3I INFOTECH NIGERIA LIMITED

Annual report and Financial Statements for the year ended
31 March 2023

Contents

Corporate Information

Registered Office	Suite 727A, 7th Floor, Mulliner Towers, 39, Alfred Rewane Road, Ikoyi, Lagos Nigeria	
Company Registration Number	RC 1593396	
Company Secretary	Jackson, Etti & Edu 3-5, Sinari Daranijo Street, Off Ajose Adeogun Victoria Island Lagos Nigeria	
Board of Directors	Sreerupa Sengupta	Director - Resigned 14 July 2022
	Harish Shenoy	Director - Resigned 1 July 2023
	Olusanya Folasade	Director - Appointed 14 July 2022
	Adeshina Taiwo	Director - Appointed 1 July 2023
Banker	Access Bank Nigeria Plc.	
Auditors	EVA Management & Professional Services (T. A. BALOGUN & CO) 108 Ibidun Street Surulere Lagos, Nigeria.	

Directors' report

The directors present their report on the affairs of the Company, together with the financial statements and auditors' report for the year ended 31 March 2023.

Principal Activity
The principal activities of the Company are computer programming, IT consultancy and IT enabled services, Transactions services and related activities.

Result for the year

The following is a summary of the Company's operating results:	2023	2022
	₦'	₦'
Profit/(loss) before tax	134,128,305	(43,418,061)
Profit/(loss) for the period	**134,128,305**	**(43,418,061)**

Directors and their Interests
The directors do not recommend the payment of any dividend in the current period.

Shareholding Structure
The shareholding structure of the Company is as follows:

Shareholders	Number of Ordinary Shares of N1 each	Percentage held (%)
3i Infotech Holdings Private Limited	9,999,999	99.99999%
Harish Shenoy	1	0.00001%
Total	10,000,000	100%

Directors
The directors who served during the period were as follows:

Name	Nationality	
Sreerupa Sengupta	Indian	Resigned 14 July 2022
Harish Shenoy	Indian	Resigned 1 July 2023
Olusanya Folasade	Nigerian	Appointed 14 July 2022
Adeshina Taiwo	Nigerian	Appointed 1 July 2023

Directors' shareholding
No directors held any interests in the issued share capital of the company.

Directors' interest in contracts
In accordance with section 303 of the Companies and Allied Matters Act 2020, none of the directors has notified the Company of any declarable interests in contracts with the Company.

Employment of disabled persons
Employment opportunities are open to qualified disabled persons at all levels. At present, the Company has no disabled persons in its employment.

Auditors
The auditors, EVA Management & Professional Services (T. A. BALOGUN & CO) were reappointed as the auditors of the company, in accordance with Section Section 401(5) of the Companies and Allied Matters Act, 2020.

By Order of the Board

Company Secretary

JACKSON, ETTI & EDU
Company Secretary

_______________________ 2023

Statement of Directors' responsibilities

The Companies and Allied Matters Act, 2020 Section 377(1) 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;

(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 judgements 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 judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act.

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

The directors have made an assessment of the Company's ability to continue as going concern and have no reason to believe that the company will not remain as a going concern in the year ahead. Resulting from the above, the directors have a reasonable expectation that the Company has adequate resources to continue operations for the foreseeable future. Thus, directors continued the adoption of the going concern basis of accounting in preparing the annual financial statements.

Director
Olusanya Folasade

Director
Adeshina Taiwo

11th October **2023**

Opinion

Opinion

Statement of profit or loss and other comprehensive income

	Note	2023 ₦'	2022 ₦'
Revenue	5	-	-
Operating expense	6	(29,849,423)	(19,068,821)
Operating loss		**(29,849,423)**	**(19,068,821)**
Net finance cost	7	-	(86,411)
Other income	5.1	188,529,604	3,713,050
Net (loss)/gain on foreign exchange difference	8	(24,551,877)	(28,626,757)
Other gains/(losses) – net	9	-	650,878
Profit/(loss) before tax		**134,128,305**	**(43,418,061)**
Income tax expense	10	(4,901,113)	-
Profit/(loss) for the year		**129,227,192**	**(43,418,061)**
Other comprehensive income			
Remeasurement gain/(loss) on defined benefit plans		-	-
Total comprehensive income/(loss) for the year		**129,227,192**	**(43,418,061)**
Loss for the year is attributable to:			
Owners of the company		**129,227,192**	**(43,418,061)**
Earning/(loss) per share			
Basic earning /(loss) per share (Kobo)	11	**1,292,272**	**(434,181)**

The accompanying notes and significant accounting policies on pages 10 to 25 are an integral part of these financial statements.

Statement of financial position

	Note	2023 ₦'	2022 ₦'
Assets			
Non-current assets			
Right-of-use assets	18	-	-
Prepayment	16	-	-
		-	-
Current assets			
Prepayment	16	904,375	336,667
Trade and other receivables	12	27,252,750	217,655,055
Cash and cash equivalents	13	141,468,663	134,081,756
		169,625,788	352,073,478
Total assets		**169,625,788**	**352,073,478**
Equity and liabilities			
Equity			
Issued capital	14	10,000,000	10,000,000
Retained earnings		(2,867,987)	(132,095,179)
Total equity		**7,132,013**	**(122,095,179)**
Non-Current liabilities			
Lease liabilities	18	-	-
Current liabilities			
Trade and other payables	15	157,592,662	474,168,656
Income tax payable	10	4,901,113	-
Total current liabilities		**162,493,775**	**474,168,656**
Total liabilities		162,493,775	474,168,656
Total equity and liabilities		**169,625,788**	**352,073,478**

The accompanying notes and significant accounting policies on pages 10 to 25 are an integral part of these financial statements.

The financial statements on page 8 to 23 were approved and authorised for issue by the Board of Directors on 11th of October 2023 and were signed on its behalf by:

Director
Olusanya Folasade

Director
Adeshina Taiwo

Statement of cash flows

	Note	2023 ₦'	2022 ₦'
Operating activities			
Profit/(loss) before tax		134,128,305	(43,418,061)
Loss before tax (Exceptional Items)		-	-
Adjustment to reconcile loss before taxation to net cash			
Depreciation of right of use assets	18	-	3,613,438
Net foreign exchange difference	8	24,551,877	28,626,757
Finance cost	7	-	86,411
Leased asset modification	18	-	(650,878)
Net benefit expense recognized in profit or loss		-	-
		24,551,877	31,675,728
Working capital adjustments:			
Change in trade and other receivables	12	165,850,429	(108,193,402)
Change in trade and other payables	15	(316,575,994)	15,952,116
Change in other financial asset		(567,709)	870,386
		(151,293,274)	(91,370,900)
Income tax paid		-	-
Net cash flows generated from operating activities		**7,386,907**	**(103,113,233)**
Investing activities			
Purchase of property, plant and equipment	18	-	-
Net cash flow used in financing activities		**-**	**-**
Financing activities			
Interest paid	7	-	(86,411)
Proceed from issue of shares and share premium	14	-	-
Net cash flow generated in financing activities		**-**	**(86,411)**
Net increase in cash and cash equivalents		7,386,907	(103,199,644)
Cash and cash equivalents at the beginning		134,081,756	237,281,399
Cash and cash equivalents at period ended 31 March	13	**141,468,663**	**134,081,756**

The accompanying notes and significant accounting policies on pages 10 to 25 are an integral part of these financial statements.

Statement of changes in equity

	Share capital	Retained earnings	Total equity
	₦'	₦'	₦'
At 1 April 2021	10,000,000	(88,677,118)	(78,677,118)
Loss for the period	-	(43,418,061)	(43,418,061)
Other comprehensive income	-		-
Total comprehensive loss for the period	10,000,000	(132,095,179)	(122,095,179)
Issue of share capital	-	-	-
At 31 March 2022	**10,000,000**	**(132,095,179)**	**(122,095,179)**
At 1 April 2022	10,000,000	(132,095,179)	(122,095,179)
Profit for the period	-	129,227,192	129,227,192
Other comprehensive loss	-		-
Total comprehensive income for the period	10,000,000	(2,867,987)	7,132,013
Issue of share capital		-	-
At 31 March 2023	**10,000,000**	**(2,867,987)**	**7,132,013**

The accompanying notes and significant accounting policies on pages 10 to 25 are an integral part of these financial statements.

Notes to the financial statements

1 Corporate information

The Company (3i Infotech Nigeria Limited) was incorporated in Nigeria on 19th june, 2019. The primary line of the business includes computer programming, IT consultancy and IT enabled services, Transaction services and related activities. The Company is domiciled in Nigeria. The registered office of the company is situated at Suite 727A, 7th Floor, Mulliner Towers, 39, Alfred Rewane Road, Ikoyi, Lagos, Nigeria.

2 Significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis. These financial statements are presented in Naira, being the functional currency and all values are not rounded to the nearest thousand (N'000), except when otherwise indicated. The financial statements have been prepared under the going concern assumption.

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as 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 or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in 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.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

(a) Foreign currency translation

i. Functional and presentation currency

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

ii. Transactions and balances

Transactions in foreign currencies other than the functional currency are initially recorded using the respective functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the presentation currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or transaction of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e. the translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(b) Revenue from contracts with customers

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(c) Taxes

The Company's taxes includes current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are determined in accordance with the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the value added is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

(d) 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.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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.

The Company's financial assets include cash and cash equivalents and trade and other receivables.

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(d) Financial instruments – initial recognition and subsequent measurement (continued)

Loans and receivables

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables.

Financial assets carried at amortised cost

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

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(e) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

(g) Pension and other post- employment benefits Defined Contribution Plans

In line with the provisions of the Pension Reform Act 2014, the Company instituted a contributory pension scheme for all its employees. The Company and its employees contribute 10% and 8% respectively of employees' annual insurable earnings (basic pay, transport and housing) to the scheme. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to the profit and loss account as staff cost.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with Bank, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purpose of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts (if any).

(i) Fair value measurement

The Company does not measure any assets or liabilities at fair value at each reporting date. However, fair values of financial instruments measured at amortised cost are disclosed.

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

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

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

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(j) Leases

(i) Finance Lease

Assets taken on lease by the Company in its capacity as a lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

(ii) Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Significant 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:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Property, plant and equipment

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

Depreciation methods, estimated useful lives and residual value

Category of Assets	*Useful lives*
Computers	*3 years*
Leasehold Improvements	*10 years*
Office Equipment	*5 years*
Furniture and Fixtures	*10 years*
Vehicles	*8 years*

Notes to the financial statements (continued)

3 Significant accounting judgments, estimates and assumptions (continued)

Property, plant and equipment (continued)

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Deferred tax assets

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

Deferred tax assets from unused tax losses and deductible temporary differences were not recognised as at 31 March 2023 as it is not probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. However, based on assessment by the management, this has not impaired the ability of the entity to continue as a going concern.

4 New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4.1.1 Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any other business arrangement that could give rise to a onerous contract.

4.1.2 Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Notes to the financial statements (continued)

4 New and amended standards and interpretations (continued)

4.1.3 Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

4.1.4 IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the financial statements of the Company as it is not a first time adopter.

4.1.5 IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

4.1.6 IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

4.2 Standards issued but not yet effective

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

4.2.1 IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

Notes to the financial statements (continued)

4 New and amended standards and interpretations (continued)

4.2.1 IFRS 17 Insurance Contracts (continued)

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

4.2.2 Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for
classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

4.2.3 Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

4.2.4 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

4.2.5 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Notes to the financial statements (continued)

		2023	2022
5	**Revenue**	**₦'**	**₦'**
	Revenue from support services	-	-

3i Infotech Nigeria Limited was mainly in product business, which got sold in March 2021 to Azentio Software Pvt Limited. After sale of product business, there is no business left in said the Company and due to this, no operational revenue during the current year (2022: Nil).

5.1	**Other income**		
	Intercompany payable written off *	188,529,604	3,410,700
	Insurance - others	-	302,350
		188,529,604	**3,713,050**

* As a result of the sales of business mentioned in Note 5 above, the Group reached a decision to write off the intercompany payable to Azentio Software Pvt Limited. This is the reason for the significant movement in the other income.

6	**Operating expenses**		
	Salaries, wages and bonus *	-	-
	Travel expense	-	-
	Legal and professional fees	11,729,959	13,405,566
	Audit fee	600,000	600,000
	Other expense	-	-
	Motor vehicles	-	578,500
	Rent	291,667	(1,728,126)
	Rates and Taxes	-	3,010,200
	Telephone & communication	-	67,533
	Commission and Brokerage	216,667	325,000
	Bank Charges	39,668	610,964
	Depreciation - ROU	-	2,199,184
	Other tax expense	16,971,463	-
		29,849,423	**19,068,821**

***** After sale of product business as explained in Note 5 above, employees of 3i Infotech Nigeria Limited also got moved on Azention Software Pvt Limited payroll. In absence of operational business activities being a dormant entity, the Company's future plan is to wind up its business from Nigeria.

7	**Net finance cost**		
	Interest Expense - Lease Liabilities	-	86,411
8	**Net (gain)/loss on foreign exchange difference**		
	Exchange loss	24,560,800	28,641,681
	Exchange gain	(8,924)	(14,924)
		24,551,877	**28,626,757**
9	**Other gains/(losses) – net**		
	Gain on remodification of leased assets	-	650,878
	Gain/(Loss) after tax from transferred divisions	**-**	**650,878**

Notes to the financial statements (continued)

	2023	2022
10 Income tax	**₦'**	**₦'**
Current income tax charge	-	-
Tertiary education tax	3,217,804	-
IT Levy	1,341,283	
Police Levy	6,706	
NASENI Levy	335,320	-
		-
At 31 March 2022	**4,901,113**	**-**
Movement in current tax liability		
Charge for the period ended	**4,901,113**	-
Reconciliation of effective tax rate		
Accounting profit before tax	134,128,305	(43,418,061)
At Nigeria's statutory income tax rate of 30%	40,238,491	(13,025,418)
Tertiary education tax	(3,217,804)	
IT Levy	(1,341,283)	13,025,418
Disallowable Expenses	7,372,717	-
Impact of carried forward loss	(39,438,130)	-
Income tax expense reported in the profit or loss	**3,613,992**	**-**
Opening balance	-	-
Tax (expense)/income during the period recognised in profit or loss	3,613,992	-
Closing balance as at 31 March 2022	**3,613,992**	**-**

11 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing profit or loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.
The following reflects the income and share data used in the basic EPS computation:

(Loss)/profit attributable to ordinary equity holders of the Company for basic earnings	129,227,192	(43,418,061)
Weighted average number of ordinary shares for basic EPS	10,000	10,000
Basic EPS (Kobo)	1,292,272	(434,181)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

12 Trade and other receivables

Other receivables - Related Parties *	-	154,914,238
Advance payment	696,042	36,966,260
Staff loans and advances	-	-
VAT receivable	5,139,760	4,255,501
WHT receivable	21,416,948	21,519,057
	27,252,750	**217,655,055**

* Other receivables - related party relate to payments yet to be received on behalf of 3i Infotech (Middle East) FZ LLC from their Nigeria projects.

13 Cash and cash equivalents

Cash at bank	141,468,663	134,081,756

Notes to the financial statements (continued)

		2023	2022
14	**Issued capital and reserves**	**₦'**	**₦'**
	Ordinary shares issued and fully paid		
	Issued share capital	9,563,520	10,000,000
15	**Trade and other payables**		
	Amount due to related parties *	128,431,741	436,412,009
	Accruals	8,591,392	18,223,882
	Other payables	1,044,655	90
	VAT Payable	19,524,874	19,532,676
		157,592,662	**474,168,656**

* Amount due to related parties relate to payments received from customers on behalf of 3i Infotech (Middle East) FZ LLC yet transferred out.

16	**Prepayment**		
	Prepayment - Non current	904,375	336,667
	Prepayment - Current	-	-
		904,375	**336,667**

17 Commitments and contingencies

Operating lease commitments – Company as lessee

The Company has no commitments as at 31 March 2022

Contingent liabilities

There are no litigations and claims against the Company as at 31 March 2022

18 Leases

The Company has lease contracts for office buildings. Leases of office and residential buildings generally have lease terms between 1 and 2 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options, which are further discussed below.

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

	Office building	Total
COST	**₦'**	**₦'**
As at 1 April 2021	7,631,866	7,631,866
Gain on remodification of asset	650,878	650,878
Additions	-	-
As at 31 March 2022	**8,282,744**	**8,282,744**
Additions	-	-
Gain on remodification of asset	-	-
As at 31 March 2023	**8,282,744**	**8,282,744**
DEPRECIATION		
As at 1 April 2021	4,669,306	4,669,306
Charge for the year	3,613,438	3,613,438
As at 31 March 2022	**8,282,744**	**8,282,744**
Charge for the year	-	-
As at 31 March 2023	**8,282,744**	**8,282,744**
NET BOOK VALUE		
As at 31 March 2022	**-**	**-**
As at 31 March 2023	**-**	**-**

Set out below are the carrying amounts of lease liabilities recognised and the movements during the period:

Notes to the financial statements (continued)

18 Leases (continued)

	Office building ₦'	Total ₦'
As at 1 April 2022	-	-
Accretion of interest		-
Payments	-	-
Addition		-
As at 31 March 2023	**-**	**-**
As at 1 April 2021	3,055,969	3,055,969
Accretion of interest	-	-
Payments	(3,055,969)	(3,055,969)
Addition	-	-
As at 31 March 2022	**-**	**-**

19 Related party transactions

Directors' remuneration

The directors did not receive any fees or emoluments from the Company for their services.

20 Financial Risk Management objectives and policies

The Company's principal financial liabilities comprise trade and other payables . The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company.

The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and risk objectives.

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 comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company is only exposed to currency risk. It is not exposed to interest rate risk and other price risk. Financial instruments affected by currency risk include cash and bank balances, trade and other receivables and trade and other payables.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company manages its credit risk by ensuring that it is exposed only to customers and financial institutions with good credit quality which is assessed based on an extensive credit rating scorecard.

The company's maximum exposure to credit risk exposure at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position as follows:

Notes to the financial statements (continued)

20 Financial Risk Management objectives and policies (continued)

Credit risk (continued)	2023	2022
	₦'	₦'
Trade and other receivables	27,252,750	217,655,055
Cash and cash equivalents	141,468,663	134,081,756

All credit risk exposure are maintained within Nigeria.

Trade receivables

The trade receivables as at 31 March 2023 are neither past due nor impaired.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The maximum exposure to credit risk for the components of the statement of financial position as at 31 March 2023 is the carrying amounts as disclosed in Note 12.

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

	Less than 1 year	Total
Year ended 31 March 2023	₦'	₦'
Trade and other payables	157,592,662	157,592,662
Period ended 31 March 2022	₦'	₦'
Trade and other payables	474,168,656	474,168,656

Foreign currency risk

Foreign currency 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's presentation currency).

The company manages its foreign currency risk by limiting it exposure to this risk. All the entity's transactions in this financial year were transacted in naira.

21 Capital management

For the purpose of the Company's capital management, capital includes issued capital, and other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares .

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade and other payables, less cash and cash equivalents.

Notes to the financial statements (continued)

21 Capital management (continued)

	2023	2022
	₦'	₦'
Trade and other payables (Note 15)	157,592,662	474,168,656
Less: cash and bank balances (Note 13)	(141,468,663)	(134,081,756)
Net debt	**16,124,000**	**340,086,901**
Equity	7,132,013	(122,095,179)
Capital and net debt	**23,256,013**	**217,991,722**
Gearing ratio (%)	69%	156%

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2023

22 Going concern

The directors indicated that they have no reason to believe the Company will not remain a going concern in the years ahead and that it is appropriate for the financial statements to be prepared on the basis of accounting policies applicable to a going concern.

23 Fair value measurement

The Company has not disclosed quantitative information of fair value measurement hierarchy for assets and liabilities as at 31 March 2022 since none of the assets and liabilities were measured at fair value as at the reporting period.

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

24 Events after the reporting period

There are no significant events after the reporting period, which could have had a material effect on the state of affairs of the Company as at 31 March 2023 that have not been adequately provided for or disclosed in the financial statements.

Other financial information

Statement of value added

	2023 ₦'	%	2022 ₦'	%
Revenue	-		-	
Brought in materials and services (local)	129,227,192		(43,418,061)	
Value consumed	129,227,192	100%	(43,418,061)	100%
Distribution of value added:				
To Government as:				
Taxes and duties				
- Government as taxes	-		-	
To Employees:				
- Employees as wages and salaries	-	0%	-	0%
To augment reserves / For future growth.	129,227,192	100%	(43,418,061)	100%
Value added/eroded	129,227,192	100%	(43,418,061)	100%

Financial summary

Statement of comprehensive income	**2023**	**2022**	**Six months ended 31 March 2021**
	₦'	**₦'**	**₦'**
Revenue	-	-	6,451,323
Results from operating activities	(29,849,423)	(19,068,821)	(6,279,928)
Loss for the year	134,128,305	(43,418,061)	(100,967,573)
Ratios			
Per 100k share data:			
Basic loss per share	1,292,272	(434,181)	(1,009,676)
Net liability per share	713	(12,210)	(7,868)

Statement of financial position	**2023**	**2022**	**Six months ended 31 March 2021**
	₦'	**₦'**	**₦'**
Employment of Funds			
Share Capital	10,000,000	10,000,000	10,000,000
Retained earnings	(2,867,987)	(132,095,179)	(88,677,118)
Shareholder's Fund	7,132,013	(122,095,179)	(78,677,118)
Current Liabilities	162,493,775	474,168,656	458,216,540
Non Current Liabilities	-	-	3,055,969
	169,625,788	**352,073,478**	**382,595,391**
Asset Employed			
Non Current assets	-	-	3,179,228
Current assets	169,625,788	352,073,478	379,416,164
	169,625,788	**352,073,478**	**382,595,391**