

NCR (NIGERIA) PLC
Lagos, Nigeria

**REPORT OF THE DIRECTORS,
AUDITED FINANCIAL STATEMENTS**

AND

**OTHER NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 DECEMBER 2020**

NCR (NIGERIA) PLC

REPORT OF THE DIRECTORS, AUDITED FINANCIAL STATEMENTS AND OTHER NATIONAL DISCLOSURES

FOR THE YEAR ENDED 31 DECEMBER 2020

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NCR (NIGERIA) PLC

DIRECTORS AND OTHER CORPORATE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2020

Board of Directors

Otunba Adekunle Ojora OFR, CON, FNIM, JP	Chairman
Mr. Michael Vallier (American)	Non-Executive Director
Mr. Matthew Akinlade FCA	Independent Non-Executive Director
Ms. Louise Georgiou (Cypriot)	Non-Executive Director
Ms. Christiana Nnawo Yisa	Country Manager/CEO, Executive Director

Registered Office

NCR (Nigeria) Plc
NCR House
6, Broad Street
P.O. Box 509
Lagos
Nigeria.

Registered Number

RC 751

Company Secretary

Alsec Nominees Limited
St. Nicholas House
10th, 12th & 13th Floors
Catholic Mission Street
Lagos, Nigeria.
Tel: 01 - 2774920, 08033529393

Registrar

Apel Capital Registrars Limited
Apel House,
8, Alhaji Bashorun Street,
Off Norman Williams,
South-West Ikoyi, Lagos
Nigeria.
Tel: 01 -2932121, 07046277071

Auditor

Ernst & Young
10th & 13th Floors, UBA HOUSE
57 Marina, Lagos.
Nigeria

Solicitor

Olaniwun Ajayi
The Adunola, Plot L2, Banana Island,
Ikoyi, Lagos
Nigeria

NCR (NIGERIA) PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report to the members of NCR (Nigeria) Plc ("the Company" or "NCR") together with the audited financial statements and other national disclosures for the year ended 31 December 2020.

LEGAL FORM

The company was incorporated on 9 December 1949 under the Companies Act of 1922 and is domiciled in Nigeria. The Company commenced operations under the name National Cash Register Company (West Africa) Limited and changed its name to NCR (Nigeria) Limited in 1974. The company was granted a listing on the Nigerian Stock Exchange on 30 May 1979. In 1990, the name of the Company was later changed to NCR (Nigeria) Public Liability Company in compliance with the Companies and Allied Matters Decree 1990. The name of the Company was changed to AT&T Global Information Solutions (Nigeria) Plc in 1994 and on 16 July 1996 the Company adopted its present name of NCR (Nigeria) Plc.

The company is a subsidiary of NCR Corporation (NYSE: NCR), the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables more than 550 million transactions daily across retail, financial, travel, hospitality, telecom and technology, and small business. NCR solutions run the everyday transactions that make your life easier.

The company introduced the first ATM in Nigeria in 1989.

NCR is headquartered in Atlanta, United States of America with over 38,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States of America ("NCR Corporation") and other countries.

61.76% of the share capital of the Company is held by NCR Corporation while the balance of 38.24% is held by Nigerians.

PRINCIPAL ACTIVITIES

The company's principal activity includes provision of technology and services that help businesses connect, interact and transact with their customers. The company is a technology Company that provides innovative products which include:

- ATM (Automated Teller Machines)
- ATM Value-add Software
- Retail Point of Sales terminals (Point of Sale)
- Self Service Kiosks
- Self-check-in/out systems

CHANGE IN THE REPORTING FRAMEWORK

The nature and effect of the changes as a result of adoption of the new accounting standards are described in the accompanying financial statements.

Several amendments and interpretations apply for the first time in 2020, but do not have a significant impact on the financial statements of the Company. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

NCR (NIGERIA) PLC**REPORT OF THE DIRECTORS - Continued****FOR THE YEAR ENDED 31 DECEMBER 2020****STATE OF AFFAIRS**

In the opinion of the Directors, the state of the Company's affairs is satisfactory and no events have occurred since the reporting date, which would affect the financial statements as presented.

RESULTS FOR THE YEAR

The following is the summary of the Company's operating results:

	2020 N'000	2019 N'000
Revenue	5,125,508 =====	6,067,675 =====
Loss before taxation	(198,785)	(56,497)
Income tax expense	(92,345) -----	(893,165) -----
Loss after taxation	(291,130) =====	(949,662) =====

DIVIDEND

The board has not proposed any dividend in respect of the financial year ended 31 December 2020 (2019: Nil).

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment (PPE) is shown in Note 17 to the financial statements. In the opinion of the Directors, the market value of the Company's PPE is not less than the carrying value shown in the financial statements.

ACQUISITION OF OWN SHARES

The company has not purchased any of its own shares during the year ended 31 December 2020 (2019: Nil).

DIRECTORS

The names of the Directors at the date of this report and of those who held office during the financial year are as follows:

Otunba Adekunle Ojora OFR, CON, FNIM, JP	Chairman
Mr. Michael Vallier (American)	Non-Executive Director
Mr. Matthew Akinlade FCA	Independent Non-Executive Director
Ms. Louise Georgiou (Cypriot)	Non-Executive Director
Ms. Christiana Nnawo Yisa	Country Manager/CEO, Executive Director

NCR (NIGERIA) PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

In accordance with Section 285 of the Companies and Allied Matters Act, 2020 and in line with Article 88 - 91 of the Company's Articles of Association, Mr. Michael Vallier will retire by rotation and being eligible, offers himself for re-election as a Director of the Company.

DIRECTORS' INTEREST IN SHARES

The interest of Directors in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and/or as notified by the Directors for the purpose of Sections 301 and 302 of the Companies and Allied Matters Act, 2020 and the Listing requirements of the Nigerian Stock Exchange are as follows:

	2020	2019
	Number of Shares	Number of Shares
Otunba Adekunle Ojora OFR, CON, FNIM, JP	1,222,700	1,073,562
Mr. Michael Vallier	-	-
Mr. Matthew Akinlade FCA	44,349	44,349
Ms. Louise Georgiou	-	-
Ms. Christiana Nnawo Yisa	-	-

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020 of any direct or indirect interest in contracts or proposed contracts in which the Company was involved during the year ended 31 December 2020 (2019: Nil).

NCR (NIGERIA) PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

SUBSTANTIAL INTEREST IN SHARES

According to the register of members no one person or organization other than NCR Corporation, USA held more than 5% of the issued share capital of the Company as at 31 December 2020.

	2020		2019	
	Number of Shares	%	Number of Shares	%
NCR Incorporation	66,705,456	61.76	66,705,456	61.76
FREE FLOAT	Number of shares	%	Number of shares	%
Strategic Shareholders	7,017,424	6.50	7,017,424	6.50
Parent Company	66,705,456	61.76	66,705,456	61.76
Free Float	34,277,120	31.74	34,277,120	31.74
	-----	-----	-----	-----
	108,000,000	100	108,000,000	100
	=====	=====	=====	=====

ANALYSIS OF SHAREHOLDING

The issued and fully paid-up share capital of the Company is ₦108,000,000 divided into 108,000,000 ordinary shares of 50k each. Of these 66,705,456 shares, equivalent to 61.76 percent are held by NCR Corporation, USA, while 41,294,544 shares equivalent to 38.24 percent are held by Nigerian shareholders as at 31 December 2020.

The shareholding range analysis as at 31 December 2020 is as shown below;

BEGINNING RANGE	ENDING RANGE	TOTAL SHARE HOLDER	% OF SHARE HOLDERS	TOTAL SHARE HOLDING	% OF SHARE HOLDING
1	1,000	2,637	34.1%	1,116,909	1.0%
1,001	5,000	3,973	51.5%	8,550,757	7.9%
5,001	10,000	641	8.3%	4,443,222	4.1%
10,001	50,000	385	5.0%	6,881,994	6.4%
50,001	100,000	45	0.6%	3,139,867	2.9%
100,001	500,000	41	0.5%	8,460,572	7.8%
500,001	1,000,000	3	0.0%	1,888,313	1.8%
1,000,001	5,000,000	4	0.1%	6,812,910	6.3%
10,000,001	9,999,999,999	1	0.0%	66,705,456	61.8%
		7,730	100.00%	108,000,000	100.00%

NCR (NIGERIA) PLC**REPORT OF THE DIRECTORS - Continued****FOR THE YEAR ENDED 31 DECEMBER 2020**

The shareholding range analysis as at 31 December 2019 is as shown below;

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10,001	50,000	385	5.0%	6,881,994	6.4%
50,001	100,000	45	0.6%	3,139,867	2.9%
100,001	500,000	41	0.5%	8,460,572	7.8%
500,001	1,000,000	3	0.0%	1,888,313	1.8%
1,000,001	5,000,000	4	0.1%	6,812,910	6.3%
10,000,001	9,999,999,999	1	0.0%	66,705,456	61.8%
		7,730	100.00%	108,000,000	100.00%

CHARITABLE CONTRIBUTIONS

The Company did not make any charitable donations during the year ended 31 December 2020 (2019: Nil).

In compliance with Section 43(2) of the Companies and Allied Matters Act, 2020, the Company did not make any donations or gifts to any political association or for any political purpose during the year ended 31 December 2020 (2019: Nil).

DISTRIBUTION OF THE COMPANY'S PRODUCTS

The Company markets its products through its sales personnel and distributors.

The distributor used by the Company during the year was Tricontinental Limited.

NCR (NIGERIA) PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

CONFLICT RESOLUTION

NCR recognizes that conflicts may arise among individuals who bring different skills, qualities, and personalities into the workplace. Early resolution of these conflicts is in everyone's best interest. Throughout the Company, NCR provides processes and procedures to help employees and managers resolve conflicts in the workplace. We encourage all employees to seek information about conflict resolution from their managers or HR Central.

WORKPLACE VIOLENCE

NCR is committed to providing a safe and secure work environment for its employees and visitors. All individuals on NCR premises must treat one another with respect and courtesy. NCR will not tolerate acts or threats of violence. To support NCR's "zero tolerance" position toward workplace violence, both employees and visitors to NCR's facilities must report instances of actual or threatened violence on NCR premises.

NCR's Workplace Violence Policy provides guidelines on the appropriate actions if employees and visitors witness actual or threatened acts of violence. Depending upon the nature and severity of the incident, NCR will engage law enforcement authorities, on-site security guards, community mental health advisors, or Human Resources to take prompt action to remove, discipline, counsel or prosecute any individual on NCR premises who poses a safety risk or commits an act of violence.

NCR prohibits the possession of weapons in the workplace.

NON-DISCRIMINATION

NCR is committed to providing a work environment free from any illegal discrimination based on race, color, religion, national origin, gender, age, disability, sexual orientation, marital status, or any other unlawful factor to the fullest extent required by law. Decisions concerning hiring, performance appraisals, and promotions will be based only on those factors permitted by law, such as an employee's qualifications, skills, and achievements.

NCR's policy is to comply with applicable human rights and employment laws. We do not tolerate unlawful discrimination in any aspect of employment, including employment terms and conditions, recruiting, hiring, compensation, promotion, or termination.

HARASSMENT

NCR is committed to providing a working environment that is free from harassment based on personal characteristics, including race, color, religion, national origin, gender, age, disability, sexual orientation, marital status, or any other characteristic protected by applicable law. We do not tolerate conduct that creates an intimidating or offensive work environment.

NCR (NIGERIA) PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

ENVIRONMENTAL, HEALTH & SAFETY MANAGEMENT

The company conducts all aspects of its business in an environmentally sound manner, with care for the safety and health of our employees, customers, and the general public. As with other financials of the business, Environmental Health & Safety activities are integrated into the existing management structure and accountability process. This system helps to achieve continual improvement in Environmental Health and Safety performance by reducing losses from operational accidents and risks associated with non-compliance. Improvement in Environmental Health and Safety performance ultimately enhances the Company's competitive market position for providing services, products and solutions to the Company's customers. The company recognizes the need for employees with Environmental, Health and Safety responsibility to develop and maintain an appropriate level of Environmental, Health and Safety technical competency.

The company strives to minimize the environmental footprint of its operations and products, while also delivering innovative technologies and solutions designed to help businesses and consumers reduce their own environmental footprint.

The company is committed to complying with applicable health and safety regulations related to protecting employees and providing working conditions that are free from recognized hazards. The Company's workplace programs are designed to protect the safety and health of employees and to prevent and mitigate workplace incidents that could arise from abnormal operating conditions and potential emergency situations.

EMPLOYEES' TRAINING

The company is committed to training and career growth. NCR University (NCRU) provides training resources and education programs to increase employee productivity and ensure professional growth. Management, professional and technical expertise are the Company's major assets and investment in their further development continues. The company believes that success depends on ability to develop a productive, capable organization committed to ongoing learning; employee development is therefore an integral part of the way the business is managed. The company invests in tools and opportunities that empower employees to take charge of their own personal and professional growth and development. Training is carried out at various levels through both in-house and professional training at its corporate technical training centres located in Cyprus, United Kingdom and United States of America.

NCR (NIGERIA) PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

BUSINESS CONDUCT AND ETHICS

NCR is a principle-based Company, the reputation of our Company is formed by each and every experience that customers, business partners, suppliers and the community have with us. We treat each other and our business partners with respect, honesty and fairness. We value the unique qualities, abilities and perspectives each person brings to a challenge or opportunity, and we also know that as a team we can achieve together what would remain out of reach for us individually. We communicate openly and candidly with each other and extend our respect and team spirit to customers, partners, suppliers and the communities in which we live and work.

- **Customer Dedication:** We genuinely care about our customers and are dedicated to serving them well. We learn their markets, understand their specific goals and objectives, and develop solutions that deliver business value.
- **Performance:** We commit to high performance in all functions. We take personal ownership for the success of our Company and work together to continuously improve and achieve best-in-class performance.
- **Innovation:** Throughout our history, NCR's ability to harness the power of new ideas and put them to work for our customers in the real world has defined our Company and fuelled our leadership; innovation powers the engine that drives our success now and in the future.
- **Supplier and Customer Relations:** We require our vendors, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our ethical standard of business operation.

ANTI-BRIBERY / ANTI-CORRUPTION LAWS

The Corrupt Practices and other Related Offences Act 2000, Anti-bribery and anti-corruption laws around the world, including the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act, and other anti-bribery and anti-corruption laws (collectively, "Anti-corruption Laws"), make bribery a crime.

NCR expects all NCR directors, officers and employees, as well as its consultants, agents, channel partners and other third-party representatives to observe and comply with all Anti-Corruption Laws.

GIFTS & HOSPITALITY

Gift-giving practices vary around the world. Generally, gifts are given to foster goodwill and, in some parts of the world, declining a gift may insult the giver. On the other hand, accepting or giving a gift may create a conflict of interest or the appearance of a conflict, and may also violate applicable Anti-Corruption Laws.

NCR (NIGERIA) PLC

REPORT OF THE DIRECTORS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

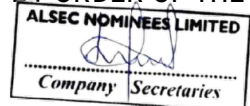
EVENTS AFTER THE REPORTING DATE

As stated in Note 34, there are no event or transactions has occurred since the reporting period which would have a material effects on these financial statements or which would need to be disclosed in the financial statements.

AUDITOR

Ernst & Young have expressed their willingness to continue in office as the Company auditor in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020.

BY ORDER OF THE BOARD



ALSEC NOMINEES LIMITED
COMPANY SECRETARY

31 March 2021

NCR (NIGERIA) PLC

SUSTAINABILITY STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

NCR (Nigeria) Plc's sustainability strategy is fully aligned with NCR Corporation's global strategy. We take our responsibilities as a member of the business community very seriously. We're committed to conducting all aspects of business in an environmentally sound manner. We're vigilant when it comes to the safety and health of our employees. We also look out for the needs of our customers and the general public.

We strive to minimize the environmental footprint of our operations and products, while also delivering innovative technologies and solutions designed to help businesses and consumers reduce their own environmental footprint.

NCR has a rich history of providing high-quality, innovative solutions that meet our customers' needs in an ever-changing market-place. But a great Company is more than the product it sells. We believe a great company is focused on long-term and sustainable growth, placing just as much emphasis on growing its product line as it does on growing its employees and the communities it serves.

As a member of the community, NCR acts responsibly toward our customers and the environment in which our products, operations and services are deployed.

NCR is committed to complying with legislative requirements that cover product recycling, recovery, treatment, management and disposal of electrical and electronic equipment.

NCR's end-of-life hardware management services ensure secure and environmentally responsible product decommissioning, recycling, treatment, and compliant disposal. Our decommissioning and recycling programs are compliant with international recycling legislation.

NCR is committed to complying with applicable health and safety regulations related to protecting employees and providing working conditions that are free from recognized hazards. NCR's workplace programs are designed to protect the safety and health of employees and to prevent and mitigate workplace incidents that could arise from abnormal operating conditions and potential emergency situations. As with other areas of the business, NCR strives for continuous improvement in the area of workplace health and safety.

NCR is a place where people want to come to work because they are continuously invigorated by new ideas and are engaged in improving how we do business. It is a place that recognizes its profound responsibility to the communities where it does business, striving to help those communities thrive by supporting local institutions and employing people who make volunteer work a priority. It is an organization that sees environmental stewardship not as the latest new trend, but as a critical issue in sustaining the future- ensuring our natural resources are protected and preserved.

This is who we are. This is NCR. And we expect business partners throughout our supply chain to embrace the same principles we, as an organization, share. Because being a responsible corporate citizen is born from both the actions we take as individuals and together as an organization.

NCR (NIGERIA) PLC

SUSTAINABILITY STATEMENT - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Though these are not new ideas at NCR, we want to renew our focus by capturing your imagination, creativity and good sense to help us promote these key areas:

(i) Employees

NCR strives to provide a positive and engaging work environment, tools and rewards that support success for our people. We are committed to diversity and inclusion, upholding recognized human rights and labor standards, providing safe and healthy working conditions, and providing employee development opportunities.

Goals:

The following goals have been established to improve our workplace environment:

- Develop and communicate NCR's diversity strategy to employees.
- Design and implement a global employee engagement survey.
- Increase use of NCR University Online.
- Develop and communicate policies on human rights to managers.

(ii) Community

NCR is committed to supporting the economic, cultural, social and educational well-being of communities where the Company has a significant presence, by investing in innovative programs, approaches and solutions in the civic, arts, education, and health and human services areas and developing products and solutions that provide benefit to communities at large.

Goals:

The following goals have been established to continuously improve NCR's performance in the area of community support:

- Support community investment.
- Promote innovative application of self-service solutions to social development initiatives.
- Promote employee volunteerism and community engagement.

(iii) Environment

NCR operates with a continuous commitment to ensure the on-going protection of the environment. We strive to minimize the environmental footprint of our operations and products, while also delivering innovative technologies and solutions designed to help businesses and consumers reduce their own environmental footprint.

NCR (NIGERIA) PLC

SUSTAINABILITY STATEMENT - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Goals

The following goals have been established to continuously improve NCR's environmental performance and reduce our environmental footprint:

- Reduce waste generated from NCR facilities, operations and products.
- Reduce direct and indirect greenhouse gas emissions related to NCR facilities and operations.
- Increase energy efficiency of NCR products and services.
- Increase end-of-life recycling of NCR products and service parts.

(iv) Supply Chain

NCR is committed to working with suppliers who comply with all applicable laws and regulations and embrace the highest standards of ethical behavior. We will work for positive environmental, social and ethical impacts in our supply chain, treating suppliers with fairness and respect, and valuing their diversity. We will work with suppliers in innovative ways that create added value for our customers.

Goals

We have established the following goals to continuously improve NCR's responsible supply chain management performance:

- Develop and communicate a Supplier Code of Conduct to all NCR first-tier suppliers.
- Implement a supplier screening program based on the NCR Supplier Code of Conduct requirements.

NCR (NIGERIA) PLC

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

NCR (Nigeria) Plc is committed to high standards of corporate governance. The company has continued to embrace the best governance practices required to deliver sustainable value to our shareholders.

During the year ended 31 December 2020, NCR (Nigeria) Plc complied with Best Practices on Corporate Governance and the NCR Principles of Ethics and Compliance.

The primary purpose of the Board is to create and deliver sustainable long-term value to shareholders through its general supervision of the Company's business.

As part of this goal, NCR has always maintained different and separate roles for the Chairman and the Chief Executive Officer. Presently the Company has a five (5) member Board led by the Chairman who is a non-Executive Director. There are four non - executive Directors and one executive Director on the Board.

All the Directors bring various and varied competencies to bear on all Board deliberations. The board meets regularly and is responsible for effective control and monitoring of the Company's strategy. The Chairman directs the Board, ensuring that it operates effectively, while fully discharging its legal and regulatory obligations.

The company's corporate governance framework is in conformity with the existing corporate governance codes and is in line with universally accepted best practices. Under this framework, the Board delegates responsibility for the day to day management of the Company to the Chief Executive Officer

It is the responsibility of the Board of Directors to ensure that all records are accurate and correctly reflect the financial position of the Company. Management implements system controls, comprising policies, standards and procedures to ensure the safety of assets and the reduction of risk, error, fraud and other irregularities. Both the internal auditor and the external auditors independently appraise the adequacy of internal controls.

The board places great emphasis on effective communication with its shareholders. It recognizes the importance of ensuring an appropriate balance in meeting the many needs of its shareholders and at the same time building enduring relationships with them.

The directors direct and indirect shareholdings in the Company where it exists are disclosed elsewhere in this report as required by law.

Employee compliance with the NCR Code of Conduct training and certification which subscribes to high standards of fair competition is monitored globally.

1. Composition of the Board of Directors

The board is currently made up of Four (4) Non-Executive Directors and One (1) Executive Director. All the Directors have access to the advice and services of the Company Secretary and advice and services of other professionals in financials where such advice will improve the quality of their contribution to Board decision making process.

NCR (NIGERIA) PLC**CORPORATE GOVERNANCE REPORT - Continued****FOR THE YEAR ENDED 31 DECEMBER 2020****2. Induction and training**

The Company has in place a formal induction program for newly appointed Directors. As part of this induction, each new Director is provided with core materials and asked to complete a series of introductory meetings to become knowledgeable about the Company's business and be familiar with the senior management team. A summary of the Board Performance Evaluation in the 2020 financial year is that the Board is comprised of experienced individuals who are conversant with their oversight functions. The Chairman of the Board encourages and supports the active participation and contribution of Board members at meetings. The Board takes its oversight functions seriously, is committed to the business of the Company and detailed level of thoroughness goes into every decision taken by the Board. It was however noted that there is room for improvement in the area of meetings of Board Committees and succession planning for critical roles to ensure business continuity and performance. The recommendations of the performance evaluation have been considered by the Board and are being implemented as required.

3. Record of Directors' Attendance of Board Meetings

The Board held a total of five (5) meetings during the year. In accordance with Section 284 (2) of the Companies and Allied Matters Act, 2020; the record of the Directors' attendance at Directors' meetings during 2020 is available for inspection at the Annual General Meeting.

Attendance of Board meetings are set out below:

DIRECTORS	Date of Meeting			
	23/3/20	28/5/20	27/7/20	19/10/20
The Otunba Adekunle Ojora, OFR, CON, FNIM, JP.	P	P	P	P
Mr. Michael Vallier	P	P	P	P
Mr Matthew Akinlade, FCA	P	P	P	P
Ms. Christiana Nnawo Yisa	P	P	P	P
Ms. Louise Georgiou	P	P	P	P

3. Record of Directors' Attendance of Board Meetings - Continued

Attendance Keys:

P = PRESENT;

A = Absent with Apology;

The meetings of the Board were presided over by the Chairman. In all cases, written notices of the meetings along with the agenda were circulated at least 14 days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

4. Business Conduct and Code Of Governance For Directors

The NCR Code of Conduct (the "Code") is our guide and point of reference for upholding NCR's Shared Values. NCR's corporate policies and procedures, as well as our individual commitment to ethical and legal behavior, also guide NCR employees and Directors. The Code applies to all employees of NCR and its affiliates (collectively "NCR") and to NCR's Board of Directors. The Code affirms our commitment to the highest standards of integrity in our relationships with one another and with our customers, suppliers, strategic partners, and shareholders. We expect our suppliers, contractors, representatives and agents to embrace these same values and standards.

5. Insider Trading

Securities laws and NCR policy prohibit employees, Directors, Members of the Audit Committee of the Company, External Advisers and their related persons from trading, directly or indirectly, in NCR securities while in possession of "material non-public information" about the Company. Material non-public information is generally defined as any information that has not been widely disclosed to the public and is likely to influence an investor to buy, sell, or hold a company's stock. Material non-public information can take many forms. Examples include acquisition or divestiture plans; actual or projected financial information not yet public; new contracts, products, or discoveries; major organizational changes; or other business plans.

NCR employees and officers as well as members of the Company's Board of Directors, Members of the Audit Committee and External Advisers of the Company and their related parties, are also prohibited from directly or indirectly trading in the securities of other publicly held companies, such as customers and vendors, on the basis of material non-public information. It is also illegal and against Company policy for NCR employees to share material non-public information about NCR or another Company with your friends, family members, or other third parties (this is called "tipping").

All employees and officers of NCR (Nigeria) Plc as well as members of the Company's Board of Directors, Members of the Audit Committee and External Advisers of the Company and their related persons with material non-public information about NCR and other companies, including customers and vendors are to comply with NCR's insider trading policy:

- Never provide material non-public information about NCR or other companies known to you through your work at NCR;
- Restrict access to material non-public information about NCR or other companies to those employees

NCR (NIGERIA) PLC

CORPORATE GOVERNANCE REPORT - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

5. Insider Trading - Continued

- who “need-to-know” that information for business reasons (such persons may be identified in a non-disclosure agreement)
- Do not advise or encourage another person to trade in a company’s stock if you have material non-public information about that company; and
- Never buy or sell NCR securities or another company’s publicly traded stock while in possession of material information, whether or not a blackout period is pending.

6. Whistle Blowing

NCR Nigeria Plc (“the “Company”) Whistle Blower Policy are established guidelines, wherein Directors, employees of the Company, contractors and the general public can report serious actual or suspected concerns or happenings considered unethical, inappropriate or illegal.

The company is committed to the highest standards of integrity in employees’ relationships with one another and with customers, suppliers, strategic partners and shareholders. All suppliers, contractors, representatives and agents are expected to embrace these same values and standards.

The Policy is designed to ensure that Directors, employees of the Company, contractors and the public can raise their concerns about wrongdoing or malpractice within the Company without fear of victimization, subsequent discrimination, disadvantage or dismissal.

Anyone who comes across a breach should immediately notify their Line Manager, Human Resources, Global Security, the Law Department or report either through our confidential whistleblowing helpline or by email to complianceoffice.ethics@ncr.com. Our approach to breach management is embedded in the global NCR Ethics & Compliance Policy and local Disciplinary Processes. The company takes reports of potential violations of the Code, the law or other NCR policy or procedures seriously, including those made anonymously. All matters reported will be investigated and appropriate action will be taken.

A whistle blower must exercise sound judgment to avoid baseless allegations. A whistle blower who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination. There shall be no retaliatory action against a whistle blower for any report made in good faith. In so far as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. The company will not tolerate retaliation against persons who make reports in good faith.

7. The Audit Committee

The Audit Committee is composed of six members made up of three shareholders’ representatives elected at the 2019 Annual General Meeting for a tenure of one year until the conclusion of the 2020 Annual General Meeting and three representatives of the Board of Directors nominated by the Board. The Chairman of the Audit Committee is Alhaji Mustapha I. Jinadu.

During the year under review, the Committee held Four (4) meetings.

NCR (NIGERIA) PLC

CORPORATE GOVERNANCE REPORT - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

7. The Audit Committee - Continued

The functions of the Audit Committee are governed by the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020.

8. Members of the Audit Committee

Mustapha I. Jinadu (FIOD)	- Chairman
Mrs. T. O. Assan	- Member
Mr. M.A. Adedoyin	- Member
Mr. Matthew Akinlade (FCA)	- Member
Mr. Michael Vallier	- Member
Ms. Louise Georgiou	- Member

Attendance of Audit Committee Meetings in 2020

Date of Meeting

Members	6/2/20	23/3/20	28/5/20	27/7/20	19/10/20
Mr. Mustapha I. Jinadu (FIOD) - Chairman	P	P	P	P	P
Mrs. T. O. Assan	P	P	A	P	P
Mr. M.A. Adedoyin	P	P	P	P	P
Mr. Matthew Akinlade (FCA)	P	P	P	P	P
Mr. Michael Vallier	P	P	P	P	P
Ms. Louise Georgiou	P	P	P	P	P

Attendance Keys: P = PRESENT; A = Apology;

9. Committees of the Board

In conformity with the Code of Best practices in Corporate Governance, the Board has established the following committees to function in respect of issues too complex and/or numerous to be handled by the entire Board. All Board Committees make recommendations for approval by the full Board:

i. Financial Risk and General Purposes Committee

The committee is established to provide independent and expert advice to assist the Board to discharge its financial and risk management responsibilities.

The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within the Company, or the reporting lines and responsibilities of either internal audit or external audit functions.

The committee is also responsible for dealing with urgent business which needs to be dealt with at short notice. The company maintains adequate insurance cover to protect the Company against liability and asset loss.

Members of the committee are as follows:

- Mr. Michael Vallier - Chairman
- Mr. Matthew Akinlade FCA
- Ms. Louise Georgiou

There was no formal meeting of the committee during the year ended 31 December 2020.

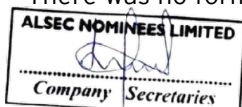
(i) Appointment, Discipline and Remuneration Committee

The Committee is to set the over-arching principles, parameters and governance framework of the Company's remuneration policy and the remuneration of Senior Executives (being those whose appointment requires Board approval; employees who perform a significant influence function; employees whose activities have or could have a material impact on the Company's risk profile; and any other employee as determined by the Committee from time to time) and to review the structure, size and composition of the Board (including the skills, knowledge, independence, experience and diversity) and the appointment of members to the Board and make recommendations to the Board as appropriate.

Members of the Committee are as follows:

- Ms. Louise Georgiou - Chairman
- Mr. Michael Vallier
- Mr. M. Akinlade (FCA)

There was no formal meeting of the committee during the year ended 31 December 2020.



ALSEC NOMINEES LIMITED
Company Secretary

31 March 2021

NCR (NIGERIA) PLC

COMPLAINTS MANAGEMENT POLICY

FOR THE YEAR ENDED 31 DECEMBER 2020

The Complaint Management Policy of NCR (Nigeria) Plc has been prepared pursuant to the requirements of the Securities & Exchange Commission's Rules relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") issued on 16 February 2019 and The Nigerian Stock Exchange Directive (NSE/LARD/LRD/CIR6/15/04/22) to all Listed Companies ("the NSE Directive") issued on 22 April 2019.

This policy has been prepared in recognition of the importance of effective engagement in promoting shareholder/ investor confidence in the Company. This Policy sets out the broad framework by which the Company and its Registrar provide assistance regarding shareholder issues and concerns. It also provides opportunity for shareholders to provide feedback to the Company on matters that affect shareholders.

This policy only relates to the shareholders of NCR (Nigeria) Plc and does not extend to its customers, suppliers or other stakeholders. This policy is designed to ensure that complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.

This policy will be made available to shareholders of the Company at General Meetings.

GUIDING PRINCIPLES FOR MANAGING COMPLAINTS

The following principles shall guide the Company in managing the complaints of shareholders:

1. COMMITMENT

NCR (Nigeria) Plc is committed to the resolution of complaints and or disputes received from shareholders. The company shall proffer solutions that are fair and reasonable to all parties. The company shall objectively manage and deal fairly with all complaints lodged by shareholders without bias. The rights of any shareholder, who has lodged a complaint, shall be adequately protected. However, it shall be within the sole discretion of the Company to take a decision on the investigation of a complaint considered to be trivial, vexatious or abusive. The company shall take necessary steps to guard against the victimisation in respect of all complaints received.

2. CONFIDENTIALITY

All complaints shall be handled in strict confidence and personal information of complainants shall be adequately protected.

NCR (NIGERIA) PLC

COMPLAINTS MANAGEMENT POLICY - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

3. PROCEDURE FOR COMPLAINTS/ENQUIRIES

A Complaint Lodgement Form shall be provided to all shareholders to lodge their complaint. All complaints made through authorised third parties or complaints anonymous in nature, shall be duly recognised and addressed.

Shareholders can make complaints/enquiries and access relevant information in the following manner:

- (i) **Contact the Registrar:** Shareholders who wish to make a complaint/ enquiry shall in the first instance contact the Registrar, Apel Capital & Trust (Registrars) Limited at 18b, Nnobi Street, Masha, Surulere, Lagos. The Registrar manages all the registered information relating to all shareholdings, including shareholder name(s), shareholder address and dividend payment instructions amongst others. Upon receipt of a complaint or an enquiry, the Registrar shall immediately provide the relevant details of such complaint or enquiry to NCR (Nigeria) Plc for monitoring, record keeping and reporting purposes.
- (ii) **Contact the Company Secretary:** If the Registrar is unable to satisfactorily address shareholders' enquiries and resolve their complaints, then shareholders should contact the office of the Company Secretary.

4. FEEDBACK

Where a complaint or an enquiry is sent directly to the Company, NCR shall upon receipt of the complaint or enquiry use its best endeavours to ensure that:

- a) Relevant details of the complaint or enquiry are immediately recorded.
- b) A response is provided by the Company or the Registrar within the specified time frame.
- c) Complaints or enquiries received by e-mail are acknowledged within two (2) working days of receipt.
- d) Complaints or enquiries received by post are responded to within five (5) working days of receipt.
- e) Complaints or enquiries are resolved within ten (10) working days of receipt.
- f) The Nigerian Stock Exchange is notified, within two (2) working days, of the resolution of a complaint or enquiry.

NCR (NIGERIA) PLC

COMPLAINTS MANAGEMENT POLICY - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

4. FEEDBACK - Continued

- g) Where a complaint/ enquiry cannot be resolved within the stipulated time frame set out above, the shareholder shall be notified that the matter is being investigated. Delays may be experienced in some situations, including where documents need to be retrieved from storage.
- h) The same or similar medium that was used for the initial enquiry shall be utilized in providing a response (whether by email, phone, post or fax), unless otherwise notified to or agreed with the shareholder.

5. ELECTRONIC COMPLAINTS REGISTER AND QUARTERLY REPORTING OBLIGATIONS

NCR (Nigeria) Plc shall maintain an electronic complaint register. The electronic complaints register shall include the following information:

- The date that the enquiry or complaint was received.
- Complainant's information (including name, address, telephone number, e-mail address).
- Nature and details of the enquiry or complaint.
- Action taken/ Status.
- Date of the resolution of the complaint.

Information on the details and status of complaints shall be provided to the Securities and Exchange Commission (SEC) and The Nigerian Stock Exchange (NSE) on a quarterly basis.

6. ACCESS TO POLICY

This policy can be accessed by Shareholders through the following avenues:

- This policy shall be available on the Company's website. www.ncr.com.ng
- A copy of the policy may be requested by contacting the Office of the Company Secretary.
- This policy shall be made available at general meetings of the Company.

7. REVIEW OF POLICY

This policy and procedures concerning shareholder enquiries, complaints and feedback may from time to time be reviewed by the Company.

A rectangular stamp with a signature inside. The text "ALSEC NOMINEES LIMITED" is at the top, and "Company Secretaries" is at the bottom.

ALSEC NOMINEES LIMITED
Company Secretary

31 March 2021

NCR (NIGERIA) PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

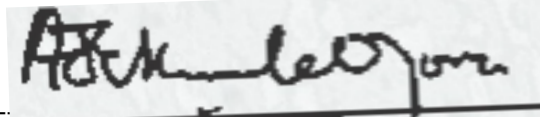
The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, 2020.

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 as at 31 December 2020 and of its loss for the year then ended. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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



Otunba Adekunle Ojora OFR, CON, FNIM, JPMr.
Chairman
FRC/2013/IODN/00000002581



Ms. Christiana Nnawo Yisa
Country Manager/CEO, Executive Director
FRC/2020/003/00000020685

31 March 2021

NCR (NIGERIA) PLC

CERTIFICATE OF COMPLIANCE

FOR THE YEAR ENDED 31 DECEMBER 2020

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2020 that:

- a. We have reviewed the report;
To the best of our knowledge, the report does not contain:
 - Any untrue statement of a material fact, or
 - Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;
- b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.
- c. We:
 - are responsible for establishing and maintaining internal controls.
 - have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- d. We have disclosed to the auditors of the Company and Audit Committee:
 - All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
 - Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

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

Ms. Christiana Nnawo Yisa
Country Manager/CEO, Executive Director
FRC/2020/003/00000020685

Mr. Onyekachi Chukwueke
Chief Financial Officer
FRC/2015/ICAN/00000013361

REPORT OF THE AUDIT COMMITTEE

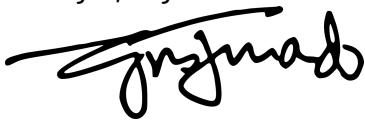
TO MEMBERS OF NCR (NIGERIA) PLC

FOR THE YEAR ENDED 31 DECEMBER 2020

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act, 2020, we the Members of the Audit Committee of NCR (Nigeria) Plc confirm that we have carried out our statutory functions under the Act and have examined the Auditor's Report for the year ended 31 December 2020 and hereby state as follows:

1. The scope and planning of the audit are adequate.
2. The accounting and reporting policies of the Company conform with the statutory requirements and agreed ethical practices.
3. The internal control was being constantly and effectively monitored.
4. We have reviewed the Auditor's findings on management matters and are satisfied with the management responses thereon,

Dated this 31 March 2021
Lagos, Nigeria



Mustapha Jinadu F. loD
Chairman - Audit Committee
FRC/2013/IODN/00000001516

Members of the Audit Committee

Mustapha I. Jinadu - Chairman

Mrs. T. O. Assan - Member

Mr. M.A. Adedoyin - Member

Mr. Matthew Akinlade FCA - Member

Mr. Michael Vallier - Member

Ms. Louise Georgiou - Member

Secretary to the Committee
ALSEC. NOMINEES LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NCR (NIGERIA) PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of NCR (Nigeria) Plc ('the Company') set out pages 32 to 95 which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NCR (Nigeria) Plc as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NCR (NIGERIA) PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

Key Audit Matter	How the matter was addressed in the audit
<p>Remeasurement of non-current Intercompany payable in line with IFRS 9.</p> <p>The company as at reporting date has an unsettled intercompany payable of ₦3.2 billion (\$10.07 million) classified as non-current liability based on agreement between the Company and its related party (NCR Global Solutions).</p> <p>In line with the provisions of IFRS 9, the present value of the future amount payable was computed and the net fair value loss of ₦357.2 million was recognized in the statement of profit or loss and other comprehensive income. See Note 13 to the financial statements.</p> <p>We consider this a key audit matter because non-current intercompany payable represents 44% of the total liabilities reported in the statement of financial position which is considered significant and the involvement of significant judgement, estimation and assumptions involved in projection of future cash flow, discount rate and expected repayment period as this was not defined.</p> <p>See Note 24 to the financial statements for disclosures on the non-current payable.</p>	<p>We performed the following audit procedures:</p> <p>Reviewed the agreement between NCR Global and the Company to ensure that the appropriate amount has been reclassified from current to non-current liabilities.</p> <p>We assessed the reasonableness of fair valuation technique and inputs assessed by comparing the rate used in the valuation with Central Bank of Nigeria average lending and maximum lending rate.</p> <p>Evaluated the discount rate used in the computation by benchmarking against independent data.</p> <p>Reviewed the fair value loss computation and tested the computation of the fair value loss.).</p> <p>Reviewed the classification, presentation and disclosure of the transaction in the financial statements.</p>

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors, Sustainability Statement, Corporate Governance report, Complaints Management Policy, Statement of Director's responsibilities, Report of the Audit Committee, and Other National Disclosures (Value Added Statement and Five-Year Financial Summary) as required by the Companies and Allied Matters Act, 2020, and as required by Securities and Exchange Commission, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NCR (NIGERIA) PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NCR (NIGERIA) PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

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



Omolola Alebiosu, FCA
FRC/2012/ICAN/00000000145
For: Ernst & Young
Lagos, Nigeria

31 March 2021



NCR (NIGERIA) PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 ₦'000	2019 ₦'000
Revenue from contracts with customers	6	5,125,508	6,067,675
Cost of sales	7	(4,833,330)	(5,186,165)
Gross profit		292,178	881,510
Distribution expenses	8	(56,131)	(486,958)
Impairment write-back/ (loss) on receivables	9	181,291	(173,996)
Administrative expenses	10	(115,894)	(305,261)
Other operating income	11	33,228	62,771
Foreign exchange loss	12	(176,259)	(30,580)
Fair value loss on non-current intercompany payable	13	(357,198)	(3,983)
Loss before taxation		(198,785)	(56,497)
Income tax expense	14a	(92,345)	(893,165)
Loss for the year		(291,130)	(949,662)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement loss on retirement benefit; net of tax	27b(ii)	(15,663)	(45,279)
Other comprehensive loss for the year, net of tax		(15,663)	(45,279)
Total comprehensive loss for the year, net of tax		(306,793)	(994,941)
Earnings per share data:			
Basic/ diluted loss per share (Naira)	15	(2.70)	(8.79)

See notes to the financial statements.

NCR (NIGERIA) PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	2020 N'000	2019 N'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	522,492	561,894
Retirement benefit assets	27b(iii)	14,431	22,494
Total non-current assets		536,923	584,388
Current assets			
Inventories	17	686,859	2,076,844
Trade and other receivables	18	1,665,739	1,334,870
Prepayments	20	41,549	51,806
Cash and short-term deposits	21	2,577,699	3,438,805
Other current assets	22	885,253	938,928
Total current assets		5,857,099	7,841,253
Total assets		6,394,022	8,425,641
		=====	=====
Equity and liabilities			
Equity			
Issued share capital	23a	54,000	54,000
Retained earnings		(809,929)	(518,799)
Other reserve	23b	(88,228)	(72,565)
Total equity		(844,157)	(537,364)
Non-current liabilities			
Intercompany payables	24a	3,203,771	2,846,573
Total non-current liabilities		3,203,771	2,846,573
		-----	-----

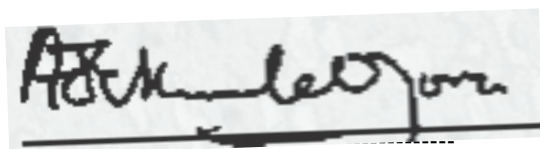
NCR (NIGERIA) PLC

STATEMENT OF FINANCIAL POSITION - Continued

AS AT 31 DECEMBER 2020

	Note	2020 N'000	2019 N'000
Current liabilities			
Trade and other payables	24b	3,321,481	4,492,513
Contract liabilities	25	509,219	1,013,467
Provisions	26	114,411	151,219
Current tax payable	14c	89,297	459,233
		-----	-----
Total current liabilities		4,034,408	6,116,432
		-----	-----
Total liabilities		7,238,179	8,963,005
		-----	-----
Total equity and liabilities		6,394,022	8,425,641
		=====	=====

Approved by the Directors on 31 March 2021 and signed on its behalf by:



Otunba Adekunle Ojora OFR, CON, FNIM, JP
Chairman
FRC/2013/IODN/00000002581



Ms. Christiana Nnawo Yisa
Country Manager/CEO/Executive Director
FRC/2020/003/00000020685



Mr. Onyekachi Chukwueke
Financial Controller
FRC/2015/ICAN/00000013361

See notes to the financial statements.

NCR (NIGERIA) PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Issued share capital N'000	Retained earnings N'000	Other reserves N'000	Total N'000
At 1 January 2020	54,000	(518,799)	(72,565)	(537,364)
Loss for the year	-	(291,130)	-	(291,130)
Other comprehensive loss for the year, net of tax	-	-	(15,663)	(15,663)
	-----	-----	-----	-----
Total comprehensive loss for the year, net of tax	-	(291,130)	(15,663)	(306,793)
	-----	-----	-----	-----
At 31 December 2020	54,000	(809,929)	(88,228)	(844,157)
	=====	=====	=====	=====

	Issued share capital N'000	Retained earnings N'000	Other reserves N'000	Total N'000
At 1 January 2019	54,000	430,863	(27,286)	457,577
Loss for the year	-	(949,662)	-	(949,662)
Other comprehensive loss for the year, net of tax	-	-	(45,279)	(45,279)
	-----	-----	-----	-----
Total comprehensive loss for the year, net of tax	-	(949,662)	(45,279)	(994,941)
	-----	-----	-----	-----
At 31 December 2019	54,000	(518,799)	(72,565)	(537,364)
	=====	=====	=====	=====

See notes to the financial statements.

NCR (NIGERIA) PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 N'000	2019 N'000
Operating activities			
Cash receipts from customers		4,221,164	6,264,094
Payment to suppliers and employees		(5,503,507)	(5,887,715)
VAT paid		-	(158,001)
Income tax paid	14	(38,312)	-
		-----	-----
Net cash flow (utilized in)/ generated from operating activities	28	(1,320,655)	218,378
		-----	-----
Investing activities			
Purchase of property, plant and equipment	16	(22,448)	(33,284)
Rental income received	11	32,026	39,923
Investment income received	11	1,202	21,937
		-----	-----
Net cash used in investing activities		10,780	28,576
		-----	-----
Financing activities			
Repayment of non-current intercompany payable		-	-
		-----	-----
Net cash used in financing activities		-	-
		-----	-----
Net (decrease)/ increase in cash and cash equivalents		(1,309,875)	246,954
Net foreign exchange difference		18,517	1,129
Cash and cash equivalents at 1 January		3,314,554	3,066,471
		-----	-----
Cash and cash equivalents at 31 December	21.1	2,023,196	3,314,554
		=====	=====

See notes to the financial statements.

NCR (NIGERIA) PLC

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

NCR (Nigeria) Plc was incorporated as a Limited Liability Company and commenced business on 9 December 1949 under the name National Cash Register Company (West Africa) Limited and changed its name to NCR (Nigeria) Limited in 1974. The Company was granted a listing on the Nigerian Stock Exchange on 30 May 1979 and became known as NCR (Nigeria) Plc on 16 July 1996.

NCR (Nigeria) Plc is a Company domiciled in Nigeria. The company's principal activity includes provision of technology and services that help businesses connect, interact and transact with their customers. NCR (Nigeria) Plc is a technology company that provides innovative products which include:

- ATM (Automated Teller Machines)
- Retail Point of Sales terminals
- Self Service Kiosks
- Self-check-in/out systems
- Sale of computer consumables

2. Basis of preparation

2a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No 6, 2011.

The financial statements have been prepared on a historical cost basis except for non-current intercompany payable measured at fair value. The financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The financial statements were authorised for issue by the Directors on 31 March 2021.

2b. Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousands (N'000).

2c. Composition of financial statements

The financial statements comprise:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

2d. Financial period

These financial statements cover the financial year from 1 January 2020 to 31 December 2020, with comparative figures for the financial year from 1 January 2019 to 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies

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

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Company. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective, (Refer to Note 5a for more detail).

3a. Revenue from contracts with customers

The company is in the business of providing technology and services that help businesses connect, interact and transact with their customers. It provides innovative products which include, ATM (Automated Teller Machines), Retail Point of Sales terminals, Self Service Kiosks, Self-check-in/out systems and sale of computer consumables. These contracts are divided into three revenue streams namely:

- ▶ Financial Service Group - Revenue is derived from sale of equipment, other hardware devices such as ATMs, installation services and service warranty.
- ▶ World Customer Services- Revenue is derived from provision of hardware and software maintenance services.

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

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

The company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The company has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorised the different revenue stream detailed below.

Sale of equipment and other hardware devices

Revenue from sale of equipment and other hardware devices are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment/devices. The normal credit term is 30 to 90 days upon delivery.

The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of hardware, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies- continued

3a. Revenue from contracts with customers - continued

i. Significant financing component

Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

ii. Warranty obligations

The company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on provisions.

The company provides a one-year warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of hardware.

Contracts for bundled sales of equipment and a service-type warranty comprise two performance obligations because the promises to transfer the equipment and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

iii. Installation and maintenance services

The company provides installation and maintenance services that are either sold separately or bundled together with the sale of equipment to a customer. The installation/maintenance services can be obtained from other providers and do not significantly customise or modify the equipment. Contracts for bundled sales of equipment, installation and maintenance services are comprised of three performance obligations because the promises to transfer equipment and provide installation/maintenance services are capable of being distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The company recognises revenue from installation services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from the sale of the equipment are recognised at a point in time, generally upon delivery of the equipment.

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies- continued

3a. Revenue from contracts with customers - continued

Contract balances**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

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

3b. Cost of sales

Cost of sales includes purchase cost of merchandise and directly attributable overheads.

3c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Country Head/ Chief Executive Officer.

For management purposes, the company is organised into business units based on its products and services. The strategic business unit offer different products and services and are managed separately because they require different marketing strategies.

The entity's operating segments are as follows:

- Financial Service Group
- World Customer Services

The company's Country Head/ Chief Executive Officer monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Business unit performance is evaluated based on revenue and cost of sales. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Revenue N'000	2020 Cost of sales N'000	Gross profit N'000	Margin %	Revenue N'000	2019 Cost of sales N'000	Gross Profit N'000	Margin %
Financial Service Group	3,224,061	3,265,603	(41,542)	-1%	3,909,884	3,886,950	22,934	1%
World Customer Services	1,901,447	1,567,727	333,720	18%	2,157,791	1,299,215	858,576	40%
	<u>5,125,508</u>	<u>4,833,330</u>	<u>292,178</u>	<u>6%</u>	<u>6,067,675</u>	<u>5,186,165</u>	<u>881,510</u>	<u>15%</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

3c. Segment reporting- Continued

There is no disclosure of the (loss)/ profit for the period, depreciation and amortisation, assets and liabilities for each operating segment because management based its performance assessment on the gross margin from each operating segment and assets and liabilities of the Company are not directly related to a segment.

3d. Provisions

General

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value using a commercial rate (pre-tax rate) where the effect is material. Discounts are unwound through profit or loss from the date the provision is made up to the date that the expenditure covered by the provision is incurred.

Warranty obligations

The company provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions relate to these assurance-type warranties are recognized when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

3e. Foreign currencies

The financial statements of NCR (Nigeria) Plc are presented in Naira, which is the Company's functional currency. In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Any resulting exchange differences arising as a result of retranslation of monetary items are disclosed separately in the statement of profit or loss and other comprehensive income.

Non-monetary items measured in terms of historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

3f. Taxation

The tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies - Continued

3f. Taxation - Continued

Current tax - Continued

excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax liabilities are generally recognised for all taxable temporary differences except where the deferred tax liability arises on goodwill that is not tax deductible or 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 accounting profit nor taxable profit or loss.

Deferred tax assets are recognised 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 utilised except when 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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

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

Withholding tax

The Nigerian Government requires an entity paying for services rendered by the Company to withhold or deduct tax from the payment and pay that tax to the Government. This is considered an advance payment of Company income tax by the Company (who rendered the service) and is paid by the customer receiving the service on behalf of the Company. The company is entitled to receive a Tax Credit Note from the customer who received the service as evidence that the withholding tax has been paid. The company can then utilize these Credit Notes to reduce the amount of income tax payable. Without receipt of Credit note from the customer, the Company is unable to benefit from the prepayment of tax in the form of the withholding tax. The company recognizes a withholding tax receivable once the service has been rendered and the withholding tax has been deducted by the customer from payment due to the Company. The company assesses the recoverability of the Tax Credit Notes from the customers relating to the amounts deducted by its customers. The company makes appropriate allowances for estimated irrecoverable amounts when there is objective evidence that the Withholding Tax Credit Notes may not be received. These impairment allowances are recognized in profit or loss under distribution expense.

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies - Continued**3g. Earnings per share**

Earnings per share are calculated by dividing profit or loss for the year by the weighted average number of ordinary shareholding. Diluted earnings per share are calculated by dividing profit or loss for the year by the fully-diluted number of ordinary shares outstanding during the year.

3h. Property, plant and equipment

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

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation is not charged on these assets until the assets are available for their intended use.

Depreciation is charged to profit or loss using the straight-line method so as to write off the cost to their residual values over their estimated useful lives on the following bases:

Class of assets	Estimated useful lives (Years)
Furniture and fittings	5
Building	34
Improvement on building	5-10
Computer equipment	4
Plant, machinery and equipment	5

The Building was constructed on a land outrightly purchased by the company. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expenses on repairs and maintenance for instance day-to-day service cost and ongoing maintenance cost are recognized in profit or loss immediately. Major repairs and overhaul costs are capitalized if it will result in future economic benefits. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

3i. Inventories

Inventories are stated at the lower of cost and net realizable value using the First-In-First-Out (FIFO) method. Net realizable value represents the estimated selling price of inventories less estimated cost to make the sale.

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies - Continued

3j. Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are highly liquid and subject to an insignificant risk of changes in value. The company does not have bank overdrafts. The carrying amount of cash and short-term deposit is approximately equal to their fair value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, less restricted cash as they are considered an integral part of the Company's cash management. The restrictions are in respect of Advance Performance Guarantees provided by some banks for some customers pending the performance of the contractual obligations by the Company and excess amount with Central Bank of Nigeria being the unutilized LC's amount made for the purpose of bidding for foreign exchange to finance LCs for the Company which were yet to be refunded as at reporting date. The cash is restricted for a period of 12 months after year end.

3k. Financial Instruments-initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies - Continued

3k. Financial instruments - continued

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified into:

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- ▶ The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- ▶ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The company's financial assets at amortised cost includes trade receivables, rent receivables, cash and cash equivalents and related party receivables.

Derecognition

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

- ▶ The rights to receive cash flows from the asset have expired or
- ▶ The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset when the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies - Continued

3k. Financial instruments - continued

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 4
- Trade receivables, rent receivables and other financial assets Note 18 and Note 19

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

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

For receivables from related parties (non-trade), rent receivables and short-term deposits, the Company applies general approach in calculating ECLs. It is the Company's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. **Financial Liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Company's financial liabilities include financial liabilities at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies - Continued

3k. Financial instruments - continued

ii. Financial Liabilities - Continued

Subsequent measurement

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

Financial liabilities at amortised cost

Trade payables classified as financial liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method with the exception of non-current payables measured at fair value. Other payables that are within the scope of IFRS 9 are subsequently measured at amortized cost.

Derecognition

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

3l. Employee benefits

Retirement benefits

Defined contribution plan

Employees are members of defined contribution plans. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The company makes provision for retirement benefits in accordance with the Pension Reform Act 2014. The contribution by the employer and employee is 10% and 8% respectively of the employees' basic salary, housing and transport allowances.

Defined benefit scheme

For defined benefit retirement benefit plans, the cost of providing benefits is determined by independent actuaries using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement gains or losses arising from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments are immediately recognised in other comprehensive income.

The defined benefit asset or liability recognised in the statement of financial position represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and in the case of quoted securities, it is the published bid price.

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies - Continued

3m. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

3n. Equity reserves

Other reserves represent re-measurement gain or loss on defined benefit plan.

3o. Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Cash and short-term deposits unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period is presented as current asset. All other assets are classified as non-current.

A liability is current when:

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued

3. Summary of significant accounting policies - Continued

3p. Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4. Significant accounting judgements, estimates and assumptions

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from Contracts with Customers

The company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers

Identifying performance obligations in a bundled sale of equipment, installation and maintenance services

The company provides installation and maintenance services that are either sold separately or bundled together with the sale of equipment to a customer. The installation and maintenance services are a promise to transfer services in the future and are part of the negotiated exchange between the Company and the customer.

The company determined that the equipment, maintenance and installation services are capable of being distinct. The fact that the Company regularly sells both equipment, maintenance and installation on a stand-alone basis indicates that the customer can benefit from each of products on their own. The company also determined that the promises to transfer the equipment and to provide installation and maintenance are distinct within the context of the contract. The equipment, maintenance and installation are not inputs to a combined item in the contract. The company is not providing a significant integration service because the presence of the equipment, maintenance and installation together in this contract do not result in any additional or combined functionality and neither the equipment, maintenance nor the installation modify or customise the other.

In addition, the equipment, maintenance and installation are not highly interdependent or highly interrelated, because the Company would be able to transfer the equipment even if the customer declined installation or maintenance and would be able to provide installation/maintenance in relation to products sold by other distributors. Consequently, the Company allocated a portion of the transaction price to the equipment, maintenance service and the installation services based on relative stand-alone selling prices.

Determining the timing of satisfaction of installation/maintenance services

The company concluded that revenue for installation/maintenance services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Company. The fact that another entity would not need to re-perform the service that the Company has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The company determined that the input method is the best method in measuring progress of the installation/maintenance services because there is a direct relationship between the Company's effort (i.e., labour hours incurred) and the transfer of service to the customer. The Company recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

4. Significant accounting judgements, estimates and assumptions- Continued

Determining the timing of satisfaction of sales of equipment and other hardware devices

The company concluded that revenue for sales of hardware is to be recognised as a point in time; when the customer obtains control of the equipment. The company assess when control is transferred using the indicators below:

- ▶ The company has a present right to payment for the product;
- ▶ The customer has legal title to the product;
- ▶ The company has transferred physical possession of the asset and delivery note received;
- ▶ The customer has the significant risks and rewards of ownership of the product; and
- ▶ The customer has accepted the asset

Classification of Intercompany payable as non-current payable

In determining whether intercompany payable can be classified as non-current payable, the Company made some assumptions and judgements regarding the estimated future cash flow, discount rate and expected repayment period. Based on the modification of repayment period from one year to three years, the intercompany payable due for repayment after 12 months was reclassified to non-current.

Estimates and assumptions

Financial Instruments

Provision for expected credit losses (ECL) of trade receivables

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, and customer type).

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 18 and 29c2.

NOTES TO THE FINANCIAL STATEMENTS - Continued

4. Significant accounting judgements, estimates and assumptions- Continued

Estimates and assumptions - Continued

Impairment losses on other financial assets

The measurement of impairment losses under IFRS 9 requires estimates that are driven by a number of factors, changes in which can result in different levels of allowances. The company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- ▶ The segmentation of financial assets when their ECL is assessed on a collective basis
- ▶ Development of ECL models, including the various formulas and the choice of inputs
- ▶ Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, Gross Domestic Products and inflation rate, and the effect on PDs, EADs and LGDs
- ▶ Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

Defined benefit plans

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future gratuity increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is determined on the Company's reporting date by reference to market yields on high quality Government bonds. The discount rate should reflect the duration of the liabilities of the benefit programme. See Note 27 for details.

Review of the useful lives of tangible assets

The useful life of the Company's building was reviewed on 1 January 2011 (date of transition to IFRS) to 34 years based on the unexpired lease term on the land on which the building is erected and management commitment to occupy throughout the period of the lease. The useful life review is subsequently done at every reporting financial year end. External valuers report was used in determining the value of the Building as at the date of review.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS - Continued

4. Significant accounting judgements, estimates and assumptions- Continued

Estimates and assumptions - Continued

Classification of Intercompany payable as non-current payable

In determining whether intercompany payable can be classified as non-current payable, the Company made some assumptions and judgements regarding the estimated future cash flow, discount rate and expected repayment period. Based on the modification of repayment period from one year to three years, the intercompany payable due for repayment after 12 months was reclassified to non-current.

5a. Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 and beyond, and have not been applied in preparing these financial statements. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are listed below.

1. Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - Effective date: 1 January 2022
2. Amendments to IFRS 3 - Reference to the Conceptual Framework - Effective date: 1 January 2022
3. Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use - Effective date: 1 January 2022
4. Amendments to IAS 37 - Onerous Contracts - Costs of Fulfilling a Contract - Effective date: 1 January 2022
5. AIP IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter - Effective date: 1 January 2022
6. AIP IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities - Effective date: 1 January 2022
7. AIP IAS 41 Agriculture - Taxation in fair value measurements - Effective date: 1 January 2022
8. IFRS 17 Insurance Contracts - Effective date: 1 January 2023
9. Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Effective date: Indefinitely pending the outcome of its research project on the equity method of accounting.

NOTES TO THE FINANCIAL STATEMENTS - Continued

5b. New and amended standards effective during the year

The company applied several amendments and interpretations for the first time in 2020. The nature and effect of the changes as a result of adoption of these new accounting standards are described below:

Standards/ Interpretations	Impact
<p>Covid-19-Related Rent Concessions - Amendment to IFRS 16.</p> <p>This amendment was effective date 1 June 2020.</p>	<p>In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.</p> <p>As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.</p> <p>These amendments have no impact on the financial statements of the Company.</p>
<p>Amendments to IFRS 3 - Definition of a Business.</p> <p>This amendment was effective date 1 January 2020</p>	<p>The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.</p> <p>The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.</p> <p>The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.</p> <p>These amendments have no impact on the financial statements of the Company.</p>

NOTES TO THE FINANCIAL STATEMENTS - Continued

5b. New and amended standards effective during the year - Continued

Standards/ Interpretations	Impact
<p>The Conceptual Framework for Financial Reporting.</p> <p>This amendment was effective date 1 January 2020.</p>	<p>The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.</p> <p>The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards.</p> <p>The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows:</p> <p>Chapter 1 - The objective of financial reporting</p> <p>Chapter 2 - Qualitative characteristics of useful financial information</p> <p>Chapter 3 - Financial statements and the reporting entity</p> <p>Chapter 4 - The elements of financial statements</p> <p>Chapter 5 - Recognition and derecognition</p> <p>Chapter 6 - Measurement</p> <p>Chapter 7 - Presentation and disclosure</p> <p>Chapter 8 - Concepts of capital and capital maintenance</p> <p>The Conceptual Framework is accompanied by a Basis for Conclusions. The Board has also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the</p> <p>Conceptual Framework. In most cases, the standard references are updated to refer to the Conceptual Framework. There are exemptions in developing accounting policies for regulatory account balances for two standards, namely, IFRS 3 and for those applying IAS 8.</p> <p>The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event. This amendment didn't impact the Company.</p>

NOTES TO THE FINANCIAL STATEMENTS - Continued

5b. New and amended standards effective during the year - Continued

Standards/ Interpretations	Impact
<p>Interest Rate Benchmark Reform - Amendments to</p> <p>IFRS 9, IAS 39 and IFRS 7.</p> <p>This amendment was effective date 1 January 2020.</p>	<p>On 27 August 2020, the IASB published Interest rate benchmark reform-phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. This is effective for annual periods beginning 1 January 2021.</p> <p>The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).</p> <p>The amendments include a practical expedient to require contractual changes or changes to cash flows that are directly required by the reform to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on economically equivalent basis with no value transfer having occurred.</p> <p>Any other changes made at the same time, such as a change in the credit spread or maturity date are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument with any modification gain or loss recognised in profit or loss.</p> <p>NCR does not have any financial instruments linked to IBOR at 31 December 2020 and therefore the impact is not expected to be material. Management will continue to assess the impact going-forward.'</p> <p><i>The amendments to IFRS 9</i></p> <p>The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.</p> <p>Application of the reliefs is mandatory. The first three reliefs provide for:</p> <ul style="list-style-type: none"> ▸ The assessment of whether a forecast transaction (or component thereof) is highly probable ▸ Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss ▸ The assessment of the economic relationship between the hedged item and the hedging instrument

NOTES TO THE FINANCIAL STATEMENTS - Continued

5b. New and amended standards effective during the year - Continued

Standards/ Interpretations	Impact
	<p><i>The amendments to IAS 39</i></p> <p>The corresponding amendments are consistent with those for IFRS 9, but with the following differences:</p> <ul style="list-style-type: none"> ▸ For the prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform. ▸ For the retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform. ▸ For a hedge of a benchmark portion (rather than a risk component under IFRS 9) of interest rate risk that is affected by IBOR reform, the requirement that the portion is separately identifiable need be met only at the inception of the hedge. <p>These amendments have no impact on the financial statements of the Company.</p>

NOTES TO THE FINANCIAL STATEMENTS - Continued

Standards/ Interpretations	Impact
<p>Amendments to IAS 1 and IAS 8 - Definition of Material.</p> <p>This amendment was effective date 1 January 2020</p>	<p>In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.</p> <p>The amendments explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information. Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements, or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated.</p> <p>The amendments replaced the threshold 'could influence', which suggests that any potential influence of users must be considered, with 'could reasonably be expected to influence' in the definition of 'material'. In the amended definition, therefore, it is clarified that the materiality assessment will need to take into account only reasonably expected influence on economic decisions of primary users.</p> <p>These amendments have no impact on the financial statements of the Company.</p>

NOTES TO THE FINANCIAL STATEMENTS - Continued

	2020 N'000	2019 N'000
6. Revenue from contracts with customers		
An analysis of the entity's revenue is as follows:		
Financial Service Group	3,224,061	3,909,884
World Customer Services	1,901,447	2,157,791
	-----	-----
	5,125,508	6,067,675
	=====	=====

Disaggregated revenue information

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

For the year ended 31 December 2020			
Type of goods or services	Financial Service Group N'000	World customer Services N'000	Total N'000
Sales of equipment	2,872,842	-	2,872,842
Sales of hardware devices	62,384	-	62,384
Installation services	196,327	-	196,327
Maintenance services	-	1,901,447	1,901,447
Service warranty	92,508	-	92,508
	-----	-----	-----
Total revenue from contracts	3,224,061	1,901,447	5,125,508
	=====	=====	=====

For the year ended 31 December 2019			
Type of goods or services	Financial Service Group N'000	World customer Services N'000	Total N'000
Sales of equipment	3,483,954	-	3,483,954
Sales of hardware devices	75,655	-	75,655
Installation services	238,089	-	238,089
Maintenance services	-	2,157,791	2,157,791
Service warranty	112,186	-	112,186
	-----	-----	-----
Total revenue from contracts	3,909,884	2,157,791	6,067,675
	=====	=====	=====

Performance obligations

Information about the Company's performance obligations are summarised below:

Sale of equipment and hardware device

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 30 to 90 days from delivery.

In some contracts, a one-year warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied over one-year based on time elapsed.

NOTES TO THE FINANCIAL STATEMENTS - Continued

6. Revenue from contracts with customers - Continued

Installation and maintenance services

The performance obligation is satisfied over-time and payment is generally due upon completion of installation/maintenance and acceptance of the customer.

The Company has applied the practical expedient in paragraph 121 of IFRS 15 and did not disclose information about remaining performance obligations that have original expected durations of one year or less.

	2020	2019
Contracts balance		
Trade receivables (Note 18)	977,875	1,001,749
Contract liabilities (Note 25)	509,219	1,013,467

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2020, ₦40,483,003 (2019: ₦220,897,155) was recognized as provision for expected credit losses on trade receivables.

Contract liabilities include advances received from customers in respect of projects.

	2020 ₦'000	2019 ₦'000
7. Cost of sales (as per function)		
Allowance for slow moving inventory (Note 17a)	70,311	231,421
Depreciation (Note 16)	61,850	61,151
Direct cost	3,971,823	4,216,088
Salaries and wages (Note 34)	729,346	677,505
	-----	-----
	4,833,330	5,186,165
	=====	=====

Direct cost represents the cost of purchasing the ATM and other equipment.

	2020 ₦'000	2019 ₦'000
8. Distribution expenses		
Bank charges	1,119	558
Fuel and motor running	2,931	5,599
Legal fees	12,870	56,231
Promotion and advertisement	1,911	2,266
Rent and rates	5,446	4,560
Security	16,716	15,266
Travelling and accommodation	15,138	15,835
Withholding tax provision (Note 18c)	-	198,949
Write-off of unrepresented withholding tax credit notes	-	187,694
	-----	-----
	56,131	486,958
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

	2020 N'000	2019 N'000
9. Impairment (write-back)/ loss on receivables		
Trade receivables (Note 18b)	(180,413)	161,546
Rent receivables (Note 19)	(4,795)	12,189
Short-term deposits (Note 29c.2(iv))	103	80
Intercompany receivables (Note 29c.2(v))	3,814	181
	-----	-----
	(181,291)	173,996
	=====	=====

10. Administrative expenses

Audit fees	10,000	10,000
Insurance	3,344	3,344
Legal fees	37,407	8,288
Miscellaneous and other expenses*	13,825	17,753
Office running expenses	5,025	7,716
Professional fees	5,446	14,551
Repairs and maintenance	5,288	10,115
Retirement benefits (Note 27b(i))	19,366	11,017
Telephone and internet	16,193	21,522
Back duty assessment**	-	200,955
	-----	-----
	115,894	305,261
	=====	=====

*Miscellaneous and other expenses include expenses relating to postages, office supplies and other miscellaneous charges.

**Back duty assessment relates to additional assessment as regards value added tax and withholding tax from the tax audit of year 2008 to 2015 by Federal Inland Revenue Service.

	2020 N'000	2019 N'000
11. Other operating income		
Rental income	32,026	39,923
Investment income	1,202	21,937
Sale of scraps	-	911
	-----	-----
	33,228	62,771
	=====	=====

Rental/investment income represents income earned from sublet of some floors of the Company's building and income from investment in short-term deposits.

	2020 N'000	2019 N'000
12. Foreign exchange loss	176,259	30,580
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

	2020 N'000	2019 N'000
13. Fair value loss on non-current intercompany payable		
Fair value loss on non-current intercompany payable (Note 24b and Note 29e(iv))	357,198 =====	3,983 =====
14. Income tax		
14a. Statement of profit or loss and other comprehensive income:	2020 N'000	2019 N'000
Current income tax:		
Company income tax	86,044	90,738
Education tax	6,301	21,499
Adjustment in respect of previous years under provision	-	350,087
	-----	-----
	92,345	462,324
Deferred tax:		
Relating to origination and reversal of temporary differences	-	430,841
	-----	-----
Income tax expense reported in profit or loss	-	893,165
Relating to item recognized in OCI during the year:		
Net gain on actuarial loss (Note 28b(ii))	-	-
	-----	-----
	92,345 =====	893,165 =====

Corporation tax is calculated at 30 per cent (2019: 30 per cent) of the estimated taxable profit for the year based on the provisions of the Companies Income Tax Act, CAP C21, LFN, 2004 as amended.

Also, the Company is not liable to minimum tax under Section 28A of the Company Income Tax Management Act because more than 25% of its share capital is imported but exposed to minimum tax under the Finance Act.

The charge for education tax of 2 per cent (2019: 2 per cent) is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004.

The adjustment in respect of previous year under provision in 2019 relates to additional assessment as regards company income tax and education tax from the tax audit of year 2008 to 2015 by Federal Inland Revenue Service.

NOTES TO THE FINANCIAL STATEMENTS - Continued

14. Income tax- Continued

14b. Reconciliation of income tax expense for the year to the accounting profit as per profit or loss:

	2020 N'000	2019 N'000
Accounting loss before taxation	(198,785) =====	(56,497) =====
Tax at Nigeria's statutory income tax rate of 30% (2019: 30%)	(59,636)	(16,949)
Non-deductible expenses	217,615	348,158
Non-taxable income	(71,935)	(240,471)
Education tax	6,301	21,499
Adjustment in respect of previous years under provision	-	350,087
Relating to origination and reversal of temporary differences	-	430,841
	-----	-----
Income tax expense reported in profit or loss	92,345 =====	893,165 =====
Effective tax rate	(46%)	(1581%)

14c. Current tax payable

At 1 January	459,233	(3,091)
Charge for the year	92,345	112,237
Payments during the year	(38,312)	-
Utilization of withholding tax credit note	(423,969)	-
Adjustment in respect of previous years under provision (Note 14a)	-	350,087
	-----	-----
At 31 December	89,297 =====	459,233 =====

14d Deferred tax asset

At 1 January	-	430,841
Expected credit loss	-	-
	-----	-----
At 1 January (restated)	-	430,841
Deferred tax related to items recognized in profit or loss	-	(430,841)
Deferred tax related to items recognized in OCI during the year:		
Net gain on actuarial gain (Note 27b(ii))	-	-
	-----	-----
At 31 December	- =====	- =====

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

NOTES TO THE FINANCIAL STATEMENTS - Continued

14. Income tax - continued

The following is the analysis of the deferred tax assets/ (liabilities) after offset presented in the statement of financial position:

	2020 N'000	2019 N'000
Deferred tax liabilities	(147,406)	(430,841)
Deferred tax assets	147,406	430,841
	-----	-----
Net deferred tax asset	-	-
	=====	=====

During the year, the unrecognized deferred tax assets amounts to N282,068,655 (2019: N101,319,521). The deferred tax asset for the Company was not recognised based on prudence. See below the breakdown;

	2020 N'000	2019 N'000
Impairment on withholding tax receivables	316,644	296,854
Impairment on rent receivables	25,624	26,893
Impairment on trade and other receivables	12,955	66,269
Impairment on slow moving stock	60,413	54,883
Provision for gratuity	54,434	41,050
Provision for legal claims	11,261	-
Impairment on fixed deposit	33	35
Impairment on intercompany receivables	1,220	155
Property, plant and equipment	(147,406)	(157,709)
Exchange difference	(53,110)	(227,110)
	-----	-----
Net deferred tax asset	282,068	101,320
	=====	=====

15. Loss per share

Basic loss per share (LPS) is calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted LPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The loss and share data used in the calculation of basic and diluted earnings per share are:

	2020	2019
Loss attributable to ordinary equity holders (N'000)	(291,130)	(949,662)
	=====	=====
Weighted average number of ordinary shares for basic/ diluted EPS ('000)	108,000	108,000
	=====	=====
Basic/ diluted loss per share (Naira)	(2.70)	(8.79)
	=====	=====

Basic and diluted LPS are the same because there is no dilutive instrument as at reporting date.

NOTES TO THE FINANCIAL STATEMENTS - Continued

16. Property, plant and equipment

	Furniture and fittings	Building	Computer equipment	Plant machinery and equipment	Work-in- Progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost:						
At 1 January 2019	34,409	660,080	62,844	218,941	-	976,274
Additions	-	-	13,601	6,325	13,358	33,284
Disposal	(1,779)	-	(889)	-	-	(2,668)
	-----	-----	-----	-----	-----	-----
At 31 December 2019	32,630	660,080	75,556	225,266	13,358	1,006,890
Additions	-	8,888	5,430	7,490	640	22,448
Disposal	-	-	(6,568)	-	-	(6,568)
Transfer	-	13,358	-	-	(13,358)	-
	-----	-----	-----	-----	-----	-----
At 31 December 2020	32,630	682,326	74,418	232,756	640	1,022,770
	=====	=====	=====	=====	=====	=====
Depreciation:						
At January 2019	29,805	169,584	35,316	151,808	-	386,513
Charge for the year	1,231	20,097	14,726	25,097	-	61,151
Write-off	(1,779)	-	(889)	-	-	(2,668)
	-----	-----	-----	-----	-----	-----
At 31 December 2019	29,257	189,681	49,153	176,905	-	444,996
Charge for the year	1,161	21,676	14,395	24,618	-	61,850
Disposal	-	-	(6,568)	-	-	(6,568)
	-----	-----	-----	-----	-----	-----
At 31 December 2020	30,418	211,357	56,980	201,523	-	500,278
	=====	=====	=====	=====	=====	=====
Carrying amount:						
At 31 December 2020	2,212	470,969	17,438	31,233	640	522,492
	=====	=====	=====	=====	=====	=====
At 31 December 2019	3,373	470,399	26,403	48,361	13,358	561,894
	=====	=====	=====	=====	=====	=====

16a. Impairment losses recognised in the year

No impairment loss has been recognized during the year ended 31 December 2020 as none of the property, plant and equipment has suffered impairment (2019: Nil).

16b. Assets pledged as security

The company does not have any asset pledged as security for liabilities as at 31 December 2020 (2019: Nil).

16c. Contractual commitments

There is no other contractual commitment for the purchase of items of property, plant and equipment that has not been accounted for.

NOTES TO THE FINANCIAL STATEMENTS - Continued

	2020 N'000	2019 N'000
17. Inventories		
Finished equipment	52,677	1,401,698
Service parts (reworkable)	759,047	801,648
Service parts (non-reworkable)	63,924	56,442
	-----	-----
	875,648	2,259,788
Allowance for slow moving inventory (Note 17a)	(188,789)	(182,944)
	-----	-----
	686,859	2,076,844
	=====	=====

The value of inventories recognized in profit or loss during the year ended 31 December 2020 amounted to ~~N~~3,056,447 (2019: ~~N~~4,403,781).

	2020 N'000	2019 N'000
17a. Allowance for slow moving inventory for components is as follows:		
Service parts (reworkable)	166,650	149,006
Service parts (non-reworkable)	22,139	26,981
Finished equipment	-	6,957
	-----	-----
	188,789	182,944
	=====	=====
Movement in allowance for slow moving inventory during the year is as below:		
At 1 January	182,944	225,694
Charge for the year	70,311	231,421
Scrapped during the year*	(64,466)	(274,171)
	-----	-----
At 31 December	188,789	182,944
	=====	=====

*Scrapped during the year relates to obsolete inventory items written off.

	2020 N'000	2019 N'000
18. Trade and other receivables		
Trade receivables	1,018,359	1,222,646
Provision for expected credit loss (Note 18b)	(40,484)	(220,897)
	-----	-----
	977,875	1,001,749
Withholding tax receivable (Note 18c)	316,635	237,014
Rent receivable (Note 19)	7,364	12,640
Due from related parties (Note 30c(ii))	363,865	43,761
Value added tax (VAT) recoverable	-	39,706
	-----	-----
	1,665,739	1,334,870
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

18. Trade and other receivables-Continued**18a. Trade receivables**

Trade receivables disclosed above are carried at amortised cost less allowance for impairment losses.

Invoices are due for payment as soon as they are raised except when customers are pre-billed or allowed an extended credit period. No interest is charged on the overdue receivables. The company has recognised a provision for expected credit loss of 100% against all receivables over 360 days because historical experience has been that receivables that are past due beyond 360 days are not likely to be recoverable. When trade receivable, or the oldest portion of an installment or sales receivable, has been due for 450 days (15 months); it is assumed to be uncollectible and the entire receivable is written off.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Credit limits are reviewed periodically by the Financial Controller.

18b. Provision for expected credit losses

Provisions are made for expected credit losses on all receivables in order to reduce the Company's financial exposure to any losses on bad debts. There are no trade receivables which are past due at the reporting date against which an allowance has not been made. Allowance for credit losses are reversed if all amounts are recovered. The impairment recognized represents the difference between the carrying amount of these trade receivables and the amounts that are deemed recoverable by the Company. The company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

See below for movement in allowance for expected credit loss on trade receivables.

	Collectively impaired	
	2020	2019
	₦'000	₦'000
At 1 January	220,897	59,351
Charge for the year (Note 29c2i)	(180,413)	161,546
	-----	-----
At 31 December	40,484	220,897
	=====	=====

Concentration risk

The company's receivables are due from 11 Companies (2019: 15 Companies) operating in the banking sector and 90% (2019: 72%) of the receivables are due from 4 customers (2019: 5 customers). Concentration risk is minimized by ensuring that customers make over 50% deposit of entire project amount before placing order thereby reducing account receivable exposure. Effort is high on penetrating new accounts and dominating the account to neutralize the concentration on few larger customers.

NOTES TO THE FINANCIAL STATEMENTS - Continued

18. Trade and other receivables-Continued

18c. Withholding tax receivable

The utilization of the withholding tax receivable above is subject to the tax exposure during the year.

	2020 N'000	2019 N'000
Withholding tax Credit Notes	1,306,148	1,226,528
Allowance for withholding tax receivables	(989,514)	(989,514)
	-----	-----
	316,634	237,014
	=====	=====
Movement in allowance for withholding tax receivables is as stated below:		
At 1 January	989,514	790,565
Allowance for the year	-	198,949
	-----	-----
At 31 December	989,514	989,514
	=====	=====
19. Rent Receivable	87,439	102,283
Allowance for rent receivable (Note 29c2ii)	(80,075)	(89,643)
	-----	-----
	7,364	12,640
	=====	=====
Movement in allowance for rent receivables is as below:		
At 1 January	89,643	77,454
(Write-back)/ charge for the year (Note 29c2ii)	(9,568)	12,189
	-----	-----
At 31 December	80,075	89,643
	=====	=====
20. Prepayments		
Ground rent prepaid*	-	1,682
Insurance prepaid	39,706	28,343
Other prepaid expenses	1,843	21,781
	-----	-----
	41,549	51,806
	=====	=====

Prepayments represent payments made in advance for ground rent and other expenses such as staff housing allowances, insurance premium, bond, APG fee etc.

*Ground rent specifically refers to regular payments made by the owner of a landed property payable to the government.

NOTES TO THE FINANCIAL STATEMENTS - Continued

	2020 N'000	2019 N'000
21. Cash and short-term deposits		
Cash in hand	181	279
Cash at bank	1,927,116	3,214,138
Restricted cash	554,606	124,371
Short term deposits	95,899	100,137
Impairment on short-term deposit (Note 29c.2 (iv))	(103)	(120)
	-----	-----
Cash and short-term deposits	2,577,699	3,438,805
	=====	=====

The carrying amount of Cash and short-term deposits in the Statement of financial position is approximately equal to their fair value. The company does not have bank overdrafts. At 31 December 2020, the Company had restriction on ₦554.6 million (2019: ₦124.4 million) in its Guarantee Collateral Account. The restrictions are in respect of Advance Performance Guarantees provided by some banks for some customers pending the performance of the contractual obligations by the Company and excess amount with Central Bank of Nigeria being the unutilized LC's amount made for the purpose of bidding for foreign exchange to finance LCs for the Company which were yet to be refunded as at reporting date. The cash is restricted for a period of 12 months after year end.

21.1 Cash and Cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2020 N'000	2019 N'000
Cash in hand	181	279
Cash at bank	1,927,116	3,214,138
Short-term deposits* (Note 29c.2 (iv))	95,899	100,137
	-----	-----
Cash and cash equivalents	2,023,196	3,314,554
	=====	=====

*The short-term deposit relates to investment in fixed deposit with maturity period of 29 days.

	2020 N'000	2019 N'000
22. Other current assets		
Withholding tax Credit Notes received	885,253	938,928
	-----	-----
	885,253	938,928
	=====	=====

Withholding tax credit notes received is an advance payment of income tax which can be used to offset future income tax liability. It has no expiry date. However in 2019, the Withholding tax Credit Notes of N187.693 million was written off as these are no longer available for use.

NOTES TO THE FINANCIAL STATEMENTS - Continued

23. Issued share capital and other reserve

23a. Issued share capital	2020 N'000	2019 N'000
Authorised share capital: 200,000,000 ordinary shares of 50k each	100,000 =====	100,000 =====
Issued and fully paid: 108,000,000 ordinary shares of 50k each	54,000 =====	54,000 =====
23b. Other reserve	(88,228) =====	(72,565) =====

This represents re-measurement gain or loss on defined benefit plan.

24a. Trade and other payables

Trade payables	55,289	168,617
Accruals and other payables	408,254	509,185
Unclaimed dividend	95,964	100,201
Due to related companies (Note 30c(i))	2,761,974	3,714,510
	-----	-----
	3,321,481 =====	4,492,513 =====

Accruals and other payables relate to statutory liabilities such as Value added tax, Withholding tax, Pay As You Earn and accrued expenses.

Terms and Conditions

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. No interest is charged on the trade payables. The company has financial risk management policies in place to ensure that all payables are settled within the pre-agreed credit terms.

The fair value of trade and other payables approximate its carrying amount.

24b. Intercompany payables	2020 N'000	2019 N'000
At 1 January	2,846,573	2,842,590
Fair value loss (Note 13)	357,198	3,983
	-----	-----
At 31 December	3,203,771 =====	2,846,573 =====

In 2018, the parent company agreed to defer payment of the outstanding long term intercompany payable of N2.85 billion (\$10.07 million) beyond 12 months. Hence, the portion was reclassified to non-current liability. The obligation was discounted to present value in line with IFRS 9. In 2020, the parent Company agreed to further defer the outstanding balance of N2.85 billion (\$10.07 million) payable beyond 12 months and a fair value loss of N357.2 million (2019: N3.98 million) was recognized in profit or loss. The liabilities was given at free interest rate, however an effective market interest rate of 23.7% was used in discounting to present value.

NOTES TO THE FINANCIAL STATEMENTS - Continued

	2020 N'000	2019 N'000
25. Contract liabilities		
Deferred income (Note 25a)	160,139	62,561
Deposit by customers (Note 25b)	349,080	950,906
	-----	-----
	509,219	1,013,467
	=====	=====

25a. Deferred income		
At 1 January	62,561	75,070
Recognised as revenue during the year	(288,656)	(313,048)
Additions during the year	386,234	300,539
	-----	-----
At 31 December	160,139	62,561
	=====	=====

In some contracts, a one-year warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied over one-year based on time elapsed.

	2020 N'000	2019 N'000
25b. Deposit by customers	349,080	950,906
	=====	=====

This represents advances received from customers in respect of projects that have not been carried out. This is a non-interest-bearing liability. Deposit by customers are short term advance payment for supply of ATMs in the future. The 2020 opening balance of ₦951 million have been fully recognized as revenue in 2020. The significant decrease of ₦602 million in the current year is attributable to the impact of COVID-19 on the Company during the year.

26. Provisions

31 December 2020	Warranty N'000	Legal claims N'000	Total N'000
At 1 January 2020	151,219	-	151,219
Utilised during the year	(259,689)	-	(259,689)
Additions during the year	187,689	35,192	222,881
	-----	-----	-----
At 31 December 2020	79,219	35,192	114,411
	=====	=====	=====
31 December 2019	Warranty	Legal claims	Total
	N'000	N'000	N'000
At 1 January 2019	116,564	-	116,564
Utilised during the year	(251,807)	-	(251,807)
Additions during the year	286,462	-	286,462
	-----	-----	-----
At 31 December 2019	151,219	-	151,219
	=====	=====	=====

Refers to Note 32 for the details of the legal claims.

NOTES TO THE FINANCIAL STATEMENTS - Continued

27. Retirement benefit plan

27a. Defined contribution plan

The company makes provision for retirement benefits in accordance with the Pension Reform Act of 2014. The contribution by the employer and employee is 10% and 8% respectively of the employees' basic salary, housing and transport allowances. The total expense recognized in profit or loss of N63 million (2019: N53 million) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

27b. Defined benefit plan

The company operates a staff gratuity scheme for all its' confirmed staff. The scheme provides for gratuity benefits at exit of the staff as described below;

Years of service	Benefits
Less than 5 years	Nil
5 years and above	1 month gross salary for each year of service

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2020 by Ganiu Shefiu FRC/2020/NAS/00000017548 of Logic Professional Services, Associate, Society of Actuaries, United States of America.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. Defined benefit plan is not mandated by Nigerian law; it is a voluntary plan for the Company. ARM Pension Fund Administrator is designated for the management of the fund. The Defined Benefit Plan scheme is funded scheme.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Financial assumptions	31 December 2020	31 December 2019
Long term average		
Discount Rate (p.a.)	8%	14%
Average Pay Increase (p.a.)	8%	13%

The company assumes that salaries will increase at a real rate of 12% (2019:12%) per annum above inflation rate.

27b (i) Amount recognised in profit or loss in respect of these defined benefit plans are as follows:

	2020 N'000	2019 N'000
Current service cost	22,516	17,604
Interest on obligation	19,002	15,126
Interest return on plan assets	(22,152)	(21,713)
	-----	-----
	19,366	11,017
	=====	=====

The expense for the year is included in the retirement benefits expense in administration expenses.

NOTES TO THE FINANCIAL STATEMENTS - Continued

27. Retirement benefit plan - Continued

27b(ii) Amount recognised in other comprehensive income:

	2020 N'000	2019 N'000
Actuary loss on liability due to change in financial assumption	(11,865)	(22,508)
Actuarial gain/ (loss) on liability due to experience adjustment	14,796	(171)
Actuarial losses on plan assets during the year	(18,594)	(22,600)
	-----	-----
Total Actuarial (losses)/gain recognized in Other comprehensive income, Net of tax	(15,663)	(45,279)
Deferred tax*	-	-
	-----	-----
Actuary losses recognized in Other comprehensive income,	(15,663)	(45,279)
	=====	=====

*During the year, deferred tax asset of N4.7 million (2019: N13.6 million) on actuarial losses for the year was not recognized due to the fact that the entity made loss in the current and it is not probable that the entity will make profits in the future.

27b(iii) The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	2020 N'000	2019 N'000
Present value of funded defined benefit obligation (Note 27b(iv))	(170,107)	(136,833)
Fair value of plan assets (Note 27b(v))	184,538	159,327
	-----	-----
Net defined benefit asset	14,431	22,494
	=====	=====

The net benefit asset arising from the defined benefit obligation and the plan asset represents present value of economic benefit available in form of reduction in future contribution. Management has assessed if there is asset ceiling by comparing the present value of those future benefits with the surplus in the defined benefit plan. The latter was lower than the former, hence no need for asset ceiling.

27b(iv) Movements in the present value of the defined benefit obligation in the current year were as follows.

	2020 N'000	2019 N'000
At 1 January	136,833	98,373
Current service cost	22,516	17,604
Interest cost	19,002	15,126
Actuarial loss/ (gain) - change in financial assumption	11,865	22,508
Actuarial losses - experience	(14,796)	171
Benefits paid by the fund	-	(16,949)
Benefits payable by employer	(5,313)	-
	-----	-----
At 31 December	170,107	136,833
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

27. Retirement benefit plan - Continued

27b. Defined benefit plan - Continued

27b(v) Movements in the fair value of the plan assets in the current year were as follows.

	2020 ₦'000	2019 ₦'000
At 1 January	159,327	140,870
Interest return on plan assets (Note 27b (i))	22,152	21,713
Actuarial losses on plan assets (Note 27b (ii))	(18,594)	(22,600)
Contributions from the employer	21,653	36,293
Benefits paid by the fund	-	(16,949)
	-----	-----
At 31 December	184,538 =====	159,327 =====

The company expects to make a contribution of ₦22 million to the defined benefit plans during the next financial year. Plan assets represent investment in an unquoted investment fund which has been invested in debt instruments such as Bonds, Treasury bills and Money Market Securities.

27b(vi) Funded status of defined benefit plan

	2020 ₦'000	2019 ₦'000
Present value of defined benefit obligation	(170,107)	(136,833)
Fair value of plan assets	184,538	159,327
	-----	-----
Funded status - surplus	14,431 =====	22,494 =====

The company is entitled to full refund of the surplus.

27b(vii) Reconciliation of Net Plan Asset recognised in the statement of financial position

	2020 ₦'000	2019 ₦'000
At 1 January	22,494	42,497
Benefit expense recognized in profit or loss	(19,366)	(11,017)
Employer contribution made during the year	26,966	36,293
Actuarial losses recognised in OCI	(15,663)	(45,279)
	-----	-----
At 31 December	14,431 =====	22,494 =====

NOTES TO THE FINANCIAL STATEMENTS - Continued

27. Retirement benefit plan - Continued

27b. Defined benefit plan - Continued

27b(viii) Demographic assumptions

Life expectancy

The rates of life expectancy assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK. We have rated this down by one year to more accurately reflect mortality in Nigeria.

Sample age	Number of deaths in year of age out of 10,000 lives	
	2020	2019
25	7	7
30	7	8
35	9	7
40	14	14
45	26	20

Withdrawal from service:		Rate	2020	2019
Age Band				
Less than or equal to 30			3%	3%
31 - 39			2%	2%
40 - 44			2%	2%
45 - 50			0%	0%
51 - 60			0%	0%

		2020	2019
		₦'000	₦'000
Sensitivity Analysis of Accrued liability on Defined Benefit Obligation			
Base		170,107	136,833
Discount rate	+1%	149,187	121,159
	-1%	195,487	155,699
Salary Increase	+1%	196,064	156322
	-1%	148,387	120432
Life Expectancy	+1 Year	170,106	136,896
	-1 Year	170,107	136,777
		2020	2019
		₦'000	₦'000
Expected benefit payment for the future years			
Within the next one year		4,145	2,216
Between 2 to 5 years		28,988	29,147
More than 5 years		2,700,536	9,082,778
		2,733,669	9,114,141

NOTES TO THE FINANCIAL STATEMENTS - Continued

28. Operating activities

	2020 N'000	2019 N'000
Net loss before taxation	(198,785)	(56,497)
Adjustments for:		
Depreciation (Note 16)	61,850	61,151
Fair value loss on non-current intercompany payable (Note 13)	357,198	3,983
Rental income received	(32,026)	(39,923)
Investment income received	(1,202)	(21,937)
Unrealised foreign exchange difference	(18,517)	(1,129)
Allowance for slow moving inventory (Note 17a)	70,311	231,421
Expected credit loss on rent receivables (Note 9)	(4,795)	12,189
Expected credit loss on trade and other receivables (Note 9)	(180,413)	161,546
Expected credit loss provision on short-term deposits (Note 9)	103	80
Expected credit loss provision on intercompany receivables (Note 9)	3,814	181
Write-off of unrepresented withholding tax credit notes (Note 8)	-	187,694
Retirement benefits	19,366	11,017
Employer contribution made during the year	(26,966)	(36,293)
	-----	-----
	49,938	513,483
Change to working capital adjustments		
Decrease/ (increase) in inventories	1,319,674	(724,769)
(Increase)/ decrease in trade and other receivables	(573,563)	531,317
Decrease/ (increase) in prepayments	10,257	(18,628)
Decrease in trade and other payables	(1,171,033)	(212,121)
Decrease/ (increase) in other current assets	53,675	(150,805)
(Decrease)/ increase in restricted cash	(430,235)	870,005
(Decrease)/ increase in provisions	(36,808)	34,655
Decrease in other liabilities	(504,248)	(466,758)
	-----	-----
	(1,282,343)	376,379
VAT paid	-	(158,001)
Income tax paid (Note 14c(i))	(38,312)	-
	-----	-----
Net cash (used in)/ generated from operations	(1,320,655)	218,378
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

29. Financial Instruments

29a. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Company's approach to capital management during the year.

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of its capital structure.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings. The company is not subject to any externally imposed capital requirements.

At the reporting date, the Company's debt to adjusted capital ratios is as below:

	2020 N'000	2019 N'000
Total liabilities	7,238,178	8,963,005
Less: Cash and short-term deposits	(2,577,699)	(3,438,805)
Net debt	4,660,479	5,524,200
Total capital	(844,157)	(537,364)
Total capital and net debt	3,816,322	4,986,836
Debt to adjusted capital	122%	111%

29b. Categories of financial instruments

The company's financial assets and financial liabilities as at the reporting date is tabulated below:

	2020 N'000	2019 N'000
Financial assets		
Trade and other receivables*	1,349,104	1,058,150
Cash and short-term deposits	2,577,699	3,438,805
	3,926,803	4,496,955
Financial liabilities		
Trade and other payables**	6,342,434	7,097,170

* This is trade and other receivables excluding Value added tax and Withholding tax receivables.

** This is trade and other payables excluding Value added tax and Withholding tax payables.

NOTES TO THE FINANCIAL STATEMENTS - Continued

29c. Financial risk management objectives

The company is exposed to market risk, credit risk and liquidity risks. The company's senior management team is responsible for monitoring its exposure to each of the mentioned risks. The risk framework comprises a treasury policy approved by the Board. This policy provides guidance over all treasury and finance-related matters and is underpinned by delegated authority guidelines and detailed procedures. The main objective of the policy are to ensure that sufficient liquidity exists to meet the operational needs of the business and the impact of foreign exchange on the Company's net profit.

29c.1 Market risk

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

Foreign exchange risk management

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. The company's exposure to the risk of changes in foreign exchange rates is high as some of its transactions are carried out mostly in US dollar with other related parties. Foreign exchange exposure is monitored by the Company's treasury unit.

The Naira carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2020 N'000	2019 N'000
Monetary assets (USD)		
Trade receivables	363,866	449,025
Bank balance	49,822	14,690
	-----	-----
	413,688	463,715
	=====	=====
Monetary liabilities (USD)		
Inter-company payables	(5,965,745)	(6,561,083)
	=====	=====

Foreign currency sensitivity analysis

The company undertakes transactions denominated in foreign currencies with related sister companies; consequently, exposures to exchange rate fluctuations arise. The company is mainly exposed to the US Dollars.

The following table details the Company's sensitivity to a 10%, increase and decrease in Naira against US Dollars. 10 percent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates.

NOTES TO THE FINANCIAL STATEMENTS - Continued

29c. Financial risk management objectives - Continued

29c.1 Market risk- Continued

The sensitivity analysis includes only outstanding foreign currency denominated monetary items. A positive number below indicates an increase in profit where Naira strengthens by 10% against the relevant currency, there would be comparable impact on the profit, where naira weakens by 10% and the balances below would be negative.

	2020 ₦'000	2019 ₦'000
Naira strengthens by 10% against the US Dollar	555,206 =====	609,730 =====
Naira weakens by 10% against the US Dollar	(555,206) =====	(609,730) =====

The exposure to dollar is mainly due to Bank balances and outstanding trade receivables and trade payables. The trade receivables and payables are mainly the amounts due from and to related entities to NCR. The impact on equity is the same as profit.

29c.2 Credit risk management

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The company is exposed to credit risk from its operating activities primarily trade receivables and deposits with banks and other financial institution. The company has a credit control function that weekly monitors trade receivables and resolves credit related matters. Weekly collection report is done at the country level to the Financial Controller representing its parent company.

Trade receivable

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. The company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. A sales representative is attached to each customer and outstanding customer receivables are regularly monitored by the representative. The requirement for impairment is analysed at each reporting date on an individual basis for all customers. The company evaluates the concentration of risk with respect to trade receivables as Medium as customers consists of large and reputable financial institutions that are subjected to financial scrutiny by various regulatory bodies. The company's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within treasury limits assigned to each of the counterparty. Counterparty treasury limits are reviewed by the Company's Financial Controller periodically and may be updated throughout the year subject to approval of the Financial Controller. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The company's maximum exposure to credit risk for the components of the statement of financial position is its gross carrying amount.

NOTES TO THE FINANCIAL STATEMENTS - Continued

29c. Financial risk management objectives - Continued

29c.2 Credit risk management - Continued

Impairment losses

Nigeria Mapping Table

Global-scale Long term local Currency rating	National scale long-term rating	National scale short term rating	Agusto rating	Implied S&P rating class	Implied S&P rating categories
BB+ and above	ngAAA	ngA-1	AAA	B	B+
BB	ngAA+	ngA-1	AA	B	B
BB-	ngAA,ngAA-	ngA-1	AA	B	B
B+	ngA+,ngA,ngA-	ngA-1,ngA-2	A	B	B
B	ngBBB+,ngBBB,ngBBB	ngA-2,ngA-3	BBB	B	B-
B-	ngBB+, ngBB	ngB	BB	B	B-
CCC+	ngBB-,ngB+	ngB	B	CCC	CCC+
CCC	ngB,ngB-,ngCCC+	ngC	B	CCC	CCC
CCC	ngCCC,ngCCC-	ngC	CCC	CCC	CCC-
CC	ngCC	ngC	CC	CC	CC
C	ngC	ngC	C	C	C
R	R	R	D	D	D
SD	SD	SD	D	D	D
D	D	D	D	D	D

i. Trade receivables

For trade receivables, the Company applied the simplified approach in computing ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 19. The company does not hold collateral as security.

NOTES TO THE FINANCIAL STATEMENTS - Continued

29c. Financial risk management objectives - Continued

29c.2 Credit risk management - Continued

i. Trade receivables-Continued

Set out below is the information about the credit risk exposure on the Company's trade receivables as at 31 December 2020 using a provision matrix:

31 December 2020	Trade receivables Days past due					Total
	1-30days	31- 60days	61- 90days	91- 365days	>365days	
	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	2.10%	6.76%	8.72%	13.19%	0%	
Estimated total gross carrying amount at default	679,523	238,312	5,114	95,409	-	1,018,359
Expected credit loss	28,117	10,629	212	1,526	-	40,484

31 December 2019	Trade receivables Days past due					Total
	1-30days	31- 60days	61- 90days	91- 365days	>365days	
	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	2.10%	6.76%	8.72%	13.19%	100%	
Estimated total gross carrying amount at default	826,264	206,522	-	326	189,534	1,222,646
Expected credit loss	17,359	13,961	-	43	189,534	220,897

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	2020 N'000	2019 N'000
At 1 January	220,897	59,351
Charge for the year	(180,413)	161,546
	-----	-----
At 31 December	40,484	220,897
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

29c. Financial risk management objectives - Continued

29c.2 Credit risk management - Continued

Loss rate are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stage delinquency to write-off. These rates are multiplied by scalar factors to reflect difference between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

ii. Rent receivables

For rent receivables, the Company applied the general approach in computing ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL).

Set out below is the information about the credit risk exposure on the Company's rent receivables as at 31 December 2020 using a provision matrix:

31 December 2020	Rent receivables Days past due					Total
	1-30days	31-60days	61-90days	91-365days	>365days	
	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	56.35%	84.16%	84.16%	89.83%	100.00%	-
Estimated total gross carrying amount at default	12,071	2,798	961	14,732	56,877	87,439
Expected credit loss	6,802	2,355	808	13,233	56,877	80,075

31 December 2019	Rent receivables Days past due					Total
	1-30days	31-60days	61-90days	91-365days	>365days	
	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	60.82%	62.70%	66.46%	70.99%	98.96%	-
Estimated total gross carrying amount at default	6,276	-	6,663	25,080	64,264	102,283
Expected credit loss	3,817	-	4,427	17,805	63,594	89,643

Set out below is the movement in the allowance for expected credit losses of rent receivables:

	2020 N'000	2019 N'000
At 1 January 2020	89,643	77,454
Charge for the year	(9,568)	12,189
	-----	-----
At 31 December	80,075	89,643
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

29c. Financial risk management objectives - Continued

29c.2 Credit risk management - Continued

iii. Expected credit loss measurement - other financial assets

The company applied the general approach in computing expected credit losses (ECL) for intercompany receivables and short-term deposits. The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

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

The company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 3 Summary of significant accounting policies and in Note 4 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Company's ECL models.

NOTES TO THE FINANCIAL STATEMENTS - Continued

29c. Financial risk management objectives - Continued

29c.2 Credit risk management - Continued

The following tables outline the ECL allowance on other financial assets:

31 December 2020

	Short-term deposit N'000	Intercompany receivables N'000	Total N'000
Upside (11%)	10	441	451
Base (80%)	83	3,058	3,141
Downside (9%)	10	315	325
Total	103	3,814	3,917

31 December 2019

	Short-term deposit N'000	Intercompany receivables N'000	Total N'000
Upside (10%)	12	52	64
Base (80%)	96	415	511
Downside (10%)	12	52	64
Total	120	519	639

iv. Short-term deposits

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2020	95,899			95,899
New asset purchased	-	-	-	-
Asset derecognised or repaid (excluding write offs)	-	-	-	-
	-----	-----	-----	-----
At 31 December 2020	95,899	-	-	95,899
	=====	=====	=====	=====
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2019	100,137			100,137
New asset purchased	-			-
Asset de-recognised or repaid (excluding write-offs)	-	-	-	-
	-----	-----	-----	-----
At 31 December 2019	100,137			100,137
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

29c. Financial risk management objectives - Continued

29c.2 Credit risk management - Continued

iv. Short-term deposits- Continued

An analysis of changes in the ECL allowances is as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Impairment allowance as at 1 January 2020	120	-	-	120
Asset derecognised	(120)	-	-	(120)
Charge for the year	103	-	-	103
	-----	-----	-----	-----
At 31 December 2020	103	-	-	103
	===	===	===	===
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Impairment allowance as at 1 January 2019	40	-	-	40
Charge for the year	80	-	-	80
	-----	-----	-----	-----
At 31 December 2019	120	-	-	120
	===	===	===	===

v. Intercompany receivables

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2020	44,280	-	-	44,280
New asset purchased	367,680	-	-	367,680
Asset derecognised or repaid (excluding write-off)	(44,280)	-	-	(44,280)
	-----	-----	-----	-----
At 31 December	367,680	-	-	367,680
	=====	=====	=====	=====
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2019	45,704	-	-	45,704
New asset purchased	44,280	-	-	44,280
Asset derecognised or repaid (excluding write-off)	(45,704)	-	-	(45,704)
	-----	-----	-----	-----
At 31 December	44,280	-	-	44,280
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

29c. Financial risk management objectives - Continued

29c.2 Credit risk management - Continued

Intercompany receivables - Continued

An analysis of changes in the ECL allowances is as follows:

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Impairment allowance as at 1 January 2020	519	-	-	519
Asset de-recognised	(519)	-	-	(519)
Charge for the year	3,814	-	-	3,814
	-----	-----	-----	-----
At 31 December 2020	3,814	-	-	3,814
	====	====	=====	====

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Impairment allowance as at 1 January 2019	338	-	-	338
Charge for the year	181	-	-	181
	-----	-----	-----	-----
At 31 December 2019	519	-	-	519
	==	====	=====	==

29c.3 Liquidity risk management

Liquidity risk is the risk that the Company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost. The company has access to a sufficient funding that can be rolled over with its related parties.

29d. Maturity analysis of financial liabilities

The company monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. To manage liquidity risk, bills of collection are used for trade purchases and most of the purchases are from related entities who can allow an extended credit period if necessary.

NOTES TO THE FINANCIAL STATEMENTS - Continued

29d. Maturity analysis of financial liabilities - Continued

The maturity profile of the Company's recognised financial liabilities is detailed below:

31 December 2020	0 - 3 months	3 - 6 months	6 months - 1 year	1-5 years	Over 5 years	Total
	N'000	N'000	N'000	N'00	N'00	N'000
Financial liabilities						
Trade payables	55,289	-	-	-	-	55,289
Other payables*	225,436	-	-	-	-	225,436
Unclaimed dividend	95,964	-	-	-	-	95,964
Due to related parties	2,761,974	-	-	4,132,112	-	6,894,086
	-----	-----	-----	-----	-----	-----
	3,138,663	-	-	4,132,112	-	7,270,775
	=====	=====	=====	=====	=====	=====
 31 December 2019	 0 - 3 months	 3 - 6 months	 6 months - 1 year	 1-5 years	 Over 5 years	 Total
	N'000	N'000	N'000	N'000	N'000	N'000
Financial liabilities						
Trade payables	168,617	-	-	-	-	168,617
Other payables*	267,269	-	-	-	-	267,269
Unclaimed dividend	100,201	-	-	-	-	100,201
Due to related parties	3,714,510	-	-	3,671,410	-	7,385,920
	-----	-----	-----	-----	-----	-----
	4,250,597	-	-	3,671,410	-	7,922,007
	=====	=====	=====	=====	=====	=====

* Other payables excludes withholding tax and value added tax payable.

NOTES TO THE FINANCIAL STATEMENTS - Continued

29e. Fair value of financial instruments carried at amortised cost

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values except for non-current intercompany payables.

	2020		2019	
	Carrying Amount N'000	Fair Value N'000	Carrying Amount N'000	Fair Value N'000
Financial assets				
Trade receivables	977,876	977,876	1,001,749	1,001,749
Rent receivables	7,364	7,364	12,640	12,640
Due from related parties	363,866	363,866	43,761	43,761
Cash and short-term deposits	2,577,699	2,577,699	3,438,805	3,438,805
	-----	-----	-----	-----
	3,926,805	3,926,805	4,496,955	4,496,955
	=====	=====	=====	=====
Financial liabilities				
Trade payables	55,289	55,289	168,617	168,617
Due to related parties	5,965,745	5,965,745	6,561,083	6,561,083
Other payables	225,436	225,436	367,470	367,470
	-----	-----	-----	-----
	6,246,470	6,246,470	7,097,170	7,097,170
	=====	=====	=====	=====

* Other payables exclude withholding tax and value added tax payable

i. Fair value hierarchy

As at 31 December 2020		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value	Total N'000	N'000	N'000	N'000
Non-current intercompany payable	3,203,771	-	-	3,203,771

As at 31 December 2019		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value	Total N'000	N'000	N'000	N'000
Non-current intercompany payable	2,846,573	-	-	2,846,573

NOTES TO THE FINANCIAL STATEMENTS - Continued

29e. Fair value of financial instruments carried at amortised cost- Continued

ii. Valuation technique and the inputs

The company utilizes a present value technique to discount future cash flow using a proper market interest rate. The inputs used in the valuation are notional amount, spot FX as at year end (NIFEX), prevailing market interest rate, future cash flow, and a repayment period of 13 months.

The fair value of the financial liabilities has been determined using a market related interest rate and a discounted cash flow valuation technique.

The following table presents the valuation technique and the inputs used.

Classification	Fair Value	Valuation technique	Level 3 inputs	Inputs
Liabilities measured at fair value	2020 N'000			
Non-current intercompany payable	3,203,771	Discounted cash flows	* Market interest rate * Future cash flow * Repayment period * Spot FX as at year end (NIFEX),	*1.98 %(Monthly) *\$10,072,180 *13 months *410.25

iii. Sensitivity analysis

The significant unobservable inputs used in the fair value measurement categorized within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2020 and 2019 are shown below;

Classification	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Financial Liabilities measured at fair value (Non-current intercompany payable)	Discounted cash flows	Discount rate and Spot FX as at year end (NIFEX),	Discount rate 2020 - 77.533% 2019 - 77.533% Spot FX as at year end (NIFEX), 2020: 410.25 2019: 364.51	13% increase (decrease) in the discount rate and Spot rate would result in an increase (decrease) in fair value of Non-current liability by N416,490,255 (2019; N370,054,510).

NOTES TO THE FINANCIAL STATEMENTS - Continued

29e. Fair value of financial instruments carried at amortised cost- Continued

iv. Reconciliation of fair value measurement

	2020 N'000	2019 N'000
Non- current Intercompany payable		
At 1 January	2,846,573	2,842,590
Repayment	-	-
Fair value loss recognized in profit or loss during the year	357,198	3,983
	-----	-----
At 31 December	3,203,771	2,846,573
	=====	=====

30. Related party information

30a. Ultimate controlling party

NCR Corporation USA

NCR Corporation USA holds 61.76% of the Company's equity and it is the ultimate controlling party.

30b. Nature of related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

The company also transacts with fellow subsidiaries in respect of exchange of spare parts and other service functions.

	2020 N'000	2019 N'000
Purchase of goods		
NCR Global solutions - Hardware	2,884,851	3,194,451
Other related entities	231,451	267,582
	-----	-----
	3,116,302	3,462,033
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

30c. Related party outstanding balances

Analysis of the outstanding to/from holding company and fellow subsidiaries at the reporting date are:

	2020	2019
30c(i) Due to related parties	N'000	N'000
NCR Global Solution Enterprise*	5,614,182	5,790,078
NCR Global Solution Limited	-	556,856
NCR GSL	52,753	-
NCR JEBEL ALI	225,700	150,346
NCR Pakistan	25,394	25,466
NCR ESLC BV	3,924	14,954
NCR Middle East	596	10,647
NCR US AREA	28,036	8,548
NCR CYPRUS	4,764	2,913
NCR Corporation	9,271	-
NCR WSPC Peachtree	295	247
Other related companies	830	1,028
	-----	-----
	5,965,745	6,561,083
	=====	=====

*NCR Global Solutions related party outstanding balances was modified during the year and this gave rise to a net fair value loss on non-current intercompany payables of N357.198 million (2019: N3.983 million) recognized in the profit or loss account.

	2020	2019
30c (ii) Due from related parties	N'000	N'000
NCR Ghana	37,913	32,516
NCR Global Solutions	307,687	-
NCR Solutions (ME) LLC	5,781	5,045
NCR United Kingdom	5,242	-
NCR South Africa	2,215	1,968
NCR France	5,160	-
Other related companies	3,681	4,751
	-----	-----
	367,679	44,280
Provision for expected credit loss	(3,814)	(519)
	-----	-----
	363,865	43,761
	=====	=====

Due from related parties arises as a result of support services rendered by the Company for implementation and installation requiring special engineering expertise as well as cost of shipping service parts to meet urgent customer demands by related parties.

Due to related parties arise as a result of purchase of ATM machines from related parties. Related parties transactions are on the same terms as third party payables and receivables.

The above entities are all affiliates of NCR Corporation USA, the entity's parent Company and ultimate controlling party. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. ECL on intercompany receivables has been calculated in line with IFRS 9.

There are no outstanding loans to key management personnel as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - Continued

30d. Identity of key management personnel

The directors (both executive and non-executive) and key management personnel are:

Otunba Adekunle Ojora OFR, CON, FNIM, JP	Chairman
Mr. Michael Vallier (American)	Non-Executive Director
Mr. Matthew Akinlade FCA	Independent Non-Executive Director
Ms. Louise Georgiou (Cypriot)	Non-Executive Director
Ms. Christiana Nnawo Yisa	Country Manager/CEO, Executive Director

The table below shows the number of Directors of the Company (excluding the Chairman) whose emoluments during the year, excluding pension contributions, fell within the bands shown below:

Range (N)	Number	Number
1,000,000 - 2,000,000	1	-
2,000,000 and above	1	2
	-----	-----
	2	2
	=====	=====

31. Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2020 N'000	2019 N'000
The director's emoluments comprise:		
Fees	2,500	2,500
Short-term benefits	53,745	53,745
Post-employment benefit	5,771	5,771
	-----	-----
	62,016	62,016
	=====	=====
Chairman	1,500	1,500
	=====	=====
Highest paid Director	54,731	54,731
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS - Continued

32. Commitments and contingencies

The directors believe all known commitments and liabilities which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of these financial statements.

Legal Proceedings

The company is presently involved in two (2) litigation suits as at 31 December 2020. The claims against the Company from the suits amount to ₦35.2 million as of the reporting date. Provision has been made for these claims in the financial statements.

Advance Payment Guarantee

The company had an Advance Payment Guarantee of ₦554.61 million as at 31 December 2020 from a Bank in favour of a customer for the supply and upgrade of Automated Teller Machines (2019: ₦124.37 million).

33. Events after the reporting date

There are no significant events after the reporting date which could have a material effect on the state of affairs of the Company as at 31 December 2020 that have not been adequately provided for or disclosed in the financial statements. However, the Coronavirus (Covid-19) outbreak caused significant disruption to the society and is still impacting the Company, its employees and customers.

On the business operations, adequate continuity plans have been put in place to address all business needs as much as feasible in line with various government regulations/restrictions and Customers requirement and essential employees for meeting up with the operational needs have been adequately equipped, instructed and provided with relevant protective tools and with the availability of vaccine, we are hopeful of accelerated economic revival.

NOTES TO THE FINANCIAL STATEMENTS - Continued

34. Information relating to employees

- (a) The average number of persons employed full time by the Company during the year, excluding Directors were as follows:

	2020 Numbers	2019 Numbers
Controllership	7	-
Financial Service Group	3	7
Worldwide Customer Services	89	3
Professional Services	17	92
Interactive Printers Solutions	-	17
	-----	-----
	116	119
	===	===

- (b) Salaries and wages

	2020 N'000	2019 N'000
Salaries and wages including staff bonuses	666,180	624,538
Contributions to pension scheme	63,166	52,967
	-----	-----
	729,346	677,505
	=====	=====

- (c) Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

	2020 Numbers	2019 Numbers
N		
420,001 - 900,000	-	-
900,001 - 2,000,000	27	28
2,000,001 - 4,000,000	60	62
4,000,001 - 6,000,000	10	10
6,000,001 - 8,000,000	12	12
Above 8,000,001	7	7
	-----	-----
	116	119
	===	===

35. Going concern

The company made a net loss of N163.6 million (2019: N949.7 million) for the year ended 31 December 2020. The company however has strong working capital position as its current assets exceeds its current liabilities by N1.8 billion (2019: N1.7 billion) as at date. However, its total liabilities exceeded its total assets by N716.6 million (2019: N537.4 million).

NCR Plc has been a profitable business prior to 2019 when it first experienced a loss. The losses were as a result of specific transactions relating to the foreign exchange losses, impairment of deferred tax assets as a result of the loss recorded and back duty assessment as a result of tax audit carried out by the Federal Inland Revenue Services concluded during the year. The entity was operationally profitable apart from those amounts.

35. Going concern - Continued

In 2020, the entity experienced a decline in sales due to COVID -19 Pandemic, which resulted in total lockdown for the first half of the year. This resulted in the delay in receiving ATM machines ordered from overseas to meet customers order, as well as the Banks holding on their investing in long term assets and subsequent impact on sales of ATM machines during the period. The company was unable to close most of sales contracts for which negotiation started at the beginning of the year and most customers that deposited for the acquisition of the machines were yet to complete site preparation activities to enable the Company complete the installation and transfer ownership before the end of the year. This is evidenced by the contract liabilities of N509.220 million recorded in the financial statements.

Considering the current economic challenges facing businesses following the impact of COVID 19, Management's long term plan has shifted from a recapitalization mindset to growth and profitability, the goal is to increase market presence and deliver more products over the next 5 years, generating annual revenues in excess of N8bn with a 20% net profit margin. In order to do this management has taken steps to improve the market perception of NCR Plc By increasing its market presence and engagement with Micro Finance Banks.

The company has newly launched a new brand of software packages (touchless experience, CX banking, Aprta passport etc.) in January 2021 and customers have started key into the new products. The key driver of management strategy is to be profitable by the end of the year in 2021. The company 2021 priority is to complete all the ongoing contracts to earn its revenue and increase its sales of hardware and support services.

Management has prepared forecasts and projections that demonstrate that the Company should be able to make profit in the next twelve months in the ordinary course of business. The entity is expected to be able to generate enough revenue from the sales and serving of its ATMs machines. Management has considered the deposits received to date and the agreements with customers as well as their history in concluding on the forecasts. From the 2021 cashflow forecast analysis, the forecast shows that the Company is able to generate sufficient cashflows from its operating activities to fund its business operations. It also shows that the Company will be able to generate sufficient cashflows from both sales and serving of ATMs machines as a result of the strategies and actions put in place by management which the Directors considered achievable.

The holding Company, NCR Corporation own 61.7% share capital of NCR (Nigeria) Plc has given the Company letter of guarantee, to ensure the Company will be position to meet its financial obligations as they fall due and that the Company will duly performed and comply with all its financial obligations and also to provide the Company with the funding and/or other support needed to make possible for the Company to meet its financial obligations. The holding company guarantee will remain in full force and effect as long as the liabilities (including contingent liabilities) of the Company exceed its assets, fairly valued and will lapse forthwith upon the date that the assets of the Company, so valued exceed its liabilities (including contingent liabilities) and will not be reinstated if, at any time thereafter, the liabilities of the Company again exceed its assets unless there is a further undertaking in writing by NCR Corporation.

Having considered the above, the financial statements of NCR (Nigeria) Plc have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the forecast performance targets will be achieved, and that sufficient resources will be available to finance future operations, and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

NCR (NIGERIA) PLC

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 N'000	%	2019 N'000	%
Revenue	5,125,508		6,067,675	
Bought-in-materials and services - Local	(4,566,325)		(5,448,287)	
	-----		-----	
	559,183		619,388	
Other operating income	33,228		62,771	
	-----		-----	
Value added	592,411		682,159	
	=====		=====	
Applied as follows:				
To pay employees:				
- as salaries, wages and other benefits	729,346	123%	677,505	99%
To pay Government:				
- as Company taxes	92,345	16	462,324	68%
To provide for enhancement of assets and expansion:				
- for assets replacement (depreciation)	61,850	10%	61,151	9%
- deferred tax	-	0	430,841	63%
- (loss)/ profit for the year	(291,130)	(49%)	(949,662)	(139%)
	-----	-----	-----	-----
	592,411	100	682,159	100
	=====	=====	=====	=====

The value added represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, government and that retained for future creation of wealth.

NCR (NIGERIA) PLC

FIVE-YEAR FINANCIAL SUMMARY

	← 2020 N'000	31 2019 N'000	December 2018 N'000	→ 2017 N'000	2016 N'000
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets					
Property, plant and equipment	522,492	561,894	589,761	628,270	623,933
Retirement benefit assets	14,431	22,494	42,497	23,187	43,720
Deferred tax assets	-	-	430,841	463,216	285,861
Trade and other payables (non-current)	(3,203,771)	(2,846,573)	(2,842,590)	(5,788,599)	(4,886,846)
Net current assets	1,822,691	1,724,821	2,237,068	5,117,649	4,260,928
	=====	=====	=====	=====	=====
Net assets	(844,157)	(537,364)	457,577	443,723	327,596
	=====	=====	=====	=====	=====
SHAREHOLDERS FUNDS:					
Issued share capital	54,000	54,000	54,000	54,000	54,000
Retained earnings	(809,929)	(518,799)	430,863	426,806	276,138
Other reserve	(88,228)	(72,565)	(27,286)	(37,083)	(2,542)
	=====	=====	=====	=====	=====
Total equity	(844,157)	(537,364)	457,577	443,723	327,596
	=====	=====	=====	=====	=====
PROFIT OR LOSS:					
Revenue	5,125,508	6,067,675	6,621,647	6,907,926	7,058,196
	=====	=====	=====	=====	=====
(Loss)/ profit before taxation	(198,785)	(56,497)	69,907	620,042	326,938
Income tax expense	(92,345)	(893,165)	(44,000)	(469,374)	(260,448)
	=====	=====	=====	=====	=====
(Loss)/ profit for the year	(291,130)	(949,662)	25,907	150,668	66,490
	=====	=====	=====	=====	=====
Dividend proposed	-	-	-	-	-
PER 50K SHARE DATA: Naira					
Basic (loss)/earnings	(2.70)	(8.79)	0.24	1.40	0.62
Diluted (loss)/ earnings	(2.70)	(8.79)	0.24	1.40	0.62
Dividend	-	-	-	-	-

NOTES

(Loss)/ earnings per share are based on the (loss)/ profit after taxation and the number of issued and fully paid ordinary shares at the end of each financial year.

Dividend per share is based on dividend declared and number of issued and fully paid ordinary shares at the end of each financial year.