦
<b>5 INVENTORIES</b>			
Raw materials	3,885,687	8,472,324	1,650,000
Work-in-progress	8,774,297	2,079,622	5,500,000
Finished Goods	1,976,520	2,010,024	2,909,590
Dymo Stock	14,817,455	14,866,289	18,894,484
Spares	903,376	903,376	-
	<u>30,357,335</u>	<u>28,331,635</u>	<u>28,954,074</u>
	=====	=====	=====
There are no inventories pledged as security for liabilities.			
<b>6 TRADE RECEIVABLES</b>			
Gross trade receivables	64,840,505	48,601,482	28,418,585
Allowances for impairment losses	(3,540,430)	(3,540,430)	(3,540,430)
Net trade receivables presented in the financial statements	<u>61,300,075</u>	<u>45,061,052</u>	<u>24,878,155</u>
	=====	=====	=====
<b><u>Analysis of trade receivables</u></b>			
<b><u>Carrying amount:</u></b>			
due more than one year	61,300,075	45,061,052	24,878,155
	=====	=====	=====
<b>7. OTHER RECEIVABLES</b>			
Related Parties	60,176,501	65,488,181	61,883,252
	=====	=====	=====
<b>8 CASH AND CASH EQUIVALENTS</b>			
Bank and cash balances	2,468,931	1,069,580	1,501,332
	-----	-----	-----
Balance as stated in statement of financial position	2,468,931	1,069,580	1,501,332
Less: bank overdrafts shown as liabilities	(2,218,747)	(43,473,092)	(36,604,363)
<b>Cash and cash equivalents for cash flow</b>	<u>250,184</u>	<u>(42,403,512)</u>	<u>(35,103,031)</u>
	=====	=====	=====
There is no material difference between the fair value and the carrying amount of cash equivalents.			
<b>9 SHARE CAPITAL</b>			
.1 <b>Authorised:</b>			
500,000,000 Ordinary shares of N0.50 each	250,000,000	250,000,000	250,000,000
	=====	=====	=====
.2 <b>Issued and fully paid:</b>			
220,000,000 Ordinary shares of N0.50 each	110,000,000	110,000,000	110,000,000
	=====	=====	=====

**THOMAS WYATT NIGERIA PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013 (cont'd)**

	<u>31 March</u>		<u>1 April</u>
	2 0 1 3	2 0 1 2	2 0 1 1
	₦	₦	₦
<b>10 TRADE AND OTHER PAYABLES</b>			
Trade payable	35,304,247	36,717,528	20,661,161
Due to related party	31,453,701	18,132,149	18,007,663
Other payables	322,499,367	314,582,639	283,608,038
Provisions	87,122,208	71,693,654	70,605,794
	<u>476,379,523</u>	<u>441,125,970</u>	<u>392,882,656</u>
	=====	=====	=====
<b>Other payables comprise:</b>			
Bills payable	320,747,216	313,117,256	282,419,687
Industrial training fund payable	1,752,151	1,465,383	1,188,351
	<u>322,499,367</u>	<u>314,582,639</u>	<u>283,608,038</u>
	=====	=====	=====

The balance due to related party represents business transactions with Thomas Wyatt & Son (Northern Nigeria) Limited and Apex (Eastern Nigeria) Limited ,its subsidiary and associated company respectively.These transactions were in the ordinary course of business.

The carrying amount of trade and other payables and accrued liabilities is considered to be in line with their fair value at the reporting date.

**11 TAXATION**

**.1 Statement of profit or loss**

Income tax	4,673,283	796,616
Deferred tax	15,812,074	432,516
	<u>20,485,357</u>	<u>1,229,132</u>
	=====	=====

**.2 Current income tax liabilities**

The movement in current tax balance is as follows:

At 1 April	6,698,399	6,805,183
Charge for the year	4,673,283	796,616
	<u>11,371,682</u>	<u>7,601,799</u>
Payment during the year	-	(903,400)
<b>At 31 March</b>	<u>11,371,682</u>	<u>6,698,399</u>
	=====	=====

The provision for income tax is based on the provision of the Companies Income Tax Act (LFN CAP 60) as amended to date while education tax is based on Education Tax Act No. 7 CAP E4 LFN, 2004.

**.3 Deferred tax**

**Per statement of profit or loss**

Charge for the year	15,812,074	432,516
	=====	=====

**Per statement of financial position**

The movement in deferred tax is as follows:

At 1 April	9,799,183	9,366,667
Charge for the year	15,812,074	432,516
<b>At 31 March</b>	<u>25,611,257</u>	<u>9,799,183</u>
	=====	=====

THOMAS WYATT NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013 (cont'd)

12 **RETIREMENT BENEFIT OBLIGATIONS**

The company operates both defined benefit and defined contribution plans.

**Defined contribution plan**

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the funds does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

**Defined benefit plan**

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability to be recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs.

The amounts recognised in the statement of financial position are determined as follows:

	<b>2 0 1 3</b>	<b>2 0 1 2</b>	<b>1 April</b>
	<b>₦</b>	<b>₦</b>	<b>₦</b>
At 1 April	<b>10,484,786</b>	7,779,986	7,779,986
Charge for the year	<b>2,564,673</b>	2,704,800	-
	<b>13,049,459</b>	10,484,786	7,779,986
Payment during the year	-	-	-
At 31 March	<b>13,049,459</b>	10,484,786	7,779,986

13 **PROFIT/LOSS BEFORE TAXATION**

The following items have been charged/(credited) in arriving at profit before tax:

Depreciation	<b>11,246,478</b>	11,113,662
Staff costs	<b>22,884,593</b>	24,362,182
Auditors' remuneration	<b>1,000,000</b>	1,000,000
Directors' emoluments:		
Fees	<b>60,000</b>	60,000
Others	<b>5,522,300</b>	4,287,365
Finance cost	<b>2,642,873</b>	8,769,065

14 **REVENUE**

Manufacturing and marketing of school exercise books, hard cover note books, pads, drawing books, envelopes

<b>94,027,906</b>	122,345,141
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15 **OTHER INCOMES**

Sale of scrap  
Others

<b>260,000</b>	1,585,000
<b>65,414,628</b>	43,835,228
<b>65,674,628</b>	45,420,228



THOMAS WYATT NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013 (cont'd)

	<u>31 March</u>	
	2 0 1 3	2 0 1 2
	₦	₦
<b>16 EXPENSE BY NATURE</b>		
Changes in inventories of finished goods	55,076,410	103,977,670
Personnel cost	22,884,593	24,362,182
Depreciation	11,246,478	11,113,661
Auditors remuneration	1,000,000	1,000,000
Repairs and maintenance	7,920,051	8,491,353
Legal and professional fees	5,955,119	6,150,961
Advertising and marketing promotions	4,628,991	2,680,380
Printing and stationery	1,192,730	6,268,643
Insurance	2,368,617	2,351,124
Rent and rates	19,313,354	4,973,021
Technical and management fees	8,264,874	8,423,830
General and other expenses	3,613,401	23,185,418
	<b>143,464,618</b>	<b>202,978,243</b>
Cost of sales	57,206,263	106,099,923
Selling and distribution expenses	4,628,991	2,680,380
Administrative expenses	81,629,364	94,197,940
	<b>143,464,618</b>	<b>202,978,243</b>
<b>17 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>.1 Reconciliation of net profit/(loss) to operating loss before working capital changes</b>		
Profit/(loss) before tax	13,595,043	(43,981,942)
<b>Adjustments for non cash items:</b>		
Depreciation of property, plant and equipment	11,246,478	11,113,662
Adjustment:		(610,987)
Interest expense	2,642,873	8,769,065
<b>Operating profit/(loss) before working capital changes</b>	<b>27,484,394</b>	<b>(24,710,202)</b>
<b>.2 Working capital changes</b>		
Changes in inventories	(2,025,700)	622,439
Changes in trade and other receivables	(16,239,023)	(20,182,897)
Changes in other receivables and prepayments	5,311,680	(3,604,929)
Changes in retirement defined benefit plan	2,564,673	2,704,800
Changes in trade and other payables	35,253,553	48,243,314
Changes in retirement defined contribution plans	1,187,500	729,659
<b>Net changes in working capital</b>	<b>26,052,683</b>	<b>28,512,386</b>
<b>Cash generated from operation</b>	<b>53,537,077</b>	<b>3,802,184</b>

**18 EXPLANATION OF TRANSITION TO IFRS**

i) **Transition to IFRS**

As stated in note 2, these financial statements are Thomas Wyatt Nigeria Plc first financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March, 2013, the comparative information presented in these financial statements for the year ended 31 March, 2012 and in the preparation of the opening IFRS statement of financial position at 1 April, 2011.

In preparing its opening IFRS statement of financial position, Thomas Wyatt Nigeria Plc has adjusted amounts reported previously in financial statements prepared in accordance with Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria ("SAS - Nigerian GAAP"). An explanation of how the transition from Nigerian GAAP to IFRS has affected the company's financial position, financial performance and cash flows is set out in the following explanatory notes and tables.

## THOMAS WYATT NIGERIA PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013 (cont'd)

#### ii) **Exemptions**

In preparing these financial statements in accordance with IFRS 1, the company has applied the mandatory exceptions from full retrospective application of IFRS. The optional and mandatory exemptions from full retrospective application selected by Thomas Wyatt Nigeria Plc are summarised below.

##### **Optional exemptions:**

a) Exemptions from full retrospective application

b) Estimates exception

Estimates made under IFRS 1 at 1 April 2011 should be consistent with estimates made for the same date under Nigerian GAAP, unless it is established that those estimates were made in error.

c) Derecognition of financial assets and liabilities exception

Financial assets and liabilities derecognised before 1 January 2004 are not re-recognised under IFRS

##### **Mandatory exceptions:**

a) Classification and measurement of financial assets exception

The assessment of whether Thomas Wyatt Nigeria Plc financial assets meet the requirements to be measured at amortised cost, as set out in IFRS 9, was performed at 1 April 2011.

a) **Spare Parts**

Spare parts are usually carried as inventory and recognized in profit or loss as consumed. Under IFRS, spare parts qualify as PPE when an entity expects to use them more than one period. Similarly, if the spare parts can be used only in connection with an item of PPE, they are accounted for as PPE. Certain qualified spare parts were reclassified from inventory to PPE. The impact was to reduce inventory and increase PPE by N610,987 .

b) **Property, Plant and Equipment (PPE)**

The Company has elected to report its PPE in its opening IFRS Financial Position as at 1 April, 2011 at its revalued amount as its deemed cost.

c) **Revaluation Reserve**

Under N-GAAP the company had revaluation reserves amounting to N545,691,000 which has been written off to Retained Earnings. The impact was to increase the retained earnings and derecognize the revaluation reserves in 31 March 2011 and 2012 respectively

d) **Other Receivables**

Items of other receivables which include beginning balance equity, Asset movement account and Preliminary cost amounting to N9,236,636, N22,488,830 and N109,657,098 in 31 March 2011 have been derecognized and written off as bad debts. These balances represent unrealistic balances which consists of unreconciled differences in debtors and creditors schedule and audited opening balances ;obsolete and fictitious stock being carried in the books overtime now derecognized.

These adjustments to other receivables has been effected in 31 March 2012 where they also occurred. In March 2012, amounts relating to preliminary cost, Asset Movement Account and other debit balance of N1,332,952, N19,449,485 and N4,633,878 respectively earlier recognized NGAAP has been derecognized in line with IFRS

e) **Value Added Tax**

Value payable was transferred to VAT receivable to show a net position

h) **Reconciliation of Financial Statements**

The detailed reconciliation statements of the financial position and statement of profit or loss between N-GAAP and IFRS are as shown on notes 17(i) and 17(j).

## THOMAS WYATT NIGERIA PLC

### EXPLANATORY OF TRANSITION TO IFRS

#### i) Reconciliation of Equity as at 31 March 2012 and 1 April 2011

	N-GAAP ₦	<u>31 March 2012</u> Adjustments ₦	IFRS ₦	N-GAAP ₦	<u>1 April, 2011</u> Adjustments ₦	IFRS ₦
<b>Non-Current Assets</b>						
Property, plant and equipment	392,679,183	(3,357,260)	<b>389,321,923</b>	398,394,398		<b>398,394,398</b>
<b>Current assets</b>						
Inventories	28,942,622	(610,987)	<b>28,331,635</b>	28,954,074	-	<b>28,954,074</b>
Trade receivables	45,061,052	-	<b>45,061,052</b>	24,878,155	-	<b>24,878,155</b>
Other receivables and prepayments	222,422,514	(156,934,333)	<b>65,488,181</b>	205,313,688	(143,430,436)	<b>61,883,252</b>
Long Term Investments	562,361	-	<b>562,361</b>	562,361		<b>562,361</b>
Cash and cash equivalents	1,069,580	-	<b>1,069,580</b>	1,501,332	-	<b>1,501,332</b>
<b>Total current assets</b>	298,058,129	(157,545,320)	<b>140,512,809</b>	261,209,610	(143,430,436)	<b>117,779,174</b>
<b>Total assets</b>	690,737,312	(160,902,580)	<b>529,834,732</b>	659,604,008	(143,430,436)	<b>516,173,572</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Ordinary shares capital	110,000,000	-	<b>110,000,000</b>	110,000,000	-	<b>110,000,000</b>
Share Premium	171,558,000	-	<b>171,558,000</b>	171,558,000	-	<b>171,558,000</b>
Revaluation Reserves	545,691,000	(545,691,000)	-	545,691,000	(545,691,000)	-
Retained loss	(699,615,956)	385,537,639	<b>(314,078,317)</b>	(671,842,726)	402,975,483	<b>(268,867,243)</b>
<b>Total equity</b>	127,633,044	(160,153,361)	<b>(32,520,317)</b>	155,406,274	(142,715,517)	<b>12,690,757</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	441,875,189	(749,219)	<b>441,125,970</b>	393,597,575	(714,919)	<b>392,882,656</b>
Current income tax payable	6,698,399		<b>6,698,399</b>	6,805,183	-	<b>6,805,183</b>
Bank overdrafts	43,473,092	-	<b>43,473,092</b>	36,604,363	-	<b>36,604,363</b>
Obligation under defined contribution	10,484,786		<b>10,484,786</b>	7,779,986		<b>7,779,986</b>
<b>Total current liabilities</b>	502,531,466	(749,219)	<b>501,782,247</b>	444,787,107	(714,919)	<b>444,072,188</b>
<b>Non-current liabilities</b>						
Obligation under defined benefit	50,773,619	-	<b>50,773,619</b>	50,043,960	-	<b>50,043,960</b>
Finance lease liabilities	-	-	-	-	-	-
Deferred taxation	9,799,183		<b>9,799,183</b>	9,366,667		<b>9,366,667</b>
<b>Total non-current liabilities</b>	60,572,802	-	<b>60,572,802</b>	59,410,627	-	<b>59,410,627</b>
<b>Total liabilities</b>	563,104,268	(749,219)	<b>562,355,049</b>	504,197,734	(714,919)	<b>503,482,815</b>
<b>Total equity and liabilities</b>	690,737,312	(160,902,580)	<b>529,834,732</b>	659,604,008	(143,430,436)	<b>516,173,572</b>

# THOMAS WYATT NIGERIA PLC

## EXPLANATORY OF TRANSITION TO IFRS (Cont'd)

### 18 (j) Reconciliation of statement of profit or loss for the year ended 31 March, 2012.

	Notes	N-GAAP ₦	Adjustment ₦	IFRS ₦
Revenue		122,345,141	-	122,345,141
Cost of sales		(107,016,632)	916,709	<b>(106,099,923)</b>
<b>Gross profit</b>		<b>15,328,509</b>	916,709	<b>16,245,218</b>
Other incomes		45,420,228	-	<b>45,420,228</b>
Administration expenses		(75,843,390)	(18,354,553)	<b>(94,197,943)</b>
Distribution expenses		(2,680,380)		<b>(2,680,380)</b>
<b>Result from from operating activities</b>		<b>(17,775,033)</b>	<b>(17,437,844)</b>	<b>(35,212,877)</b>
Finance cost		(8,769,065)		<b>(8,769,065)</b>
<b>Net finance cost</b>		<b>(8,769,065)</b>	-	<b>(8,769,065)</b>
<b>Loss before taxation</b>		<b>(26,544,098)</b>	<b>(17,437,844)</b>	<b>(43,981,942)</b>
<b>Taxation</b>		<b>(1,229,132)</b>	-	<b>(1,229,132)</b>
<b>Loss after taxation</b>		<b>(27,773,230)</b>	<b>(17,437,844)</b>	<b>(45,211,074)</b>

THOMAS WYATT NIGERIA PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013 (Cont'd)

	2 0 1 3	2 0 1 2
	₦	₦
<b>19. CHAIRMAN'S &amp; DIRECTORS' EMOLUMENTS AND PENSIONS</b>		
.1 <b>Emoluments:</b>		
Chairman	60,000	60,000
Other directors	5,462,300	4,227,365
	<u>5,522,300</u>	<u>4,287,365</u>
	=====	=====
<b>As directors:</b>		
Fees	60,000	60,000
Emoluments	5,522,300	4,287,365
	<u>5,582,300</u>	<u>4,347,365</u>
	=====	=====
.2 <b>The number of directors excluding the chairman whose emoluments were within the following ranges were:</b>		
N                      N	Number	Number
50,001 - 60,000	5	5
	=====	=====
<b>20. EMPLOYEES REMUNERATION</b>		
.1 <b>Remuneration</b>	₦	₦
The total staff cost amounted to	22,884,593	24,362,182
	=====	=====
<b>21. GUARANTEES AND OTHER FINANCIAL COMMITMENTS</b>		
.1 <b>Contingent liabilities</b>		
There were no known contingent liabilities as at the date of these financial statements		
.2 <b>Capital expenditure</b>		
Contracted but not provided for in the financial statements	Nil	Nil
Authorised by the directors but not contracted for	Nil	Nil
	=====	=====
.3 <b>Financial commitments</b>		
The directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the financial statements under review. These liabilities are relevant in assessing the company's state of affairs.		

**THOMAS WYATT NIGERIA PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013 (Cont'd)**

**22. RELATED COMPANY'S TRANSACTIONS**

The company had transactions with its related company by way of transferring of funds and making payments for goods and services on behalf of one and another. During the year, these transactions were transacted at an arm's length and amounted to:

	<b>2 0 1 3</b>	<b>2 0 1 2</b>
	<b>₦</b>	<b>₦</b>
<b>Amount due to related company</b>		
Thomas Wyatt & Son (Northern Nigeria) Limited	<b>60,175,401</b>	65,488,181
Apex (Eastern Nigeria) Limited	<b>(31,453,701)</b>	(18,132,149)
	<b><u>28,721,700</u></b>	<b><u>47,356,032</u></b>

**23. POST BALANCE SHEET EVENTS**

There were no known post balance sheet events of material effect to the financial statements as at the accounting date.

**24. LOSS/EARNINGS AND NET LIABILITIES PER SHARE**

Loss/earnings and Net liabilities per share are based on the number of shares in issue as at each accounting date.

**THOMAS WYATT NIGERIA PLC  
STATEMENT OF VALUE ADDED**

**FOR THE YEAR ENDED  
31 MARCH, 2013**

	2 0 1 3		2 0 1 2	
	₦	%	₦	%
Turnover	94,027,906		122,345,141	
Other income	65,674,628		45,420,228	
Bought-in-materials and services	<u>(109,333,547)</u>		<u>(167,502,402)</u>	
<b>Value added</b>	<b>50,368,987</b>	<b>100</b>	262,967	100
	=====	=====	=====	=====
<b>Applied as follows:</b>				
<b>To pay employees:</b>				
Salaries, wages and other benefits	22,884,593	45	24,362,182	9263
<b>To pay providers of capital:</b>				
Interest expense	2,642,873	5	8,769,065	3335
<b>To pay government:</b>				
Income tax	4,673,283	9	796,616	303
<b>To provide for maintenance and expansion :</b>				
Depreciation	11,246,478	22	11,113,662	4226
Deferred taxation	15,812,074	31	432,516	164
Loss after taxation	<u>(6,890,314)</u>	<u>(14)</u>	<u>(45,211,074)</u>	<u>(17,192)</u>
<b>Value added</b>	<b>50,368,987</b>	<b>100</b>	262,967	100
	=====	=====	=====	=====

**Note:** Value added represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between the employees, shareholders, other providers of funds, government and that retained for the future creation of more wealth.

**THOMAS WYATT NIGERIA PLC**

**FINANCIAL SUMMARY**

	<b>IFRS</b> <b>2 0 1 3</b> <b>N'000</b>	<b>IFRS</b> <b>2 0 1 2</b> <b>N'000</b>	<b>N-GAAP</b> <b>2 0 1 1</b> <b>N'000</b>	<b>N-GAAP</b> <b>2 0 1 0</b> <b>N'000</b>	<b>N-GAAP</b> <b>2 0 0 9</b> <b>N'000</b>
<b>FINANCIAL POSITION</b>					
Non Current assets	<b>484,824</b>	389,884	398,394	407,307	416,351
Current assets	<b>154,303</b>	139,950	243,201	229,312	168,947
Total assets	<b>639,127</b>	529,835	641,595	636,619	585,298
Equity	<b>(39,411)</b>	(32,520)	155,406	185,546	191,073
Total liabilities	<b>678,538</b>	562,355	486,189	451,073	394,225
Total equity and liabilities	<b>639,127</b>	529,835	641,595	636,619	585,298
<b>COMPREHENSIVE INCOME</b>					
Turnover	<b>94,028</b>	122,345	136,062	144,561	201,977
Profit/(loss) before taxation.	<b>13,595</b>	(43,982)	(24,566)	(2,303)	5,205
Taxation	<b>(20,485)</b>	(1,229)	(5,574)	(3,224)	(4,228)
(Loss)/profit after taxation.	<b>(6,890)</b>	(45,211)	(30,140)	(5,527)	977

**PER 50K SHARE DATA:**

(Loss)/earnings per share (kobo) -Basic and diluted	<b>(3)</b>	(21)	(14)	(3)	0
Net liabilities/assets per share (kobo) -(Basic and diluted)	<b>(18)</b>	(15)	71	84	87

**Note:** (Loss)/earnings and Net liabilities per share are based on the profit/(loss) after taxation and the number of ordinary shares in issue at each financial year. Adjusted figures are based on the number of shares in issue as at 31 March, 2013.



**THOMAS WYATT NIGERIA PLC**

**SCHEDULES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2013**

**Schedule 1**

**COST OF SALES**

	<b>2 0 1 3</b>	<b>2 0 1 2</b>
	<b>₦</b>	<b>₦</b>
Raw materials	<b>49,517,294</b>	101,496,442
Outsource	<b>5,559,115</b>	2,481,228
Depreciation	<b>2,129,853</b>	2,122,253
	<b><u>57,206,263</u></b>	<u>106,099,923</u>

**DISTRIBUTION EXPENSES**

Advertisement	<b>3,684,176</b>	956,958
Commission/Discount	<b>150,801</b>	700,152
Entertainment	<b>721,964</b>	952,620
Newspapers and periodicals	<b>72,050</b>	70,650
	<b><u>4,628,991</u></b>	<u>2,680,380</u>

**Schedule 2**

**ADMINISTRATION EXPENSES**

Directors emoluments:

Fees	<b>60,000</b>	60,000
Others	<b>5,522,300</b>	4,287,365
Salaries and wages	<b>22,813,983</b>	24,092,072
Staff welfare and medical	<b>70,610</b>	270,110
Travelling	<b>3,156,633</b>	3,872,460
Entertainment	<b>167,000</b>	484,200
Motor running	<b>5,718,010</b>	4,725,650
Audit fee	<b>1,000,000</b>	1,000,000
Staff recruitment and training expenses	<b>-</b>	1,579,360
Repairs & Maintenance	<b>2,202,041</b>	3,765,703
Administration charges	<b>3,000</b>	5,082,129
Telephone, cables and postages	<b>962,050</b>	5,602,783
Legal and professional charges	<b>5,955,119</b>	6,150,961
Depreciation	<b>9,116,625</b>	8,991,408
Printing and stationery	<b>230,680</b>	665,860
Pension fund employer's contribution	<b>1,432,574</b>	1,397,106
Subscriptions	<b>382,000</b>	459,050
Staff gratuity	<b>1,250,000</b>	1,100,000
Industrial training fund	<b>286,768</b>	277,032
Insurance	<b>2,368,617</b>	2,351,124
Bad debt	<b>-</b>	13,469,597
Rates and general cleaning	<b>18,931,354</b>	4,513,971
	<b><u>81,629,364</u></b>	<u>94,197,940</u>
	<b>=====</b>	<b>=====</b>