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PACKAGING RC 4414
STUDIO PRESS NIGERIA PLC.

2019 Annual Report & Accounts

STUDIO PRESS NIGERIA PLC

RC: 4414

ANNUAL REPORTS & ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

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GENERAL INFORMATION

BOARD OF DIRECTORS

Mr. M. Ayo Oni	<i>Chairman</i>
Mr. Roger R. Sherlow (British)	<i>Managing Director</i>
Mr. Sudip Maitra (Indian)	<i>Executive Director</i>
Mr. Kolawole Ogunsanya	<i>Independent Director</i>
Rommac Agencies Ltd (Represented by Mr. M. Ayo Oni)	
Mr. Davac Onifade	<i>Non-Executive Director</i>
Mr. Bamidele Bello	<i>Executive Director</i> <i>(Appointed WEF 18/8/20)</i>

SECRETARY

Cautious Services Limited
Cautious House
No. 4 'G' Close 23 Road
Festac Town, Lagos

REGISTERED OFFICE

Plot B, Israel Adebajo Close
P.O.Box 102,
Ikeja, Lagos
Tel: 01-7930001-9
E-mail: mail@studio-press.net

REGISTERED NUMBER:

RC. 4414

FRC Number

FRC/2013/000000000675

SOLICITORS

Ololade & Co.
Suit 4B, Plot 2 Block 128B,
Remi Olowude Way, Lekki Phase 1,
Lagos.

Sobo Sowemimo & Co.
389, Borno Way, Alagomeji,
Yaba, Lagos.

SPA Ajibade & Co.
Suite 201, SPAACO House,
27A, Macarthy Street,
Onikan, Lagos.

REGISTRAR

Greenwich Registrars and Data Solutions Limited
274, Murtala Muhammed Way,
Yaba, Lagos.

AUDITORS

Bakertilly
(Chartered Accountants)
376, Ikorodu Road,
Maryland,
Lagos, Nigeria.

BANKERS

Citibank Nigeria Limited
Zenith Bank Plc
Ecobank Nigeria Plc
First City Monument Bank Plc
Access Bank Plc
Fidelity Bank Plc

FINANCIAL HIGHLIGHTS

	<u>2019</u>	<u>2018</u>	<u>Change</u>
	N'000	N'000	(%)
Net Asset:			
Non-current assets	4,234,045	4,936,209	-14.2
Net current assets	1,157,582	355,326	225.8
Non-current liabilities	(2,569,478)	(2,754,742)	-6.7
	-----	-----	-----
	2,822,149	2,536,793	11.2
	=====	=====	=====
Shareholders' fund:			
Issued share capital	297,443	297,443	-
Share premium	486,776	486,776	-
Retained earnings	2,037,930	1,752,574	16.3
	-----	-----	-----
	2,822,149	2,536,793	11.2
	=====	=====	=====
Summary:			
Revenue	10,383,625	9,735,749	6.7
	=====	=====	
Profit before tax	402,978	632,993	-36.3
Tax expense	(117,622)	(363,545)	-67.6
	-----	-----	-----
Profit after tax	285,356	269,448	5.9
	=====	=====	=====
Earnings per share (N)	0.48	0.45	6.6
Share Price (N)	1.99	1.99	-

COMPANY PROFILE

We are one of Nigeria's oldest leading enterprises and also a major innovator, manufacturer and supplier of packaging materials. Incorporated in the 1960's, the Company has grown from a small print shop to occupying two ultra-modern factory premises of 65,000 sq. meters and 28,000 sq. meters situated in the heart of the prime Industrial Estate at Ikeja, Lagos.

After fifty years of service to the nation, we understand not only the Nigerian market but also the West African market and its requirements. We work in collaboration with overseas manufacturers and suppliers in the design specification of machines and raw materials that will best suit the packaging need of our customers. The Company's reputation for commitment to quality is founded upon the expertise of our highly skilled workforce led by a sound, aggressive and experienced Management team. Our workforce plays a vital part in the work ethic and the continued success of the Company. We care passionately for our workforce and have invested in regular training at all levels, including training on new product ranges, emerging technologies, market trends and improved manufacturing techniques.

The need to supply specialized packaging products at consistently high quality levels has led the Company to make significant investments in the latest cutting-edge technology. This has been achieved by installing new machineries and retrofitting and upgrading existing machineries. Today we are in various segments of packaging business and have made substantial investments in technology and new plant and machineries including factory infrastructure upgradation of around US \$ 50 million since the year 2007.

We are in four segments of packaging materials viz: paper labels, flexible labels and packaging, mono- carton packaging and corrugated packaging. We are the only Company in Nigeria offering such diversified packaging products and therefore, has become a "one stop packaging solution Company" to our customers. We have already established ourselves as a market leader in the packaging and printing industry and we are the "preferred supplier" to key customers in the Breweries, Soft Drink and Fast Moving Consumer Goods amongst other relevant industries.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 39th Annual General Meeting of Studio Press Nigeria PLC will be held at the Radisson Blu Hotel at No. 38-40, Isaac John Street, Ikeja, GRA, Lagos on Thursday, 24th September, 2020 at 11.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To lay before the meeting the Audited Financial Statements for the year ended 31st December, 2019 and the reports of the Directors, Auditors and the Audit Committee thereon.
2. (a) To elect/re-elect Directors.
(b) Special Notice: Pursuant to Section 256 of the Companies and Allied Matters Act CAP C20, LFN 2004, to propose the following as Ordinary Resolution:

“That Mr. Kolawole Ogunsanya who is retiring at this Annual General Meeting, be and is hereby re-elected a director of the Company, notwithstanding that he has already attained the age of seventy years”.

3. To authorize the directors to fix the remuneration of the Auditors.
4. To elect members of the Audit Committee.

SPECIAL BUSINESS:

5. To fix the remuneration of the Directors.
6. To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:

“That, pursuant to the Nigerian Stock Exchange Rules Governing Transaction with Related Parties or Interested Persons, a general mandate be and is hereby given authorizing the Company during the 2020 financial year, to procure goods and services necessary for its day to day operations from its related parties or interested persons on normal commercial terms consistent with the Company's Transfer Pricing Policy”.

BY ORDER OF THE BOARD


CAUTIOUS SERVICES LIMITED
COMPANY SECRETARIES

Date: 28th July, 2020

Plot B, Israel Adebajo Close,
Industrial Estate,
Ikeja, Lagos.

1) COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES

The Federal Government of Nigeria, State Governments, Health Authorities, and Regulatory Agencies have each issued a number of directive and guidelines aimed at curbing the spread of Covid-19 in Nigeria. Particularly, the Lagos State Government prohibited the gathering of more than 50 people whilst the Corporate Affairs Commission issued Guidelines on holding of Annual General Meetings by proxy. The convening and conduct of this Annual General Meeting shall be done in compliance with these directive and Guidelines.

2) PROXY:

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in its, his or her stead. A proxy need not be a member of the Company. A proxy form is supplied with this Notice.

For a completed proxy form to be valid for the purpose of this meeting, it must be duly stamped by the Commissioner of Stamp Duties and deposited at the office of the Company Registrars, Greenwich Registrars And Data Solutions Limited, 274, Murtala Mohamed Way, Yaba, Lagos or via email to amutuah@gtlregistrars.com or maadeleye@gtlregistrars.com, not later than 48 (forty-eight) hours before the time of holding the meeting.

3) STAMPING OF PROXY

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

4) ATTENDANCE BY PROXY

In line with the CAC Guideline, attendance at the AGM shall be by proxy only, subject to the quorum provisions in the Company's Articles of Association, and the names of the proxies have been provided in the Proxy Form. Shareholders are required to appoint a proxy of their choice from their list of nominated proxies below:

- i) Mr. M. Ayo Oni (Chairman)
- ii) Chief Matthew Akinlade
- iii) Mr. Opara Clement Anele Chuk
- iv) Mr. Oluwaseun Babajide Olukoya

5) CLOSURE OF REGISTER OF MEMBERS AND TRANSFER BOOKS:

NOTICE IS HEREBY GIVEN that the Register of Members and Transfer Books of the Company will be closed from Monday, 14th September, 2020 to Friday, 18th September, 2020, both days inclusive for the purpose of updating the Register of Members.

6) UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Over the years the Company has not declared a dividend and there is no dividend proposed for declaration at this meeting, thus no Dividend Warrants and Share Certificates have been reported by the Registrars as unclaimed.

7) NOMINATIONS FOR THE STATUTORY AUDIT COMMITTEE:

The Statutory Audit Committee comprises of 2 (two) shareholders and 2 (two) Directors. In accordance with section 359(5) of the Companies and Allied Matters Act, CAP C20 LFN 2004, any shareholder may nominate another shareholder for election as a member of the Statutory Audit Committee by giving notice in writing of such nomination, attaching the curriculum vitae of the nominee to the Company Secretaries at least 21 (twenty-one) days before the date of the Annual General Meeting.

Shareholders are enjoined to note that the Securities and Exchange Commission's Code of Corporate Governance for Public Companies requires members of the Statutory Audit Committee to have basic financial literacy and an ability to read financial statements.

8) RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS:

Pursuant to Rule 19.12 (c) of the Nigerian Stock Exchange's Rulebook 2015, please note that Shareholders have a right to ask questions not only at the Annual General Meeting, but also in writing prior to the Annual General Meeting. We therefore urge that such questions be submitted to the Company Secretaries not later than 2 (two) weeks before the date of the meeting.

9) BIOGRAPHICAL DETAILS OF DIRECTORS FOR RE-ELECTION/APPROVAL

The biographical details of the directors submitted for re-election are contained in the Annual Report and Accounts of the Company under Directors' Profile.

CHAIRMAN'S REPORT

Distinguished shareholders, members of the Board of Directors, members of the Audit Committee, invited guests, ladies and gentlemen. I am delighted to welcome you to the 39th Annual General Meeting of the company which is unique in its conduct due to the ravaging COVID-19 pandemic.

It is my pleasure to present to you the financial statements and reports for the financial year ended 31st December, 2019. I will also review the performance of the company in year 2019.

BUSINESS ENVIRONMENT

Nigeria is Africa's biggest oil exporter and, with a population of 193 million, the region's biggest economy and largest consumer base. While the government is reliant on oil and gas for its revenue, the economy itself is more diversified, with manufacturing, banking and insurance, retail and agriculture all as major contributors. However, each of these sectors could grow faster and create more opportunities if structural problems were overcome, among them, the country's electricity challenge, corruption and bureaucratic bottlenecks. The country's main economic blueprint is the Economic Recovery and Growth Plan, launched in 2017, which includes up to 60 policy interventions that seek to remove major obstacles to growth.

Although the Nigerian economy has continued to achieve positive growth as it recovers from the oil price shock and the 2016 recession, more remains to be done to achieve economic diversification. According to the National Bureau of Statistics, the economy grew by 0.8% in 2017, compared to a contraction of 1.6% in 2016, driven primarily by a recovery in international oil prices and increased domestic output.

These improved economic fortunes have brought with them a number of positive developments. Inflation stabilised at around 13% in mid-2018, down from a high of 18.7% in January 2017. However, the inflation rate jumped from 11.30% in October to 11.85% in November 2019. The food index rose by 14.48% in 2019, this reflects issues around the closure of the Nigerian borders. Investor confidence appears robust, with 85% of the 124 respondents taking part in OBG's 2018 Business Barometer: Nigeria CEO Survey, published in September 2018. This testifies to a certain level of stability and optimism among the country's business community. That said, in the World Bank's "Doing Business 2019", Nigeria dropped by one place to rank 146 out of 190 economies, suggesting there is further room for improvement and economic reform.

Nigeria's Gross Domestic Product (GDP) grew by 2.55%(year-on-year) in real terms in the fourth quarter of 2019, according to a recently released report by the National Bureau of Statistics (NBS). The report surpassed the International Monetary Fund (IMF) projection of 2.1%. The overall GDP in 2019 indicated a real growth of 2.27%, compared to 1.91% in 2018 while the real GDP grew by 5.59% quarter on quarter. The growth in Nigeria's Gross Domestic Product (GDP) in the fourth quarter of 2019 when compared to the fourth quarter of 2018 which recorded a growth rate of 2.38%, this represents an increase of 0.17% points and an increase of 0.27% points when compared with the third quarter of 2019." The report indicated that the growth represents the highest since the 2016 recession. "In Q4 2019, aggregate GDP stood at ₦39.577 trillion in nominal terms. This was higher than the fourth quarter of 2018 which recorded an aggregate of ₦35.230 trillion, representing year on year nominal growth rate of 12.34%."

During the fourth quarter of 2019, average daily oil production of 2.00 million barrels per day (mbpd) was recorded, indicating a rise of 0.09mbpd over the daily average production of 1.91 mbpd recorded in the same quarter of 2018. However, it was -0.04mbpd lower than the production volume of 2.04mbpd recorded in the third quarter of 2019. Nevertheless, it is notable that oil production remained consistently at or above 2.0mbpd all through 2019 "Real growth of the oil sector was 6.36% (year-on-year) in Q4 2019 indicating an increase of 7.98% points relative to the rate recorded in the corresponding quarter of 2018.

CHAIRMAN'S REPORT - Continued

COMPANY PERFORMANCE

Despite the adversities faced during the year, the company was able to achieve an increase of 6.7% in the revenue during the year. Turnover increased from ₦9,735 million in 2018 to ₦10,383 million in 2019.

The company faced serious challenges in the procurement of raw materials due to the uncertainty of the foreign exchange in the banking system. Nevertheless, the Board of Directors and the Management is taking all possible steps to meet the situation and ensure that the business continues to grow.

DIVIDEND

The retained earnings of the Company stands at ₦2,038 million as at 31st December, 2019. The Board of Directors, having duly considered the financial situation of the Company, do not recommend any payment of dividend for the financial year ended 31st December, 2019.

STAFF/WORKFORCE

I wish to seize this opportunity to acknowledge with thanks the efforts of our loyal and dedicated employees who have been our most valuable assets. Their collective efforts made it possible for the Company to meet the day to day challenges faced during the year. The Company continued to follow its policy of organizing specialized trainings for the staff members to keep them updated in their area of functioning.

FUTURE OUTLOOK

Growth in the Nigerian economy is expected to be stunted in 2020 due to underlying global economic conditions, as well as continued impact of depressed oil prices consequent upon the emergence of COVID-19 pandemic earlier this year.

Without doubt, we are well aware of the challenges which lie ahead. Going forward, our focus will be on exploring and taking full advantage of available opportunities in order to emerge as a sharper and stronger force in 2020.

Despite the external factors continuing to impact our business, we are confident of our growth prospects in the long run. Accordingly, our focus and investments will remain on long term growth, in spite of the economic storm.

CONCLUSION

Distinguished shareholders, we assure you that the Board and the Management Team will never relent in their endeavor to achieve the spelt-out goals of the Company. Irrespective of all adversities faced by the Company, we firmly believe that guided by our solid strategy, we are well equipped to deliver the sustainable long-term success and achieve its vision.

On behalf of the Board of Directors I would like to thank the management team and all employees for their unwavering commitment. I also take this opportunity to thank the members of the Audit Committee and the Shareholders for showing their continued confidence in the Board.

Let me conclude by extending my appreciation to all of you for being part of this historic meeting.



M. Ayo Oni
Chairman
Date: 5th August, 2020

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors are pleased to submit to the members of the Company their annual report together with the Audited Financial Statements for the year ended December 31, 2019.

1. Legal status

The Company was incorporated as a private limited liability company on 9th July, 1965 under the name of Studio Press Nigeria Limited and converted to a Public Limited Liability Company in 1979. The name of the Company was subsequently changed on 25th July, 1991 to Studio Press Nigeria PLC in compliance with the provisions of the Companies and Allied Matters Act 1990. The Company's shares are listed on the Nigerian Stock Exchange.

2. Principal activities

The Company is involved in lithographic printing and manufacturing of cartons, light packaging materials like labels and flexo printing such as nylons and poly wrappers.

3. Results for the year

	2019	2018
	N'000	N'000
Revenue	10,383,625	9,735,749
	=====	=====
Profit before taxation	402,978	632,993
Income tax expense	(117,622)	(363,545)
	-----	-----
Profit for the year after taxation	285,356	269,448
	=====	=====

The Audited Financial Statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004.

4. Dividend

The Directors do not recommend the payment of dividend for the financial year ended 31 December 2019 (2018: Nil).

**REPORT OF THE DIRECTORS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. State of affairs

In the opinion of the Directors the state of the Company's affairs is satisfactory and there has been no material change after the reporting date of the Statement of Financial Position that could affect the reported amount of assets and liabilities as of the reporting date.

6. Directors

The following are the names of the Directors of the Company:

- | | | | |
|----|------------------------|-------------|---------------------------------|
| 1. | Mr. Michael Ayo Oni | | Chairman |
| 2. | Mr. Roger R. Sherlow | - (British) | Managing Director |
| 3. | Mr. Sudip Maitra | - (Indian) | Executive Director |
| 4. | Mr. Kolawole Ogunsanya | - | Independent Director |
| 5. | Rommac Agencies Ltd | - | (Represented by Mr. M. Ayo Oni) |
| 6. | Mr. Davis Onifade | - | Non-Executive Director |
| 7. | Mr. Bamidele Bello | - | Executive Director |

In accordance with Article 94 of the Company's Articles of Association and Section 249 of the Companies and Allied Matters Act CAP C20, LFN 2004, the appointment of Mr Bamidele Bello a Director of the Company is to be ratified at this meeting and being eligible, offers himself for election.

Also, in accordance with Section 259 (2) of the Companies and Allied Matters Act, CAP C20, LFN 2004 and in line with Article 89 of the Company's Articles of Association, one third of the Non-Executive Directors shall retire from office.

Mr. Kolawole Ogunsanya, who is retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election notwithstanding that he has attained the age of seventy years. Mr. Davis Onifade is also retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

The Profiles of the Directors to be re-elected are included in the Annual Report.

7. Record of Directors' Attendance

In accordance with the provisions of Section 258(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, the Record of Directors' Attendance at Board Meetings held in 2019 is available at the Annual General Meeting for inspection.

**REPORT OF THE DIRECTORS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Directors' Shareholdings

No director has any direct interest in the shares of the Company as at year end.

Mr. M. Ayo Oni is the representative of the majority shareholder viz. Rommac Agencies Limited which holds 52.64% shares of the Company.

9. Analysis of Shareholdings

According to the register of members as at 31st December, 2019, the spread of shareholdings in the Company was as follows:

Range of shares	No of holders	Units	%
1 - 500	2,134	653,098	0.11
501 - 1,000	647	522,276	0.09
1,001 - 5,000	1,426	3,250,651	0.55
5,001 - 10,000	220	1,647,363	0.28
10,001 - 50,000	229	4,971,223	0.83
50,001 - 100,000	26	1,724,840	0.29
100,001 - 500,000	17	2,856,574	0.48
500,001 - 1,000,000	2	1,142,080	0.19
1,000,001 and above	7	578,117,608	97.18
	-----	-----	-----
	4,708	594,885,713	100.00
	=====	=====	=====

10. Substantial Interest in Shares

Shareholder	Number of shares	% held
Rommac Agencies Limited	313,148,802	52.64%
Federated Resources Nigeria Ltd	162,700,729	27.35%

No other person(s) apart from the names listed above, hold 5% and above of the Company's issued shares.

REPORT OF THE DIRECTORS - Continued FOR THE YEAR ENDED 31 DECEMBER 2019

11. Share Capital History

This is noted on the last page of the Annual Report.

12. Directors' Interest in Contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004, of any interest in contracts made with the Company during the year under review.

13. Taxation

Adequate provision has been made for all forms of taxes relevant to the activities carried out by the Company during the year.

14. Corporate Governance

- i) The Company is committed to best practice and procedures in corporate governance. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.
- ii) The Board currently consists of six Directors, made up of two Non-Executive Directors, one Independent Director, a corporate entity and two Executive Directors.
- iii) Board meetings are held quarterly. However, special or emergency Board meetings are convened whenever the need arises.
- iv) The Board takes decisions on policy matters and directs the affairs of the Company, allocates resources, sets overall corporate targets and monitor strategies and plans.

Appointment and Re-election Process for the Board

- The Board ensures the appointment of new directors to replace exiting non-executive directors once the need arises.
- The Board always ascertains whether nominees for the position of directors are fit and proper and recommends to the relevant committee for review and recommendation.

REPORT OF THE DIRECTORS - Continued FOR THE YEAR ENDED 31 DECEMBER 2019

- Board members must have an appropriate mix of skills and relevant experience required to make meaningful contribution at meetings. All directors are required to disclose their shareholding whether on a proprietary or fiduciary basis prior to their appointment as well as Directorship in other companies (if any).
- The non- Executive Directors once appointed are subject to re-election by shareholders at the Company's annual general meetings.

BOARD MEETINGS:

The Board meetings were held on the following days: 26th March, 2019, 17th July, 2019, 2nd September, 2019 and 12th December, 2019. Attendance at the Board meetings during the year 2019 was as follows:

Names	No. of Meetings Held	No. of meetings Attended
Mr. M. Ayo Oni	4	4
Mr. R. R. Sherlow	4	4
Mr. S. Maitra	4	4
Mr. K. Ogunsanya	4	3
Mr. D. Onifade	4	4

- v) In conformity with the Code of Best Practice in Corporate Governance, the following Committees are established:

- a) **Finance and General Purpose Committee:** The Committee consists of two Executive Directors and one non-Executive Director and is responsible for reviewing in details and making recommendations on finance and administration matters referred to it by the Board. The Committee meets as the need arises. Membership and attendance at meetings during the period under review were as follows:

Members of Committee	No. of Meetings Held	No. of meetings Attended
Mr. Roger Sherlow	3	3
Mr. Sudip Maitra	3	3
Mr. Kolawole Ogunsanya	3	3

- b) **Management Executive Committee:** The Management Executive Committee comprises of Executive Directors and other senior executives of the Company. The Committee meets regularly to discuss operational issues, policy formulation and implementation, provide oversight function etc.

Members of Committee	No. of Meetings Held	No. of meetings Attended
Mr. Roger Sherlow	7	7
Mr. Sudip Maitra	7	7
Mr. Hassan Ismail	7	6
Mr. Sachin Mehta	7	5
Mr. Bamidele Bello	7	7
Mrs. Priscilia Egbuche - Obioha	7	7
Mr. Robin O. Nwadili	7	5
Mr. Abiodun K. Sodunke	7	7
Mr. Ghaith Ismail	7	4

- c) **Audit Committee:** The Audit Committee is composed of two Shareholders and two representatives of the Board and is established in line with S359(6) of CAMA CAP C20 Laws of the Federation of Nigeria 2004.

The Audit Committee meetings for 2019 were held on the following days: 8th February, 2019, 22nd March, 2019, 8th July, 2019, and 10th December, 2019. Attendance at the Audit Committee meetings during the year 2019 was as follows:

Members of Committee	No. of Meetings Held	No. of meetings Attended
Chief Robert I. Igwe (Chairman)	4	4
Mr. Adebayo O. Abayomi (Member)	4	4
Mr. Sudip Maitra (Member)	4	4
Mr. Kolawole Ogunsanya (Member)	4	3

- d) **Nomination, Remuneration and Governance Committee:** The Committee consists of two non-Executive Directors of the Board and is responsible for reviewing candidates' qualifications and any potential conflict of interest, assessing the contributions of current Directors in connection with evaluating the skills, knowledge and experience required on the Board.

REPORT OF THE DIRECTORS - Continued FOR THE YEAR ENDED 31 DECEMBER 2019

The Committee held 2 (two) meetings in the course of the year on 19th March, 2019 and 16th July, 2019. Attendance at the meetings during the year 2019 was as follows:

Members of Committee	No. of Meetings Held	No. of meetings Attended
Mr. Kolawole Ogunsanya (Chairman)	2	2
Mr. M. Ayo Oni (Member)	2	2

- e) **Risk Management Committee:** The Committee consists of one non-Executive Director, one Independent Director and one Executive Director and is responsible for reviewing and approving the Company's overall risk management policy including risk appetite and risk strategy, as well as the adequacy and effectiveness of risk management and controls.

The Committee did not hold any meeting in the course of the year. The membership of the committee is as follows:

Members of Committee	No. of Meetings Held	No. of meetings Attended
Mr. Kolawole Ogunsanya (Chairman)	-	-
Mr. Sudip Maitra (Member)	-	-
Mr. Davis Onifade (Member)	-	-

The Committees work independently of each other and meet regularly to review policies and strategies to ensure compliance, while creating value for all stakeholders of the Company.

15. Securities Trading

The Company has adopted a code of conduct with regard to securities transactions and the directors and other key personnel of the Company are aware of the restrictions imposed on them with regards to trading in the shares of the company during closed periods. The policy in place is to guide against situation where personnel in possession of confidential and price sensitive information deal with the Company's securities in a manner that amounts to insider trading.

Enquiries have been made and it is hereby stated that in respect of this financial statements and the interim accounts submitted in the course of the year under review, none of the directors violated the rules relating to securities trading.

REPORT OF THE DIRECTORS - Continued FOR THE YEAR ENDED 31 DECEMBER 2019

16. Anti-Bribery and Corruption Policy

The Company has adopted an Anti-Bribery and Corruption policy to discourage bribery and corruption. It has the endorsement of the Board of Directors and will be regularly reviewed by the Board to ensure that it reflects any changes in applicable laws and developments in acceptable standards for the conduct of business. Studio Press Nigeria Plc is committed to maintaining the highest ethical standards and vigorously enforces the integrity of its business practices wherever it operates. Studio Press Nigeria Plc will not engage in bribery or corruption and its staff are expected to use their judgment not just to avoid malpractice but to promote good practice.

17. Whistle Blowing Procedures

In line with the Company's commitment to instill the best corporate governance practice, the Company has established a whistle blowing procedure that ensures anonymity for whistle blower. A dedicated hotline has been provided for this purpose.

18. Conflict of Interest

Conflict of interest can occur when an official's duty to act in the best interest of the Company conflicts with the opportunity to derive a benefit either directly or indirectly. If and when they arise these should be formally declared at Board meetings and managed responsibly.

The Board of Directors and Management ensure that they have sound knowledge of the Memorandum and Articles of Association and any legislation that applies to the Company about handling or avoiding conflicts of interest.

19. Compliance with Regulatory Requirements

During the year, the Company complied substantially with existing laws including the under listed corporate governance guidelines and cooperated with regulatory agencies in the course of carrying out its activities:

REPORT OF THE DIRECTORS - Continued FOR THE YEAR ENDED 31 DECEMBER 2019

- The Nigerian Stock Exchange Post-listing Rules.
- The Securities and Exchange Commission's Code of Corporate Governance for Public Companies 2011.
- Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria 2004.
- International Corporate Governance Best Practices.

20. Charitable Gifts and Donations

No donation was made to any political party or organization during the year ended 31 December, 2019 (2018:NIL).

21. Employment and Employees

1. **Employment Policies:-** The Company maintains a policy of non-discrimination in considering application for employment positions including those from physically challenged persons. Applicants are employed based on merit and suitability for the job. All employees are given equal opportunities to perform and develop their career. Our recruitment and promotion policy ensures equity and is free from discriminatory bias of gender, ethnic origin, age, marital status, sexual orientation, disability, religion and other diversity issues.
2. **Training and Welfare:-** The Company accords priority to training and development as such, in-house and external training and development facilities are provided for employees to sharpen their skills and competence for greater efficiency and productivity. This entails identifying the training needs of our employees and prioritising implementation of plans to address such needs consistent with the requirements of the business today and in the future.
The Company also provides subsidies towards healthcare services, transportation and housing for the benefit of all employees.
3. **Safety:-** Adequate safety measures are put in place at strategic locations in the plant to ensure safety of the Company's staff and others within the premises. Rules on accident prevention are strictly enforced and employees are trained on the use of safety equipment.

**REPORT OF THE DIRECTORS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. Auditors

Messrs. Bakertilly (Chartered Accountants) having expressed their willingness to continue in office as the Company's Auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004, a resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD



**CAUTIOUS SERVICES LIMITED
COMPANY SECRETARIES
FRC/2013/ICSAN/0000002873**

**Lagos, Nigeria
Date: 25th March, 2020**

COMPLAINTS MANAGEMENT POLICY

Introduction

This policy implements the Securities and Exchange Commission (SEC) Rules relating to the Complaints Management Framework of the Nigerian Capital Market which requires every listed Company to establish a clearly defined Complaints Management Policy to handle and resolve complaints within the purview of the Framework.

Commitment

The Management of the Company is committed to ensuring that complaints are dealt with in a responsive, efficient, effective, fair and economical way. A senior officer is responsible for the operation of the system and the achievement of outcomes. The Company acknowledges the right of the public and its staff to complain when dissatisfied with a service, and encourages feedback from customers, clients, staff and the public generally; wants staff to be 'complaints friendly' and not defensive or negative about feedback and recognises that if properly handled and analysed, complaints and feedback help the Company to improve its business processes, and therefore, time spent on handling complaints is an investment in better service to the public. The Policy affirms and supports the right of claimants and providers to provide feedback and to have complaints heard and actioned. It recognises that feedback, both positive and negative, is essential in order to provide quality services that meet claimant's needs. The Company is committed to dealing with complaints confidentially and with due respect and consumers and other complainants will not suffer any reprisal nor be victimised.

Application / Scope of Policy

For the purpose of this policy, a complaint is an expression of dissatisfaction about Studio Press Nigeria Plc's product, service (including how the Company's officer provided that service), procedure, practice or breach of privacy.

The policy shall apply to all shareholders, staff, including temporary staff, stakeholders, contractors and consultants - any other person who provides a service on a paid or voluntary basis to Studio Press Nigeria Plc. This policy does not replace or override departmental policies and procedures regarding staff performance matters, official misconduct or disciplinary and grievance processes.

The nature of these complaints includes Complaints received on issues relating to Public Offers/Rights Issue, Capital Reconstruction/Capital Re-organization, Bond Issuance/ Debentures and Collective Investment Schemes/Mutual Funds/Memorandum Listing.

COMPLAINTS MANAGEMENT POLICY (Continued)

Complaints on non-receipt of; Offer documents, circulars, certificates, delayed interest (bonds) delisting pay-off, Corporate Actions; Non-receipt of dividends, bonuses, Interest, Corporate Governance issues relating to Non-receipt of Annual Reports, Related Party transactions and Transmission of shares etc.

Assessment and Action

Complaints and/or complainants will be dealt with professionally, fairly and objectively; or where appropriate can be referred to regulatory authorities upon receipt. All complaints would also be dealt with, as little formality and dispute as possible; mediation and negotiation are to be observed as far as possible; and anonymous complaints will be treated on their merits like any other.

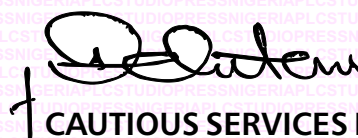
Feedback

Complainants will be advised of outcomes as soon as possible after a decision is made; complainants will be given reasons for negative decisions; complainants will be advised of any available internal review options and/or any statutory external appeal options (e.g. to courts and tribunals); complainants will be advised of other review options upon inquiry and any internal problem revealed by a complaint will be communicated to the area responsible for possible systemic improvement and a senior officer will have the responsibility of following up with this.

DATED THIS 25TH MARCH, 2020



MANAGING DIRECTOR



**CAUTIOUS SERVICES LIMITED
SECRETARY**

DIRECTORS PROFILE

1. **MR. MICHAEL AYO ONI - CHAIRMAN**

A revered Accountant, Administrator, Teacher, Author and Technocrat; Mr. Oni is a fellow of both the Institute of Chartered Accountants of England & Wales and Nigeria. He is also a former President of the Institute of Chartered Accountants of Nigeria (ICAN). Mr. Oni is an exemplary professional and held many prestigious positions in his long career including the positions of Managing Partner in Ernst & Young, Chairman of Access Bank amongst others. Presently he is a Director of many companies in Nigeria.

2. **MR. ROGER R. SHERLOW - MANAGING DIRECTOR**

Mr. Sherlow holds a Business Administration Degree from the University of Denver, USA and is a member of the Nigerian Institute of Directors. He has over 35 years of experience on international scale and his dynamism and vision has put the Company today in a position of leadership in the Packaging Industry in Nigeria.

3. **MR. SUDIP MAITRA - EXECUTIVE DIRECTOR**

A Chartered Accountant by profession, Mr. Maitra has over 30 years of experience in prestigious multinationals & international professional firms with rich general management and turnaround experience. He also has around 25 years of experience in the continent of Africa and was the Chief Executive Officer of the 2nd largest Coca-Cola bottling operations in Kenya and also worked as the Chief Financial Officer & Chief Operating Officer of the Pepsi bottling operations in Tanzania. Before joining Studio Press Nigeria Plc, he was the Group Finance Director of Avon Crown-caps & Containers Plc, Nigeria. Mr. Maitra is also a member of the Nigerian Institute of Directors.

4. **MR. KOLAWOLE OGUNSANYA – INDEPENDENT DIRECTOR**

He is a fellow of the Association of Chartered Certified Accountants and Institute of Chartered Accountants of Nigeria. He has over 30 years of experience and he is a Director of many companies.

5. **MR. DAVIS ONIFADE - NON EXECUTIVE DIRECTOR**

He is a member of the Association of Certified Accountants, London and a member of the Institute of Chartered Secretaries and Administrators, London. He has over 30 years experience as an Accountant and Administrator and has worked in different companies in Nigeria, He was the Principal Accountant of Vehicle Manufacturing Plant, Moniya, Ibadan, Finance Controller of Leventis Foundation as well as in other administrative responsibilities. His wealth of experience over the years will have a positive impact on the Company.

6. **MR. BAMIDELE ALAO BELLO - EXECUTIVE DIRECTOR**

Mr. Bamdele Alao Bello is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate member of the Chartered Institute of Taxation of Nigeria.

He is an Accountant with over 30years experience, he is currently the Chief Financial Officer of Studio Press Nigerian Plc. He is a former Banker with a wealth of experience in Finance and Corporate Governance.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2019

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of the 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, CAP C20 Laws of the Federation of Nigeria 2004;
- b) establishes adequate internal control to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statement 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 issued by the International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004.

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 for the year ended 31 December 2019. The Directors further accept responsibility for the maintenance of the 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.

The Financial Statements of the Company for the Year ended 31st December, 2019 were approved by Directors on 25th March, 2020

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Roger Sherlow
Managing Director
FRC/2013/IODN/00000003283



M. Ayo Oni
Chairman
FRC/2013/ICAN/00000003062



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Nigeria.
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E-mail: btnlag@bakertillynigeria.com
Website: www.bakertilly.ng

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF STUDIO PRESS NIGERIA PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of Studio Press Nigeria Plc set which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of Studio Press Nigeria Plc as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 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 Federation of Accountants' Code of Ethics for Professional Accountants (IFAC code) and other independence requirements applicable to performing the audit of Studio Press Nigeria Plc. We have fulfilled our other ethical responsibilities in accordance with the IFAC Code, and in accordance with other ethical requirements applicable to performing the audit of Studio Press Nigeria Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

There are no Key Audit Matters to report on for the year ended 31 December, 2019

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee Report and Corporate Governance Report as required by the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004. The other information does not include the financial statements and our auditors' report thereon.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF STUDIO PRESS NIGERIA PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

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.

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, CAP C20 Laws of the Federation of Nigeria 2004 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 scepticism 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

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF STUDIO PRESS NIGERIA PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

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.
- 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 entity 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.

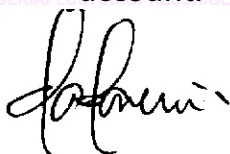
**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF STUDIO PRESS NIGERIA PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

- 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, 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, so far as 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.



David Aneni
FCA, FRC/2012/ICAN/0000000633
For: Bakertilly
Lagos, Nigeria

25th March 2020



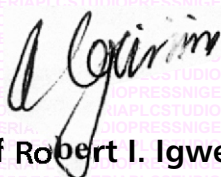
REPORT OF THE AUDIT COMMITTEE

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act Cap C20 LFN 2004, we have examined the Auditors' Report for the year ended 31st December, 2019. We have obtained all the information and explanation we required.

In our opinion, the Auditors' Report is consistent with our review of the scope and planning of the audit. We are also satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. Having reviewed the Auditors' findings and recommendations on management matters, we are satisfied with the Management responses thereon.

We acknowledge the cooperation of the Auditors, Messrs. Bakertilly (Chartered Accountants), Management and staff of the Company in performing our duties.

Dated this 24th Day of March, 2020.



Chief Robert I. Igwe
Chairman – Audit Committee
FRC/2013/IMN/0000003579
Lagos, Nigeria

Members of the Audit Committee:

Chief Robert I. Igwe (Chairman)
Mr. Kolawole Ogunsanya
Mr. Adebayo O. Abayomi
Mr. Sudip Maitra

Messrs. Cautious Services Limited served as Secretaries for all the Audit Committee Meetings.

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 ₦'000	2018 ₦'000
Revenue	4	10,383,625	9,735,749
Cost of sales	5	(8,445,482)	(7,489,103)
Gross profit		1,938,143	2,246,646
Other operating income	6	130,752	124,019
Administrative expenses	7	(888,976)	(657,819)
Selling and distribution expense	8	(78,910)	(58,411)
Operating profit		1,101,009	1,654,435
Finance costs	9	(698,031)	(1,021,442)
Profit before tax		402,978	632,993
Tax expense	10.2	(117,622)	(363,545)
Profit after tax		285,356	269,448
Other comprehensive income		-	-
Total comprehensive Profit		285,356	269,448
Attributable to			
Profit for the year and total comprehensive income:			
Equity holders of Studio Press Nigeria Plc		285,356	269,448
Earnings per share			
Basic earnings per share	11	₦0.48	₦0.45
Diluted earnings per share	11	₦0.48	₦0.45

The attached notes 1 to 28 form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

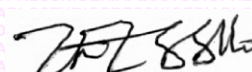
Assets	Notes	2019 ₦'000	2018 ₦'000
Non-current assets			
Property, plant and equipment	12	4,233,997	4,936,128
Intangible asset	13	48	81
		-----	-----
		4,234,045	4,936,209
		-----	-----
Current assets			
Inventories	14	1,369,421	1,261,863
Trade and other receivables	15	2,318,962	2,828,293
Cash and bank balances	16.1	220,030	428,495
		-----	-----
		3,908,413	4,518,651
		-----	-----
Total assets		8,142,458	9,454,860
		=====	=====
Equity and liabilities			
Equity			
Issued share capital	17	297,443	297,443
Share premium	17	486,776	486,776
Retained earnings		2,037,930	1,752,574
		-----	-----
Total Equity		2,822,149	2,536,793
		-----	-----
Non-current liabilities			
Non-current portion of term loan	18.1	1,497,158	1,620,354
Non-current portion of government grant	19.1	-	2,842
Deferred tax liability	10.4	1,072,320	1,131,546
		-----	-----
		2,569,478	2,754,742
		-----	-----
Current liabilities			
Current portion of term loan	18.1	56,821	1,693,503
Current portion of government grant	19.1	2,842	15,543
Short term finance	20	1,469,935	1,143,958
Income tax payable	10.1	176,848	50,791
Trade and other payables	21	1,044,385	1,259,530
		-----	-----
		2,750,831	4,163,325
		-----	-----
Total Liabilities		5,320,309	6,918,067
		-----	-----
Total equity and liabilities		8,142,458	9,454,860
		=====	=====



M. Ayo Oni
Chairman
25thMarch, 2020
FRC/2013/ICAN/00000003062



Roger Sherlow
Managing Director
25thMarch, 2020
FRC/2013/IODN/00000003283



Bamidele Bello
Chief Financial Officer
25thMarch, 2020
FRC/2013/ICAN/00000002961

The financial statements of the Company for the year ended 31st December, 2019 were approved by directors on 25th March, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000
Balance as at 1 January 2019	297,443	486,776	1,752,574	2,536,793
Profit for the year	-	-	285,356	285,356
Balance as at 31 December 2019	297,443	486,776	2,037,930	2,822,149
	=====	=====	=====	=====
Balance as at 1 January 2018	297,443	486,776	1,483,126	2,267,345
Profit for the year	-	-	269,448	269,448
Balance as at 31 December 2018	297,443	486,776	1,752,574	2,536,793
	=====	=====	=====	=====

The attached notes 1 to 28 form an integral part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 ₦'000	2018 ₦'000
Cash flows from operating activities			
Profit before tax		402,978	632,993
Adjustments for:			
Depreciation of property, plant and equipment	12	707,487	564,817
Amortisation of intangible assets	13	33	33
Finance cost	9	698,031	1,021,442
Exchange rate difference	5	5,468	(12,880)
Movement in Government grants	19	(15,543)	(35,537)
		-----	-----
		1,798,454	2,170,868
Working capital adjustments:			
Decrease/Increase in trade and other receivables		509,330	(871,398)
Increase/Decrease in inventories		(107,558)	250,636
Decrease/Increase in trade and other payables		(220,612)	331,796
Increase in short term finance		203,522	341,444
		-----	-----
		2,183,135	2,223,346
Tax paid	10.1	(50,791)	(48,252)
		-----	-----
Net cash flows generated from operating activities		2,132,344	2,175,094
		-----	-----
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(5,356)	53,064
Net cash flows used in investing activities		(5,356)	53,064
		-----	-----
Cash flows from financing activities			
Proceeds from borrowings – term loan		1,500,000	843,289
Repayment of borrowings – term loan		(3,275,420)	(2,141,575)
Interest paid		(682,488)	(985,905)
		-----	-----
Net cash flows used in financing activities		(2,457,908)	(2,284,191)
		-----	-----
Net decrease in cash and cash equivalents		(330,920)	(56,033)
Cash and cash equivalents at 1 January		428,495	484,528
		-----	-----
Cash and cash equivalents at 31 December	16.2	97,575	428,495
		=====	=====

The attached notes 1 to 28 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. CORPORATE INFORMATION

1.1 ACTIVITIES

Studio Press Nigeria Plc is a public limited liability company incorporated and domiciled in Nigeria whose shares are publicly traded. The registered office of the company is located at plot B, Israel Adebajo close, Industrial Estate, Ikeja, Lagos in Nigeria. The principal activities of the company is lithographic printing and manufacturing of cartons, light packaging materials like labels and flexo printing.

There was no change in the nature of business of the company during the year.

2 Basis of preparation and adoption of IFRS

2.1 Basis of preparation

The financial statements of Studio Press Nigeria Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria Act No. 6 2011. It also complies with the requirement of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004. The financial statements have been prepared on a historical cost basis.

2.2 Functional currency, presentation currency and the level of rounding

The financial statements are presented in Naira (₦) rounded to the nearest thousand (₦000), unless otherwise indicated. The Naira is also the functional currency of the company.

2.3 The use of estimates and assumptions

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 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. 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 estimating 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 year are discussed below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.3.1 Going concern

Studio Press Nigeria Plc is a going concern, which assumes that it will be able to continue operation into the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business. The preparation of financial statements that complies with IFRS necessitates the use of estimates and approximations, which have been made using careful judgment. Actual results could differ materially from those estimates. Material estimates in the financial statements include the following:

2.3.2 Accounts receivable

With the implementation of IFRS 9, trade receivables are recognized initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment for trade receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. In making this assessment of impairment provisions, receivables are assessed based on statistical methodology taking into account level of arrears, past loss experience, credit quality and defaults based on trend. The future credit quality is subject to uncertainties that may cause actual credit losses and therefore, considered for reporting impairment provision. These uncertainties include various economic indicators viz. GDP growth, inflation, interest etc.

Impairment losses are recognised in the income statement as an expense with suitable adjustment to the receivables. Refer to Note 15

2.3.3 Property, plant and equipment

Judgments are utilised in determining the depreciation rates and useful lives of these assets and in calculating the amount of interest to capitalize against projects in progress 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 summarised accounting policies. Refer to Note 12.

3 Summary of significant accounting policies

3.1 Fair value measurement

The Company does not measure any financial instruments or non-financial assets at fair value at each reporting date. However, fair values of financial instruments measured at amortised cost are disclosed in Note 23.

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

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

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

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

3.2 Intangible Assets

Intangible assets include purchased computer software with finite useful lives. Purchased software are recognised as assets if there is sufficient certainty that future economic benefits associated with the item will flow to the Company. These assets are measured on initial recognition at cost which comprises external costs and other directly attributable costs. Subsequently, computer software are carried at cost less accumulated amortisation and accumulated impairment losses if any. Amortisation is calculated using the straight-line method over 8 years. The amortisation period of computer software is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in these assets is accounted for by changing the amortisation period and are treated as changes in accounting estimates. The amortisation expense is recognised in profit or loss in the expense category consistent with the function of the asset.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3 Summary of significant accounting policies - Continued

3.3 Property, Plant and Equipment

Property, plant and equipment (PPE) are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an item of property, plant and equipment comprises any costs incurred in bringing the asset to the location and condition necessary for it to operate as intended by management. In the case of assets of own construction, cost comprises direct and indirect costs attributable to the construction work, including salaries and wages, materials, components and work performed by subcontractors. Property, plant and equipment are subsequently stated at cost, less accumulated depreciation and accumulated impairment in value. Replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Depreciation for each component of PPE is charged on the depreciable amount of the asset on a straight-line basis over the estimated useful lives of the assets and begins when the assets are ready for use. The depreciable amount is determined as cost less any residual value. The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate. Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognised in profit or loss as an expense.

Leasehold Land is amortised over the lease tenure of 99 years. The estimated useful lives of the major asset categories are:

Asset category	Useful lives
Buildings	25 years
Plant and Machinery	5-20 years
Furniture and fittings	8-10 years
Computer equipment	8-10 years
Motor Vehicle	8-10 years

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

3.4 Earnings per share

Basic earnings per share

Basic earnings per share are determined by dividing the profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3 Summary of significant accounting policies - Continued

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other changes to income or expense that would result from the conversion of dilutive potential ordinary shares and the weighted average number of ordinary shares plus the shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

3.5 Impairment of non-financial assets

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash-generating units (CGUs). The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use (being the present value of the expected future cash flows of the relevant asset or CGUs). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Studio Press Nigeria Plc evaluates impairment losses for potential reversals when events or circumstances may indicate such consideration is appropriate. The increased carrying amount of an asset however does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

3.6 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials: Weighted average cost

Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

3.7 Financial instruments

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

Financial Assets

Initial recognition and measurement

The company determines the classification of its financial assets at initial recognition. All financial assets (excluding Accounts Receivable para 2.3.2) are recognised initially at fair value plus directly attributable transaction costs where applicable, except for those classified at fair value through profit and loss, which are initially recognised at fair value. The company's financial assets include cash and bank balances, trade and other receivables.

Derecognition of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3 Summary of significant accounting policies - Continued

- a) The rights to receive cash flows from the asset have expired Or
- b) The Company has transferred the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

The Company has transferred substantially all the risks and rewards of the asset or

The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Financial Liabilities

Initial recognition and measurement

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.

Subsequent measurement

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

Derecognition of Financial Liabilities

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.8 Cash and bank balance

Cash and bank balance in the statement of financial position comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balance as defined above.

3.9 Taxes

Current income tax

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

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3 Summary of significant accounting policies - Continued

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised 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 profit will be available to allow all or part of the deferred income 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 profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

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

3.10 Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as interest expense in the statements of comprehensive income in the period in which they are incurred.

3.11 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

The company recognises revenue from the principal activities of lithographic printing and manufacturing of cartons, light packaging materials like labels and flexo printing. For the majority of revenue streams, there is a low level of judgment applied in determining the consideration or the timing of transfer of control. As a result, revenue recognition under IFRS 15 will be largely consistent with current practice.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3 Summary of significant accounting policies - Continued

Sale of Goods: Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The company has transferred to the buyer the significant risk and rewards of ownership of the goods;
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transactions can be measured reliably.

3.12 Government grants

Government grants are recognised when grants are received or where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

3.13 Foreign currencies

Transactions and balances

All transactions in foreign currencies are recorded in Naira using the exchange rate ruling as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Naira at the spot rate of exchange ruling at the reporting date. All gains and losses arising from the retranslation are included in profit or loss under the heading 'other operating income' or 'administrative expenses or cost of sales'.

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.

3.14 Accounting standards that became effective during the year.

The standards and interpretations that became effective during the year are disclosed below. The Company intends to adopt these standards, if applicable.

- **IFRS 16 Leases- 1 January 2019**
The company does not have any asset under lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3 Summary of significant accounting policies - Continued

Amendments to standards that became effective during the year.

- **IFRS 3 - Business combinations – 1 January, 2019**
No impact as the company does not have the intent as at the effective date.
- **IFRS 9 - Financial Instruments (Prepayment features with negative compensation – 1 January, 2019).**
The amendment has no impact on the company as the company does not have prepayment features with negative compensation.
- **IFRS 11- Joint Arrangements – 1 January, 2019**
No impact as the company does not have joint arrangements as at the effective date.
- **IAS 12 – Income Taxes – 1 January, 2019**
The guidance has been considered hence no impact in the way the company has been recognizing its tax base as at the effective date.
- **IAS 23 – Borrowing Costs – 1 January, 2019**
The guidance has been considered hence no impact in the recognition of borrowings as at the effective date.
- **IAS 28 – Investment in Associates and Joint Ventures – 1 January, 2019**
The company has no such investment hence no impact on its financials as at the effective date.

Amendments to Standards issued but not effective as at 31 December 2019

- IFRS 3 - Business Combination – 1 January 2020
- IAS 1 - Presentation of Financial Statements - 1 January 2020
- IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors – 1 January 2020

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 ₦000	2018 ₦000
4. Revenue		
Sales of printing and packaging materials	10,383,625 =====	9,735,749 =====
5. Cost of sales		
Raw Materials and consumables	6,202,324	5,694,397
Factory wages and salaries	464,878	365,487
Depreciation	626,938	523,595
Repairs and maintenance of property, plant and equipment	527,455	404,401
Fuel and power cost	344,294	285,702
Corrugated production cost	251,429	203,884
Foreign exchange rate difference	5,468	(12,880)
Insurance	22,696	24,517
	-----	-----
	8,445,482 =====	7,489,103 =====
6. Other operating income		
Disposal of waste products	115,209	88,482
Government Grant on BOI Loan	15,543	35,537
	-----	-----
	130,752 =====	124,019 =====
7. Administrative expenses		
Depreciation of property, plant and equipment	80,549	41,222
Administrative wages and salaries	253,245	180,876
Amortisation of intangible assets	33	33
Auditors' remuneration	7,525	7,350
Professional fees	67,504	70,233
Travelling costs	57,348	54,105
Rent and rate	15,798	18,008
Bank charges	17,845	15,958
Office equipment maintenance	29,557	9,632
Motor running cost	51,384	31,527
Security expenses	30,387	26,998
Cleaning and sanitation	51,494	42,085
Trade debtors provision	11,481	15,680
Other administrative expenses	214,826	144,112
	-----	-----
	888,976 =====	657,819 =====
8. Selling and distribution expense		
Sales advertisement and promotion	7,136	12,769
Carriage outward	71,774	45,642
	-----	-----
	78,910 =====	58,411 =====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Finance costs

	2019 ₦000	2018 ₦000
Interest on loan using effective interest rate	515,887	857,467
Interest on TFF, STF & Bankers' Acceptance	181,896	152,799
Interest on Overdraft	248	11,176
	-----	-----
	698,031	1,021,442
	=====	=====

The interest on loan includes ₦24,837 (2018: ₦43,289) being moratorium and not paid during the year, per the loan agreement with banks.

10. Taxation

10.1 Income tax

	2019 ₦000	2018 ₦000
As at 1 January	50,791	48,252
Amounts recorded in profit or loss	176,848	50,791
Payment made during the year	(50,791)	(48,252)
	-----	-----
Income tax payable	176,848	50,791
	=====	=====

10.2 Tax charged to profit or loss

Income tax	176,848	50,791
Deferred tax liabilities	(59,226)	312,754
	-----	-----
	117,622	363,545
	=====	=====

10.3 Reconciliation between tax expense and accounting profit multiplied rate for the years ended 2019 and 2018 is as follows:

	2019 ₦000	2018 ₦000
Accounting profit before tax	402,978	632,993
	=====	=====
Statutory income tax rate of 30%	120,893	189,898
Non-deductible expenses	33,299	122,856
Adjustments in respect of current income tax of previous year	-	-
Education tax	22,656	24,132
Minimum tax	-	26,659
	-----	-----
At the effective income tax rate	176,848	363,545
	=====	=====
Effective tax rate	44%	57%

10.4 Deferred tax liability

At 1 January	1,131,546	818,792
(Decrease)/Increase to be accounted for in the accounts	(59,226)	312,754
	-----	-----
As at 31 December	1,072,320	1,131,546
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10.5 Deferred tax liability

Deferred tax relates to the following:

	2019 ₦'000	2018 ₦'000
Accelerated depreciation for tax purposes	1,077,390	1,104,629
Amortisation of intangible assets	14	10
Impairment of receivables	(3,444)	23,043
Deferred tax asset/(liability) on foreign exchange (note 5)	(1,640)	3,864
	-----	-----
	1,072,320	1,131,546
	=====	=====

11. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to the number of ordinary shares outstanding during the year plus the number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations.

	2019 ₦'000	2018 ₦'000
Net earnings attributable to ordinary equity holders	285,356	269,448
	=====	=====
Number of ordinary shares for basic and diluted earnings per share	594,885	594,885
Basic earnings per share	₦0.48	₦0.45
Diluted earnings per share	₦0.48	₦0.45

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2019**
12. Property, plant and equipment

	Leasehold Land	Building	Plant & Machinery	Furniture & Fittings	Computer Equipment	Motor Vehicle	Major Spare Parts	Total
Cost	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2018	453,900	1,216,348	7,199,949	55,538	12,148	108,554	57,044	9,103,481
Additions	-	-	-	3,047	583	350	-	3,980
Transfer	-	-	-	-	-	-	(57,044)	(57,044)
Disposal	-	-	-	-	-	-	-	-
As at 31 December 2018	453,900	1,216,348	7,199,949	58,585	12,731	108,904	-	9,050,417
Additions	-	-	-	2,195	3,161	-	-	5,356
Transfer	-	-	-	-	-	-	-	-
As at 31 December 2019	453,900	1,216,348	7,199,949	60,780	15,892	108,904	-	9,055,773
Depreciation								
As at 1 January 2018	95,859	199,452	3,116,761	42,716	4,624	90,060	-	3,549,472
Charge for the year	7,618	24,327	523,595	2,616	1,393	5,268	-	564,817
Disposal	-	-	-	-	-	-	-	-
As at 31 December 2018	103,477	223,779	3,640,356	45,332	6,017	95,328	-	4,114,289
Charge for the year	7,618	65,009	626,938	2,573	1,466	3,883	-	707,487
Transfer	-	-	-	-	-	-	-	-
As at 31 December 2019	111,095	288,788	4,267,294	47,905	7,483	99,211	-	4,821,776
Carrying amount								
As at 31 December 2019	342,805	927,560	2,932,655	12,875	8,409	9,693	-	4,233,997
As at 31 December 2018	350,423	992,569	3,559,593	13,253	6,714	13,576	-	4,936,128

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The loans obtained from banks by the company are secured by a negative pledge on the asset of the Company.

The fair value of Land, Building, Plant & Machinery, Motor Vehicles and Furniture & Fittings of Studio Press Nigeria Plc as at 14 December, 2016 was ₦17,597,116,160 (Open market value: ₦19,498,644,874).

13. Intangible assets

	2019	2018
	₦000	₦000
Accounting Software		
Cost:		
As at 1 January	9,773	9,773
Addition during the year	-	-
	-----	-----
As at 31 December	9,773	9,773
	-----	-----
Accumulated amortisation:		
As at 1 January	(9,692)	(9,659)
Amortisation during the year	(33)	(33)
	-----	-----
As at 31 December	(9,725)	(9,692)
	-----	-----
	48	81
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Inventories

	2019	2018
	₦000	₦000
Raw materials	401,125	600,156
Finished goods	61,970	114,369
Spare parts and consumables	156,260	236,376
Work in progress	18,367	31,980
Goods in transit	731,699	278,982
	-----	-----
	1,369,421	1,261,863
	=====	=====

During 2019 ₦6,202 million (2018: ₦5,694 million) was recognised as an expense for inventories. This is recognised in cost of sales. There was no write down or reversal of inventory during the year (2018: Nil).

15. Trade and other receivables

	2019	2018
	₦000	₦000
Trade receivables	2,122,106	2,162,704
Prepayments	9,689	72,166
Security deposit with Bank	155,833	560,097
Other receivables	31,334	33,326
	-----	-----
	2,318,962	2,828,293
	=====	=====

The net carrying value of trade receivables is considered a reasonable approximation of fair value due to their short-term nature.

They are non-interest bearing and are generally on 30-90 day terms. All trade and other receivables have been reviewed for indicators of impairment. The trade receivables which were found to be impaired, an allowance for impairment losses ₦69,785 (2018: ₦76,808) has been recorded accordingly within other expenses. The impaired trade receivables are mostly due from customers' markets that are experiencing financial difficulties.

The movements in the allowance for credit losses are presented below:

	2019	2018
	₦000	₦000
At 1 January	76,808	61,564
Impairment loss	11,481	15,680
Amount utilised	(18,504)	(436)
	-----	-----
At 31 December	69,785	76,808
	=====	=====

The impairment losses of the current year is per IFRS 9 which has come into force from 1st January, 2018.

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			30-60 days	61-90 days	91-120 days
	₦000	₦000	₦000	₦000	₦000
2019	2,122,106	2,048,577	36,474	5,111	31,944
2018	2,162,704	1,825,194	121,647	211,369	4,494

Refer to Note 24 on credit risk of trade receivables, which explains how the company manages and measures credit quality of trade receivables that are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16.1. Cash and bank

	2019	2018
	₦'000	₦'000
Cash on hand	233	284
Bank balances	219,797	428,211
	-----	-----
	220,030	428,495
	=====	=====

16.2 Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December:

	2019	2018
	₦'000	₦'000
Cash and bank balance	220,030	428,495
Bank overdraft	(122,455)	-
	-----	-----
	97,575	428,495
	=====	=====

17. Share capital

The share capital of Studio Press Nigeria Plc consists only of fully paid ordinary shares with a nominal value of 50 Kobo. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Studio Press Nigeria Plc. Detailed composition of the company's stated capital is shown below.

	2019	2018
	No. of shares	No. of shares
Number of authorised ordinary shares at 50k each	600,000,000	600,000,000
	=====	=====
Issued and fully paid up capital	Number of shares	Proceeds
		₦'000
At 31 December 2018	594,885,713	297,443
	=====	=====
At 31 December 2019	594,885,713	297,443
	=====	=====

There are no treasury shares and there are no calls or instalments unpaid on any shares. All shares are equally eligible to receive dividends and the repayment of capital and each share represents one vote at the shareholders' meeting.

	2019	2018
	₦'000	₦'000
Share premium		
As at 31 December	486,776	486,776
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. Term loan

18.1 Non-current liability

	2019 ₦000	2018 ₦000
Interest bearing borrowings	1,553,979	3,313,857
Current portion of term loan	(56,821)	(1,693,503)
	-----	-----
	1,497,158	1,620,354
	=====	=====

All bank loans are secured by a negative pledge of the properties and assets of the company.

- [a] **₦1billion loan** through Central Bank of Nigeria Intervention fund via Bank of Industry was availed to us having tenure of 120 months for the refinancing of working capital and capital expenditure purposes with a maturity date of June 2020. The effective interest rate on the loan is 18% (2018: 18%) while the concessionary interest rate is 7%.
- [b] **₦1.5billion loan** was taken in November 2019 to finance acquisition of machinery and working capital requirement. The tenure of the loan is 60 months. Effective interest rate is 17%. There is also moratorium on interest as mentioned on Note 9.

19. Government grant

	2019 ₦000	2018 ₦000
Balance as at 1 January	18,385	53,922
Released to profit or loss (Note 6)	(15,543)	(35,537)
	-----	-----
Balance as at 31 December	2,842	18,385
	=====	=====
19.1 Non-current portion of government grant		
Government Grant	2,842	18,385
Current portion of government grant	(2,842)	(15,543)
	-----	-----
Non-current portion of government grant	-	2,842
	=====	=====

The Government of the Federal Republic of Nigeria, through its Central Bank and The Bank of Industries and via independent banks in Nigeria, grants subsidised loans which are below market rate.

Studio press Nigeria Plc enjoys a government subsidised loan. The benefits of a government loan at a below-market rate of interest have been recognised as a government grant and subsequently been recognised in profit or loss on a systematic basis over the periods of the subsidised loan obtained.

The company will continue to enjoy the grant based on continuous meeting of the prerequisite conditions of the grant upon which the loan was obtained.

As at 31 December 2019, there were no unfulfilled conditions and other contingencies attached to the Government grant, except for the obligation to repay the loan itself and the related interest at the contractual rate of 7% per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20. Short term finance

	2019 N'000	2018 N'000
Trade finance facility	1,347,480	1,143,958
Bank overdraft	122,455	-
	-----	-----
	1,469,935	1,143,958
	=====	=====

Trade finance facility is used for the purchase of raw materials.

At 31 December 2019, Studio Press Nigeria Plc had available ₦1,882million (2018: ₦2,086 million) of undrawn short term committed borrowing facilities. Trade finance is between 30 and 270 days having an effective interest rate of 17%.

21. Trade and other payables

	2019 N'000	2018 N'000
Trade payable	892,667	1,103,352
Accruals	64,833	81,782
Other liabilities	86,885	74,396
	-----	-----
	1,044,385	1,259,530
	=====	=====

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-60day terms.

Other payables are also non-interest bearing and have an average term of 30-60 days

All trade and other payable amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value due to their short-term nature.

22 Transactions with key management personnel

Key management of Studio Press Nigeria Plc includes the Executive Directors. The Executive Directors are paid salaries by the company. Studio Press Nigeria Plc provides housing and transportation for them. Executive and non-executive directors are not entitled to any form of pension or post-employment benefit.

Key management personnel remuneration is as follows:

	2019 N'000	2018 N'000
Short-term employee benefits	43,034	16,452
Highest paid Director	18,517	5,976
	=====	=====

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

22.1a) Employee emolument

	2019	2018
	₦'000	₦'000
Aggregate payroll	718,123	546,363
	=====	=====

b) Higher paid employees

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

	2019	2018
	Number	Number
₦500,001 - ₦1,000,000	89	132
₦1,000,001 - ₦3,000,000	125	87
₦3,000,001 and above	29	27
	----	----
	243	246
	===	===
Staff numbers		
Finance	14	12
Administration	32	35
Manufacturing	197	199
	----	----
	243	246
	===	===

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

23. Fair values

Set out below is a comparison by class of the carrying amounts and fair values of the Studio Press Nigeria Plc financial instruments that are carried in the financial statements.

	Carrying amount		Fair value	
	2019	2018	2019	2018
	₦'000	₦'000	₦'000	₦'000
Financial assets				
Trade and other receivables	2,318,962	2,828,293	2,318,962	2,828,293
Cash and short-term deposits	220,030	428,495	220,030	428,495
Total	2,538,992	3,256,788	2,538,992	3,256,788
Financial liabilities				
Trade and other payables	1,044,385	1,259,530	1,044,385	1,259,530
Interest bearing Loan	1,553,979	3,313,857	1,553,979	3,313,857
Short term borrowings	1,469,935	1,143,958	1,469,935	1,143,958
Total	4,068,299	5,717,345	4,068,299	5,717,345

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

- Cash and cash equivalent approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Fair value measurement

Discounted cash flow was used in the valuation of the fair value measurement using 17% (2018:20%) Bank lending interest rate. The following table provides the fair value measurement hierarchy of the Company's liabilities.

a) Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 December 2019:

There have been no transfers between Level 1, level 2 and level 3 during the year 2019.

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		₦'000	₦'000	₦'000	₦'000
Liabilities for which fair values are disclosed (Note 24):					
Interest-bearing loans and borrowings	31-Dec-19		-	1,311,468	-

There have been no transfers between Level 1, level 2 and level 3 during the year 2019.

b) Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 December 2018:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		₦'000	₦'000	₦'000	₦'000
Liabilities for which fair values are disclosed (Note 24):					
Interest-bearing loans and borrowings	31-Dec-18		-	2,776,868	

There have been no transfers between Level 1, level 2 and level 3 during the year 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. Financial Instrument/risk management activities

The activities of Studio Press Nigeria Plc expose the company to a number of risks from its use of financial instruments such as borrowings, loan and advances, payables and trade and other receivables. Key among these risks are credit risk, liquidity risk and market risk.

The Board of Directors of the company has the overall responsibility for the establishment and oversight of the company's risk management framework, including implementation and monitoring of these policies. The company's risk management policies are established to identify and analyse the risks faced by the company, to set the appropriate risk appetite and controls and monitor risk and adherence to limits. The risk management policies, systems and activities are reviewed regularly to reflect changes in the market and external factors and internal changes facing the company. Staffs are trained to ensure adherence to risk policies and activities. The Board of Directors has established the Finance & General Purpose Committee and Risk Management Committee, which reviews significant financial risks associated with future performance, growth and lost opportunities identified by management that could materially affect the ability of Studio Press Nigeria Plc to achieve its strategic or operational targets. The Board of Directors is responsible for confirming that management has procedures in place to mitigate identified risks.

Studio Press Nigeria Plc principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The loans obtained from banks by the company are secured by a negative pledge on the asset of the Company.

Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations and arises principally from the company's selling activities. The company's principal exposure to credit risk is in its trade and other receivables and cash & bank balance.

Trade receivables

Trade receivables are non-interest bearing and are generally due in 30 to 90 days and represent amounts owing to the company by its customers and credit risk is managed at that level. Credit evaluations are performed on all customers requiring credit terms.

Customer credit risk is managed by the company through its established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive analysis of the past history and individual credit limits are extended in accordance with this assessment.

Financial instruments and cash deposits

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. Financial Instrument/risk management activities cont.

The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2019 and 2018 is the carrying amounts as illustrated in Note 24 except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in the liquidity table.

Maximum exposure to credit risk

The carrying value of the company's trade and other receivables, and the cash and bank balance, represent its maximum exposure to credit risk.

	2019	2018
	₦000	₦000
Trade and other receivables	2,388,747	2,905,101
Impairment	(69,785)	(76,808)
	-----	-----
Net carrying amount	2,318,962	2,828,293
	=====	=====
Cash and Bank balance	220,030	428,495
	=====	=====

The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates. Will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Market expectations are factored in pricing policies of the company.

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. Studio Press Nigeria Plc functional currency is the Nigerian Naira, and major purchases are transacted in United States dollars and Euro.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax due to changes in the fair value of monetary assets and liabilities and the Company's equity. The Company's exposure to foreign currency changes for all other currencies is not material.

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

	2019	2018
	USD'000	USD'000
Monetary liabilities	3,695	2,502
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

24. Financial Instrument/risk management activities cont.

	Change in US\$ rate	Effect on profit before tax ₦'000	Effect on equity ₦'000
2019	+5%	67,374	67,374
	-5%	(67,374)	(67,374)
2018	+5%	45,561	45,561
	-5%	(45,561)	(45,561)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates. Interest rate risk arises to Studio Press Nigeria Plc because of the Company's balances relating to short and long term debts. 1% increase/decrease in interest rates will increase/reduce Finance Cost by ₦15.6million (2018: ₦31.5million).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligation as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company manages its cash position and future outflows on an ongoing daily basis. The company ensures that it has sufficient cash on demand to meet expected operational expenses and liabilities as they fall due. Arrangements are also made with banks to support the company in time of financial difficulties. The table below summarises the maturity profile of the Company's financial liabilities.

	Carrying value #'000	Contractual cash flow #'000	On demand #'000	Less than 6 months #'000	6-12 months #'000	1-2 years #'000	More than 3 years #'000
Year ended 31 December 2019							
Trade and other payables	1,044,385	1,044,385	-	1,044,385	-	-	-
Non-current portion of term loan	1,497,158	2,411,756	-	-	-	-	-
Current portion of term loan	56,821	57,841	-	57,841	-	-	-
Short term borrowing	1,469,935	1,469,935	-	612,363	857,572	-	-
	4,068,299	4,983,917	-	1,714,589	857,572	1,356,474	1,055,282
	=====	=====	=====	=====	=====	=====	=====
Year ended 31 December 2018							
Trade and other payables	1,259,530	1,259,530	-	1,259,530	-	-	-
Non-current portion of term loan	1,620,354	1,912,839	-	-	-	-	-
Current portion of term loan	1,693,503	2,244,480	-	1,180,647	1,063,833	-	-
Short term borrowing	1,143,958	1,143,958	-	751,052	392,906	-	-
	5,717,345	6,560,807	-	3,191,229	1,456,739	1,296,563	616,276
	=====	=====	=====	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. Capital Management

The Directors of Studio Press Nigeria Plc are responsible for managing the capital of the company to ensure the security of shareholders investment in the company. The primary objective of the company's capital management is to ensure that the company maintains a strong credit profile that supports its business and maximize the value of its shareholders at all time. For the purpose of capital management, management considers capital to consist only of equity as disclosed in the statement of financial position. In order to ensure an appropriate return for shareholder's capital invested in the company, management thoroughly evaluates all material projects and potential acquisitions before approval.

The Company manages its capital structure and makes adjustments to it 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 management monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The management ensures the gearing ratio is consistently monitored.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

26. Capital Commitments

There were no capital commitments as at 31 December 2019 (2018: Nil).

27. Events after the reporting period

There is no adjusting or non-adjusting entry during the subsequent period.

28. Operating Segment

Analysis by revenue

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the company's internal reporting on monthly income statement and financial position in order to assess performance and allocate resources.

The Company's reportable segment has been identified as one i.e. Sales of printing and packaging materials. The gross margin of all types of printing and packaging materials is similar.

The Executive Directors assess performance of the operating segment based on profit from operations

Entity wide information:	2019	2018
Analysis of revenue:	N'000	N'000
Sale of packaging products	10,383,625	9,735,749
	=====	=====
Analysis of revenue by geographical location:		
Domestic:	10,374,129	9,530,758
	=====	=====
Export:	9,496	204,991
	=====	=====

STATEMENT OF VALUE ADDED 31 DECEMBER 2019

	2019		2018	
	₦'000	%	₦'000	%
Revenue	10,383,625		9,735,749	
Cost of goods and services				
-local	(6,050,790)		(5,498,556)	
-foreign	(1,936,936)		(1,595,564)	
	-----		-----	
	2,395,899		2,641,629	
Non Trading item	115,209		88,482	
	-----		-----	
Value added	2,511,108		2,730,111	
	=====		=====	
To employees:				
-as salaries and labour related expense	718,123	28.60	546,363	20.01
To external providers of capital				
-as interest	682,488	27.18	985,905	36.11
To government				
-as corporate taxes	176,848	7.04	50,791	1.86
Retained to company future:				
-for assets replacement (depreciation & amortisation)	707,519	28.18	564,850	20.69
-deferred taxation	(59,226)	(2.36)	312,754	11.46
-for expansion profit	285,356	11.36	269,448	9.87
	-----		-----	
	2,511,108	100.00	2,730,111	100.00
	=====		=====	

FIVE-YEAR FINANCIAL SUMMARY FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018	2017	2016	2015
	₦'000	₦'000	₦'000	₦'000	₦'000
Statement of financial Position					
Property, plant and equipment	4,233,997	4,936,128	5,554,009	5,969,557	6,125,602
Intangible asset	48	81	114	1,231	2,453
Net current asset	1,157,582	355,326	72,535	557,781	216,485
Non- current liabilities					
Non-current portion of term loan	(1,497,158)	(1,620,354)	(2,522,136)	(3,896,863)	(4,073,134)
Government Grant	-	(2,842)	(18,385)	(53,922)	(115,065)
Deferred tax liabilities	(1,072,320)	(1,131,546)	(818,792)	(619,016)	(454,193)
	2,822,149	2,536,793	2,267,345	1,958,768	1,702,148
	=====	=====	=====	=====	=====
Shareholders' fund:					
Issued share capital	297,443	297,443	297,443	297,443	297,443
Share premium	486,776	486,776	486,776	486,776	486,776
Retained earnings	2,037,930	1,752,574	1,483,126	1,174,549	917,929
	2,822,149	2,536,793	2,267,345	1,958,768	1,702,148
	=====	=====	=====	=====	=====
Statement of comprehensive income					
Revenue	10,383,625	9,735,749	9,496,442	10,254,095	7,891,898
Profit before tax	402,978	632,993	566,485	470,447	(165,584)
Income tax (expense)/recovered	(117,622)	(363,545)	(257,908)	(213,827)	71,800
	285,356	269,448	308,577	256,620	(93,784)
	=====	=====	=====	=====	=====
Per share data (kobo)					
Earnings/(loss) per share – Basic	₦0.48	₦0.45	₦0.52	₦0.43	(₦0.16)

SHARE CAPITAL HISTORY

DATE	AUTHORISED SHARES		ISSUED & FULLY PAID UP SHARES			CONSIDERATION
	INCREASE	CUMULATIVE	DATE	INCREASE	CUMULATIVE	
09/07/1965	-	40,000	09/07/1965	-	31,000	CASH
02/11/1965	13,000	53,000	-	-	31,000	
24/11/1967	-	53,000	24/11/1967	22,000	53,000	CASH
02/07/1968	20,000	73,000	30/08/1968	10,000	63,000	
04/09/1970	10,000	83,000	09/12/1970	20,000	83,000	CASH
04/03/1971	Shares of ₦1 each was converted to ₦2 each					
04/03/1971	20,000	103,000	-	-	83,000	
30/12/1971	97,000	200,000	-	83,000		
17/03/1972	-	200,000	17/03/1972	16,800	99,800	CASH
29/11/1974	50,000	250,000			99,800	
22/06/1976	350,000	600,000			99,800	
07/04/1977	-	600,000	07/04/1977	37,000	136,800	BONUS
31/01/1978	150,000	750,000	16/02/1978	162,000	435,600	BONUS
28/09/1978	Shares of ₦2 each was sub-divided into 2 shares of ₦1 each					
23/01/1979	3,740,000	4,490,000	16/02/1979	2,694,000	4,490,000	CASH
23/01/1982	7,510,000	12,000,000		7,510,000	12,000,000	
1987	-	12,000,000		2,400,000	14,400,000	BONUS
25/07/1991	Shares of ₦1 each was sub-divided into 2 shares of 50K each					
13/01/1992	36,000,000	48,000,000		14,400,000	28,800,000	BONUS
1994	-	48,000,000		19,200,000	48,000,000	RIGHT
26/07/1995	72,000,000	120,000,000		-	48,000,000	
1996	-	120,000,000		32,000,000	80,000,000	RIGHT
06/10/2007	480,000,000	600,000,000		-	80,000,000	
13/12/2010	-	600,000,000 (i.e. ₦300,000,000)	13/12/2010	262,781,428	342,781,428 (i.e. ₦171,390,000)	DEBT CONVERSION
10/10/2012	-	600,000,000 (i.e. ₦300,000,000)	10/10/2012	252,104,285	594,885,713 (i.e. ₦297,443,000)	DEBT CONVERSION

PROXY FORM

I/We.....of
(Name of Shareholder in Block letters)

The undersigned, being a Member of STUDIO PRESS

NIGERIA PLC hereby appoint the following person:

S/N	Name	Proxy Choice
1.	Mr. M. Ayo Oni (Chairman)	
2.	Chief Matthew Akinlade	
3.	Mr. Opara Clement Anele Chuk	
4.	Mr. Oluwaseun Babajide Olukoya	

or failing him/her, the Chairman of the meeting as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Radisson Blu Hotel at No. 38-40, Isaac John Street, Ikeja, GRA, Lagos on Thursday, 24th September, 2020 at 11.00 a.m. and at any adjournment thereof.

Dated this day of 2020

Shareholder's Signature

NOTE

- 1) This form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarial certified copy thereof, should be completed and deposited at the office of the Company's Registrars, Greenwich Registrars and Data Solutions Limited, 274, Murtala Muhammed Way, Yaba, Lagos State, or via email to amutuah@gtlregistrars.com or maadeleye@gtlregistrars.com, not later than 48 hours before the time of holding the meeting.
- 2) In the case of joint holders, the signature of anyone of them will suffice, but the names of all joint holders should be shown.
- 3) It is a legal requirement that all instruments of proxy must bear appropriate stamp duty (not adhesive postage stamps) from the Stamp Duties Office. The Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

RESOLUTIONS	FOR	AGAINST
1. To receive Reports & Accounts		
2a. To elect Mr. Bamidele Bello as a Director		
2b. To re-elect Mr. Kolawole Ogunsanya as a Director		
2c. To re-elect Mr. Davis Onifade as a Director.		
3. To authorise the Directors to fix the remuneration of the Auditors		
4. To elect members of the Statutory Audit Committee		
5. To fix the remuneration of the Directors		
6. To authorize the Company to procure goods & services necessary for its day to day operations on normal commercial terms consistent with the Company's Transfer Pricing Policy.		
Please indicate with "X" in the appropriate space how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.		

ADMISSION FORM: STUDIO PRESS NIGERIA PLC RC 4414

*Name of Shareholder

* Name of Proxy (pick from list above)

A member (shareholder) entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of him. Proxy need not be a member. The above proxy form has been prepared to enable you exercise your right to vote.

IMPORTANT

Please insert your name in BLOCK CAPITALS on both proxy and admission form where asterisked. Insert the name of any person whether a member of the Company or not.

For the Registrars' use only

No. of shares held



PACKAGING RC 4414
STUDIO PRESS NIGERIA PLC.

2019 Annual Report & Accounts

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GREENWICH REGISTRARS AND DATA SOLUTIONS LIMITED
274, Murtala Muhammed Way,
Yaba, Lagos.