NIIT WEST AFRICA LIMITED

(Registration number RC:945639)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

EMMANUEL ADEYEMO OGUNLOWO & CO.
(Chartered Accountants)
29 (New 27), Ogunlowo Street
Off Obafemi Awolowo Way, Ikeja, Lagos.
P. O. Box 2126, Ikeja, Lagos.
Tel - 0803 673 6270
E-mail - emmanuel@ogunlowo.com
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General Information

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	Information Technology Education
Directors	Amit Roy Kamal Dhuper Perunkolam Ramakrishnan Subramanian
Registered office	29 (New 27) Ogunlowo Street Off Obafemi Awolowo Way Ikeja, Lagos Nigeria
Bankers	Zenith Bank Plc
Auditors	Emmanuel Adeyemo Ogunlowo & Co. Chartered Accountants (Chartered Accountants) 29 (New 27), Ogunlowo Street Off Obafemi Awolowo Way, Ikeja, Lagos. P. O. Box 2126, Ikeja, Lagos. Ikeja P.O Box 2126 Ikeja, Lagos Nigeria
Secretaries	Ebao Nominees Limited 29(New 27), Ogunlowo Street, Off Obafemi Awolowo Way, Ikeja,Lagos, Nigeria. P.O. BOX 758 Ikeja- Lagos
Company registration number	RC:945639
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, International Financial Reporting Standards and the Financial Reporting Council of Nigeria Act, No. 6, 2011.

Contents

Directors' Responsibilities and Approval

The Directors are required in terms of the Financial Reporting Council of Nigeria Act, No. 6, 2011 and the provisions of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. The Directors accept responsibility for the preparation of the annual financial statements and other reports that give a true and fair view in accordance with the International Financial Reporting Standards, Financial Reporting Council of Nigeria Act, No. 6, 2011 and the provisions of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004. The External Auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board Of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Company’s cash flow forecast for the year to March 31, 2021 and, in light of this review and the current financial position, they are satisfied that the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Company's financial statements. The financial statements have been examined by the Company's external auditors and their report is presented on pages 8 to 9.

The financial statements set out on pages 11 to 33, which have been prepared on the going concern basis, were approved by the board of directors on May 31, 2020 and were signed on their behalf by:

Approval of financial statements

Amit Roy **Director**	**Perunkolam Ramakrishnan Subramanian** **Director**

Directors' Report

The Directors submit their report together with the audited financial statements of NIIT WEST AFRICA LIMITED for the year ended March 31, 2020 which disclose the state of affairs of the Company.

1. Review of activities

Main business and operations

Legal form

NIIT WEST AFRICA LIMITED was incorporated in Nigeria as a Private Limited Liability Company on April 1, 2011. The Company commenced operations on January 01 2012. The registered office is located at 29 (New 27) Ogunlowo Street Off Obafemi Awolowo Way Ikeja, Lagos.

Principal Activities

The principal activities of the Company includes information technology education.

Operating Results

The operating results and state of affairs of the Company are fully set out in the attached financial statements and do not in our opinion require any further comment.

The results for the year are summarised as follows:

Results at a glance

	2020 N.'000	2019 N.'000
Revenue	18,869	22,621
(loss) before taxation	(78,636)	(12,884)
Taxation	-	5,631
(loss) after taxation	(78,636)	(7,253)

2. Directorate

The Directors in office at the date of this report are as follows:

Directors	Designation	Nationality
Amit Roy	Non-executive	Indian
Kamal Dhuper	Non-executive	Indian
Perunkolam Ramakrishnan Subramanian	Non-executive	American

There have been no changes to the directorate for the year under review.

3. Share capital

Authorised	2020 Number of shares	2019 Number of shares
Ordinary shares	10,000	10,000

Issued	2020 N. '000	2019 N. '000	2020 Number of shares	2019 Number of shares
Ordinary shares	10,000	10,000	10,000	10,000

There have been no changes to the authorised or issued share capital during the year under review.

Directors' Report

4. Corporate Governance

NIIT WEST AFRICA LIMITED is a Company of integrity and high ethical standards. Our reputation for honest, open and dependable business conduct, built over the years is an asset just as our people and brands. We conduct our business in full compliance with the laws and regulations of Nigeria and Code of Business, Principles and Ethics.

5. Record of Directors' Attendance

The Register of Directors Attendance at the board meetings during the year under review will be made available for inspection at the Annual General Meeting in accordance with Section 258(2) of Companies And Allied Matters Act, 2004.

6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Company or in the policy regarding their use.

At March 31, 2020 the Company's investment in property, plant and equipment amounted to N.122 (2019: N.510-), of which N.0.00- (2019: N.0.00-) was added in the current year through additions.

Information relating to changes in Property, Plant and Equipment is disclosed in Note 8 to the financial statements. In the opinion of the Directors, the market value of the Company's property, plant and equipment is not less than the value shown in the financial statements.

7. Employment and Employees

I. Employment Policies

The Company's Personnel Policies are aimed at promoting good relationship with all its Employees. The Company recognizes and accepts its obligations to employ disabled people and does what is practicable to fulfill them. Applications for employment from disabled persons are carefully considered and their aptitudes and abilities are taken fully into account.

II. Employees' Involvement

To keep employees informed about matters which affect their working lives, the Company carries out a wide range of programmes including briefings, regular bulletins and joint committees involving health and safety. The Company has enjoyed relative industrial harmony with its work-force throughout the year. Incentive schemes designed to meet the circumstances of each individual are implemented whenever appropriate and some of the schemes include upgrading, promotions, salary review, bonus etc.

III. Training

The Company's Policy is to offer training to staff of all categories to meet operational needs and to assist with individual development.

IV. Welfare

The Company places a high premium on its greatest assets - human resources. It has therefore made provision for their welfare in many important areas.

V. Health

Medical facilities are provided to all Employees at the Company's expense.

VI. Safety

It is the policy of the Company to conduct its activities in ways and manners that take foremost account of the health and safety of its employees and other persons and to give proper regard to the conservation of the environment

VII. Pension

The Company is fully compliant with the provisions of the Pension Reform Act, 2014 as amended.

Directors' Report

VIII. Employees' Insurance

The Company has a staff insurance policy for workmen's compensation and group personal accident

8. Directors' interests in contracts

None of the Directors has made any disclosure of any interest in contracts involving the Company in accordance with Section 277 of the Companies And Allied Matters Act, CAP 20 LFN 2004.

9. Directors' interests in shares

The Directors who served during the year has no beneficial interest in the issued and fully paid up share capital of NIIT WEST AFRICA LIMITED.

The register of interests of Directors and others in shares of the Company is available to the shareholder on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

10. Post Balance Sheet Events

COVID 19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. Requirements of social distancing and various restrictions imposed by government across geographies, have caused unprecedented disruptions to normal business operations. The Company has carried out detailed assessment of its liquidity position and possible effects that may result from COVID 19 on the carrying value of its assets including Investment, Property plant & equipment, Intangible assets Trade receivables, Unbilled revenue and Deferred tax assets etc. as at the date of financial statement. In developing the assumption relating to possible future uncertainties due to pandemic, the Company, as on the date of approval of these financial statements has relied on the available information. The Company has performed sensitivity analysis on the assumptions used and based on the detailed evaluation of the current estimates expect that there is no significant impact on the carrying value of these assets as on March 31, 2020. The actual impact of COVID 19 may differ from that, estimated as at the date of approval of these financial statementsCOVID 19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. Requirements of social distancing and various restrictions imposed by government across geographies, have caused unprecedented disruptions to normal business operations. The Company has carried out detailed assessment of its liquidity position and possible effects that may result from COVID 19 on the carrying value of its assets including Investment, Property plant & equipment, Intangible assets Trade receivables, Unbilled revenue and Deferred tax assets etc. as at the date of financial statement. In developing the assumption relating to possible future uncertainties due to pandemic, the Company, as on the date of approval of these financial statements has relied on the available information. The Company has performed sensitivity analysis on the assumptions used and based on the detailed evaluation of the current estimates expect that there is no significant impact on the carrying value of these assets as on March 31, 2020. The actual impact of COVID 19 may differ from that, estimated as at the date of approval of these financial statements.

11. Secretary

The Company Secretary is Ebao Nominees Limited of:

Postal address:	P.O BOX 756 Ikeja, Lagos Nigeria
Business address:	29 (New 27), Ogunlowo Street Off Obafemi Awolowo Way Ikeja, Lagos Nigeria

12. Auditors

Emmanuel Adeyemo Ogunlowo & Co. (Chartered Accountants) will continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004.

Directors' Report

The financial statements set out on pages 10 to 33, which have been prepared on the going concern basis, were approved by the Board Of Directors on May 31, 2020, and were signed on its behalf by:

Approval of financial statements

EBOA Nominees	**Amit Roy**
Company Secretaries	**Director**
FRC/2017/NIM/00000016608	

Independent Auditor's Report

To the Directors of NIIT WEST AFRICA LIMITED

Report on the Audit of the Financial Statements

We have audited the financial statements of NIIT WEST AFRICA LIMITED set out on pages 10 to 31, which comprise the statement of financial position as at March 31, 2020, and 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **NIIT WEST AFRICA LIMITED** as at March 31, 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by International Accounting Standards Board, the provisions of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, International Financial Reporting Standards and the Financial Reporting Council of Nigeria Act, No. 6, 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA5). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing the audit of **NIIT WEST AFRICA LIMITED.** We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing the audit of **NIIT WEST AFRICA LIMITED.**. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, International Financial Reporting Standards and the Financial Reporting Council of Nigeria Act, No. 6, 2011 of Nigeria, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

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

Independent Auditor's Report

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, International Financial Reporting Standards and 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.

Report on other legal and regulatory requirements

As required by Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, International Financial Reporting Standards and the Financial Reporting Council of Nigeria Act, No. 6, 2011; we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- 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.

Bamidele Ogunlowo (FCA)
FRC/2013/ICAN/00000002497
For: Emmanuel Adeyemo Ogunlowo & Co.
(Chartered Accountants)

Lagos, Nigeria

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2020 N. '000	2019 N. '000
Revenue	3	18,869	22,621
Cost of sales	4	(47,458)	(8,307)
Employee costs	5	(6,912)	(5,255)
Depreciation, amortisation and impairment expenses	8	(388)	(639)
Operating expenses	6	(42,747)	(21,304)
Operating (loss)		**(78,636)**	**(12,884)**
(Loss) before taxation		**(78,636)**	**(12,884)**
Taxation	7	-	5,631
(loss) for the year		**(78,636)**	**(7,253)**
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		**(78,636)**	**(7,253)**

The accounting policies and the accompanying notes form an integral part of the financial statements.

Statement of Financial Position as at March 31, 2020

	Note(s)	2020 N. '000	2019 N. '000
Assets			
Non-Current Assets			
Property, plant and equipment	8	122	510
Current Assets			
Inventories	9	-	46,516
Trade and other receivables	10	3,864	27,362
Cash and cash equivalents	11	4,395	9,228
		8,259	**83,106**
Total Assets		**8,381**	**83,616**
Equity and Liabilities			
Equity			
Share capital	12	11,637	11,637
Accumulated loss	13	(17,675)	60,961
		(6,038)	**72,598**
Liabilities			
Current Liabilities			
Trade and other payables	14	14,419	11,018
Total Equity and Liabilities		**8,381**	**83,616**

The financial statements and the accompanying notes were approved by the Board Of Directors on the May 31, 2020 and were signed on its behalf by:

Amit Roy **Director**	**Perunkolam Ramakrishnan Subramnian** **Director**

The accounting policies and the accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

	Share capital	Accumulated loss	Total equity
	N. '000	N. '000	N. '000
Balance at April 1, 2018	**11,637**	**68,214**	**79,851**
Loss for the year	-	(7,253)	(7,253)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	**-**	**(7,253)**	**(7,253)**
Balance at April 1, 2019	**11,637**	**60,961**	**72,598**
Loss for the year	-	(78,636)	(78,636)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	**-**	**(78,636)**	**(78,636)**
Balance at March 31, 2020	**11,637**	**(17,675)**	**(6,038)**

The accounting policies and the accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

	Note(s)	2020 N. '000	2019 N. '000
Cash flows from operating activities			
Cash used in operations	19	(4,833)	12,657
		-	-
Tax Paid		-	(28,508)
Net cash from operating activities		**(4,833)**	**(15,851)**
Total cash movement for the year		**(4,833)**	**(15,851)**
Cash at the beginning of the year		9,228	25,079
Total cash at end of the year	11	**4,395**	**9,228**

The accounting policies and the accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

1. Presentation of Financial Statements

1.1 General Information

NIIT WEST AFRICA LIMITED is an indigenous Company situated at 29 (New 27) Ogunlowo Street Off Obafemi Awolowo Way Ikeja, Lagos. The Company was incorporated on April 1, 2011 and commenced operations on January 01, 2012.

The principal activities of the Company involves Information Technology Education.

A. Basis of preparation

The financial statements have been prepared in accordance with Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, International Financial Reporting Standards and the Financial Reporting Council of Nigeria Act, No. 6, 2011. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

B. Functional and presentational currency

The financial statements of NIIT WEST AFRICA LIMITED are presented in Naira, which is the Company's functional currency.

C. Basis of measurement

The financial statements have been prepared on historical cost basis except for the fair value basis applied in certain property, plant and equipment. All values are rounded to the nearest thousand ('000), except where otherwise indicated.

1.2 Critical accounting estimates and judgments

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the note.

The Company makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Judgments

i. CGU Determination

Identification of an asset's cash-generating unit under IAS 36 involves judgment. If the recoverable amount cannot be determined for an individual asset, management identifies the lowest aggregation of assets that generate largely independent cash inflows. Management has determined that there are two CGUs for impairment testing purposes.

ii. Components

In applying IAS 16 for the recognition of property, plant and equipment, management applies judgment to determine aggregation of assets. The Standard does not prescribe the unit of measure for recognition, or what constitutes an item of property, plant and equipment. Thus, judgment is required in applying the recognition criteria to the Company’s specific circumstances. The Company aggregates individually insignificant items, such as small office equipment. Management has determined that there are no significant components to property, plant and equipment that should be segregated.

B. Estimates and Assumptions

Notes to the Financial Statements

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Impairment

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

ii. Useful Lives of Depreciable Assets

Management reviews the useful lives of depreciable assets including property, plant and equipment and intangible assets at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence. Details of the property, plant and equipment and intangible assets useful lives are provided.

iii. Inventories

Inventories are measured at the lower of cost and net realizable value. In estimating net realizable values, management takes into account the most reliable evidence available at the times the estimates are made. The Company’s business is not subject to regular technology changes which may cause selling prices to change rapidly. Moreover, future realization of the carrying amounts of inventory assets is affected by price changes in different market segments. Details of the inventory balances are provided in the note.

iv. Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

1.3 Significant accounting policies

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

A. Property, plant and equipment

i. Recognition and Measurement

Property, plant and equipment is initially recorded at cost being the purchase price and directly attributable cost of acquisition required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation, less any accumulated impairment (losses).

Where an item of property, plant and equipment comprises significant components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

ii. Capital work-in-progress

Assets not completed at the reporting date are classified under capital work-in-progress. This amount is reflected as a separate line item in the general purpose financial statements. It contains all expenses including, legal, financial consultancy for securing or negotiating contracts necessary for the project, until it is ready for its intended use.

Capital work-in-progress is stated at cost and not depreciated.

Notes to the Financial Statements

iii. Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-today servicing of property, plant and equipment are recognized in profit or loss as incurred.

iv. Gains and Losses on disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within gain or loss from disposal of equipment in profit or loss.

v. Depreciation

Depreciation is recognized in net income and begins when the asset is available for use, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is provided on a straight line basis over the estimated useful life of the assets as follows:

Assets	**Rates**
Motor Vechile	4 years

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

B. Cash and Cash Equivalents
Cash and cash equivalents includes cash on hand, deposits at call with banks, other short-terms highly liquid investments with original maturities of three months or less. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts.

C.Inventories

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

Inventories are measured at the lower of cost and net realizable value. In estimating net realizable values, management takes into account the most reliable evidence available at the times the estimates are made. The Company's business is not subject to regular technology changes, which may cause selling prices to change rapidly. Moreover, future realization of the carrying amounts of inventory assets is affected by price changes in different market segments. Details of the inventory balances are provided in the note.

D. Impairment of non-financial assets (excluding inventory)

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

Goodwill is allocated on initial recognition to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management monitors goodwill. CGUs to which goodwill has been allocated are tested for impairment at least annually.

Notes to the Financial Statements

Impairment losses for CGUs reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the CGUs. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the CGU’s recoverable amount exceeds its carrying amount.

Impairment charges are included in the Statement of Comprehensive Income in general and administrative expenses. Irrespective of whether there is any indication of impairment, the Company also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Tests goodwill acquired in a business combination for impairment annually.

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

F. Financial Instruments.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities are measured initially at fair value plus directly attributable transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently depending on their classification as discussed below.

Financial Assets
i. Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and other short-term highly liquid bank deposits with an original maturity of three months or less.
ii. Money market cash deposits.
Money market cash deposits comprise bank deposits with an original maturity of more than three months but less than one year and these are disclosed within current investments

.
iii. Loans and Receivables.
Cash and cash equivalents, trade and other receivables and loans that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the fair value and subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income.

On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated allowance. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group. The Company does not have any financial assets classified as Fair Value through Profit or Loss, Held to Maturity and Available-for-Sale financial asset.

Financial Liabilities

The Company's financial liabilities include bank indebtedness, trade and other payables and loans. These are classified as Other Financial Liabilities and are measured at fair value on initial recognition, net of transactions costs and subsequently at amortized cost using the effective interest rate method.

Notes to the Financial Statements

The Company does not have any financial liabilities classified as Fair Value through Profit or Loss.

G. Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

i. Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

ii. Restructuring

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

iii. Site restoration/Decommissioning Cost.

In accordance with the Company's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognized when the land is contaminated.

iv. Legal and other disputes

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and the uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

H. Current and deferred income taxes

NIIT WEST AFRICA LIMITED's liability for current tax is calculated using rates that have been enacted or substantively enacted at the balance sheet date. Education tax is charged at 2% of the assessable profits.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit or loss.

Recognition of deferred tax assets for unused tax (losses), tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available which allow the deferred tax asset to be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date and are expected to apply when the liabilities / (assets) are settled / (recovered).

I. Share Capital

Notes to the Financial Statements

Share capital represents shares that have been issued by the Company measured at the proceeds received, net of direct issue costs. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

J. Revenue Recognition

The revenue in respect of sale of courseware including technical information and reference material and other goods are recognized on dispatch / delivery of the material to the customer.TIRM fee is recognized when the related technical information material is dispatched to the business partner. In respect of Software projects/Service revenue is recognized proportionately on the Completion of the agreed milestone with the customer. Interest on bank deposits is recognized on accrual basis.

K. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Financing costs are capitalized at interest rates relating to loans specifically raised for that purpose, or at the weighted average borrowing rate where the general pool of Company borrowings is utilized. Capitalization of borrowing costs ceases when the asset is substantially complete. Other borrowing costs are expensed in the period in which they are incurred.

L. Foreign Currency Translation

The Company's presentation currency is the Naira (N.). The functional currency of the Company is the Naira.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, foreign currency monetary assets and liabilities are translated using the reporting date foreign exchange rate. Foreign currency non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the Statement of Comprehensive Income.

M. Finance income and finance costs

i). Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

ii). Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

N. Financial risk factors

i. Currency risk

The Company operates internationally and is exposed to currency risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The Company's risk management policy is the use of Letters of Credit (LC) to manage their foreign exchange risk arising from commercial transactions, recognised assets and liabilities.

ii. Interest rate

Interest rate is the risk associated with NIIT WEST AFRICA LIMITED fixed-rate instruments in a changing interest rate environment. The Company is exposed to interest rate risk as a result of its cash and cash equivalent items. The absence of financial debts issued by the Company puts it in a non-exposure position to fair value interest rate risk.

Notes to the Financial Statements

iii. Liquidity risk

it is the risk that the Company will encounter difficulty in meeting its financial obligation as they fall due. The Company actively maintains a mixture of long-term and short-term committed facilities designed to ensure the Company has sufficient funds available for operations and planned investment.

The Company policy is to ensure that it will always have sufficient cash to allow it meet its liabilities when they become due. The ultimate responsibility for liquidity risk management rest with the board of directors which has established an appropriate liquidity risk management framework for the management of entity's short, medium and long term funding and liquidity requirement. The Company's risk to liquidity is a result of the funds available to cover future commitments and credit facilities.

iv. Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Company has policies that limit the amount of credit exposure to any particular customer.

v. Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, as well as maintaining an optimal capital structure to reduce overall cost of capital. In order to maintain this optimal structure, the Company may adjust the amount of dividends paid, issue new shares, and return capital to shareholders or assets to reduce net debt.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The effective date of the interpretation is for years beginning on or after January 1, 2019.

The Company expects to adopt the interpretation for the first time in the 2020 financial statements.

The impact of the interpretation is not material.

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the Company are as follows:

Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Company as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
- If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16
- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after January 1, 2019.

The Company has adopted the standard for the first time in the 2020 financial statements.

The impact of the interpretation is not material.

IFRS 15 Revenue from Contracts with Customers

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after January 1, 2018.

The Company has adopted the standard for the first time in the 2020 financial statements.

The impact of the standard is not material.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial
liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.
Key requirements of IFRS 9:
All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
  ? In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
  The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types
  of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.
  The effective date of the standard is for years beginning on or after January 1, 2018.
  The Company has adopted the standard for the first time in the 2020 financial statements

2.2 Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after April 1, 2020 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Company's financial statements.
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- Introduce enhanced disclosures about defined benefit plans
- Modify accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarification of miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features

The effective date of the amendment is for years beginning on or after January 1, 2013.

The Company expects to adopt the amendment for the first time in the 2014 financial statements.

Clarifies the requirement for accounting for stripping costs in surface mining. Specifically, it provides requirements on when to recognise costs as assets, when they provide improved access to ore. The depreciation requirements are also clarified.

The effective date of the amendment is for years beginning on or after January 1, 2013.

The Company expects to adopt the amendment for the first time in the 2014 financial statements.

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

The standard sets out disclosure requirements for investments in Subsidiaries, associates, joint ventures and unconsolidated structured entities. The disclosures are aimed to provide information about the significance and exposure to risks of such interests. The most significant impact is the disclosure requirement for unconsolidated structured entities or off balance sheet vehicles.

The effective date of the standard is for years beginning on or after January 1, 2013.

The Company expects to adopt the standard for the first time in the 2014 financial statements.

The amendment clarifies the consolidation exemption for investment entities. It further specifies that an investment entity which measures all of its subsidiaries at fair value is required to comply with the "investment entity" disclosures provided in IFRS 12. The amendment also specifies that if an entity is itself not an investment entity and it has an investment in an associate or joint venture which is an investment entity, then the entity may retain the fair value measurement applied by such associate or joint venture to any of their subsidiaries.

The effective date of the Company is for years beginning on or after January 1, 2016.

The Company expects to adopt the amendment for the first time in the 2017 financial statements.

The new standard is an interim standard applicable to entities subject to rate regulation. The standard is only applicable to entities adopting IFRS for the first time. It permits entities to recognise regulatory deferral account balances in the statement of financial position. When the account has a debit balance, it is recognised after total assets. Similarly, when it has a credit balance, it is recognised after total liabilities. Movements in these accounts, either in profit or loss or other comprehensive income are allowed only as single line items.

The effective date of the standard is for years beginning on or after January 1, 2016.

The Company expects to adopt the standard for the first time in the 2017 financial statements.

The amendment adds the equity method to the methods of accounting for investments in subsidiaries, associates and joint ventures in the separate financial statements of an entity.

The effective date of the amendment is for years beginning on or after January 1, 2016.

The Company expects to adopt the amendment for the first time in the 2017 financial statements.

The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

The effective date of the amendment is for years beginning on or after January 1, 2016.

The Company expects to adopt the amendment for the first time in the 2017 financial statements.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Additional guidance is provided that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

- The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted
  The effective date of the amendment is for years beginning on or after January 1, 2021.
  The Company expects to adopt the amendment for the first time in the 2021 financial statements.
  The adoption of this standard is not expected to impact on the results of the company, but may result in more disclosure than is
  currently provided in the financial statements

IFRS 17 Insurance Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees
?? Effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Company's financial statements
The effective date of the standard is for years beginning on or after January 1, 2021.
The Company expects to adopt the standard for the first time in the 2021 financial statements.
It is unlikely that the standard will have a material impact on the company's financial statements.

Amendment to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.
The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted. The directors do not anticipate this to have material impact on the Financial Statements.
The effective date of the standard is for years beginning on or after January 1, 2021.
The Company expects to adopt the standard for the first time in the 2021 financial statements.
It is unlikely that the standard will have a material impact on the company's financial statements

Amendment to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.
?? The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted. The directors do not anticipate this to have material impact on the Financial Statements
The effective date of the standard is for years beginning on or after January 1, 2020.
The Company expects to adopt the standard for the first time in the 2020 financial statements.
It is unlikely that the standard will have a material impact on the company's financial statements

Notes to the Financial Statements

	2020 N. '000	2019 N. '000
3. Revenue		
Sales of education and training materials	18,869	22,621
4. Cost of sales		
Education and training materials	47,458	8,307
5. Employee costs		
Employee costs		
Basic	6,570	5,135
Staff Welfare	342	120
	6,912	**5,255**
6. Operating expenses		
The following items are included within operating expenses:		
Advertising	3,655	9,078
Auditors remuneration	2,000	2,000
Bank charges	30	76
Consulting and professional fees	6,521	4,551
Immigration Expenses	50	-
Bad Debt	24,102	-
Loss on foreign Exchange	110	140
Service outsourced indirect	-	255
Printing and stationery	1,205	43
Repairs and maintenance	540	1,387
Rent expenses	1,840	2,737
Telephone and fax	480	392
Travel - local	2,214	645
	42,747	**21,304**

Notes to the Financial Statements

	2020 N. '000	2019 N. '000

7. Taxation

Major components of the tax expense

	2020 N. '000	2019 N. '000
Current		
Over provision for prior year Tax	-	(5,631)

8. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	4,745	(4,623)	122	4,745	(4,235)	510

Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Total
Motor vehicles	510	(388)	122

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Total
Motor vehicles	1,149	(639)	510

9. Inventories

	2020 N. '000	2019 N. '000
Educational materials	-	46,516

10. Trade and other receivables

	2020 N. '000	2019 N. '000
Trade receivables	3,449	27,186
Other receivables	415	176
	3,864	**27,362**

Split between non-current and current portions

	2020 N. '000	2019 N. '000
Current assets	3,864	27,362

11. Cash and cash equivalents

Cash and cash equivalents consist of:

	2020 N. '000	2019 N. '000
Bank balances	4,395	9,228

Notes to the Financial Statements

	2020 N. '000	2019 N. '000
12. Share capital		
Authorised		
10,00000 Ordinary shares of N 1.00 each	10,000	10,000
Issued		
10,00,000 Ordinary shares of N 1.00 each	11,637	10,000
Share premium	-	1,637
	11,637	**11,637**
13. Retained earnings		
Balance as at 1st April	60,961	68,214
Total comprehensive income for the year	(78,636)	(7,253)
Balance as at 31st March	**(17,675)**	**60,961**
14. Trade and other payables		
Trade payables	8,066	4,446
Advance from related party	5,734	5,734
Advance from customers	15	-
Amount due to staff	519	578
Other payables	85	260
	14,419	**11,018**
15. Current tax payable (receivable)		
Balance as at 1st April	-	(34,139)
Over Provision in respect of prior year tax	-	5,631
Remittance during the year	-	28,508
	-	**-**

16. Related parties

Relationships		
Holding company (100% holding)	NIIT Limited (India)	
Related party balances		
Related party transactions		
Resource Billing NIIT Limited UK (Netherland Branch)	3,449	5,734

Notes to the Financial Statements

	2020 N. '000	2019 N. '000

17. Risk management

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes cash and cash equivalents disclosed in note 11, and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The Board of directors reviews and agrees policies for managing each of these risks which are summarized below:

(a) Trade receivables

Customer credit risk is managed subject to the Company’s established policies, procedure and controls relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating process and individual credit limit are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by the sales, finance and internal audit units.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned both local and international credit rating agencies.

(b) Cash and short term deposit

Credit risk from balances with banks and financial institutions is managed by NIIT WEST AFRICA LIMITED treasury function in accordance with the Company’s policy. Investment of surplus fund is made with approved counterparties and within credit limit assigned to each counter party.

Counterparty credit limit 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 limit is set to minimise the concentration of risks and therefore mitigate financial loss through potential counter party’s failure. NIIT WEST AFRICA LIMITED’s maximum exposure for credit risk for the component of the statement of financial position at March 31, 2020 is the carrying amount as indicated in the statement of financial position.

Liquidity risk

The Company’s risk to liquidity is a result of the funds available to cover future commitments. The Company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Notes to the Financial Statements

	2020 N. '000	2019 N. '000

17. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2020 N. '000	2019 N. '000
Trade and other receivables	3,864	27,362

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Company treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Company use forward contracts, transacted with Company treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity’s functional currency.

The Company reviews its foreign currency exposure, including commitments on an ongoing basis. The company expects its foreign exchange contracts to hedge foreign exchange exposure.

18. Events after the reporting period

COVID 19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. Requirements of social distancing and various restrictions imposed by government across geographies, have caused unprecedented disruptions to normal business operations. The Company has carried out detailed assessment of its liquidity position and possible effects that may result from COVID 19 on the carrying value of its assets including Investment, Property plant & equipment, Intangible assets Trade receivables, Unbilled revenue and Deferred tax assets etc. as at the date of financial statement. In developing the assumption relating to possible future uncertainties due to pandemic, the Company, as on the date of approval of these financial statements has relied on the available information. The Company has performed sensitivity analysis on the assumptions used and based on the detailed evaluation of the current estimates expect that there is no significant impact on the carrying value of these assets as on March 31, 2020. The actual impact of COVID 19 may differ from that, estimated as at the date of approval of these financial statements

Notes to the Financial Statements

	2020 N. '000	2019 N. '000

19. Cash (used in)/generated from operations

	2020 N. '000	2019 N. '000
Loss before taxation	(78,636)	(12,884)
Adjustments for:		
Depreciation and amortisation	388	639
Changes in working capital:		
Inventories	46,516	7,530
Trade and other receivables	23,498	19,645
Trade and other payables	3,401	(2,273)
	(4,833)	**12,657**

20. Going concern

We draw attention to the fact that at March 31, 2020, the company had accumulated losses of N. (17,675) and that the company's total liabilities exceed its assets by N. (6,038).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Value Added Statement

	2020 N. '000	2020 %	2019 N. '000	2019 %
Value Added				
Turnover	18,869		22,621	
Bought - in materials and services	(90,205)		(29,611)	
Total Value Added	**(71,336)**	**100**	**(6,990)**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	6,912		5,255	
	6,912	**(10)**	**5,255**	**(75)**
To Pay Government				
Income tax	-		(5,631)	
	-	**-**	**(5,631)**	**81**
To be retained in the business for expansion and future wealth creation:				
Depreciation, amortisation and impairments	388		639	
	388	**(1)**	**639**	**(9)**
Value retained				
Retained (loss)	(78,636)		(7,253)	
	(78,636)	**110**	**(7,253)**	**104**
Total Value Distributed	**(71,336)**	**100**	**(6,990)**	**100**

Value added is defined as the value created by the activities of a business and its employees and in the case of the Company is determined as revenue less the net operating expenses. The value added statement reports on the calculation of value added and its application among the stakeholders in the Company. This statement shows the total value created and how it was distributed, taking into account the amounts retained and reinvested in the Company for the replacement of assets and development of operations.

NIIT WEST AFRICA LIMITED

(Registration number RC:945639)
Trading as NIIT WEST AFRICA LIMITED
Financial Statements for the year ended March 31, 2020

Five Year Financial Summary

	2020 N. '000	2019 N. '000	2018 N. '000	2017 N. '000	2016 N. '000
Condensed Balance Sheet					
Fixed assets	122	510	1,149	1,788	2,427
Investments	-	-	-	-	-
Intangible assets	-	-	-	-	-
Net current (liabilities) assets	(6,161)	72,087	78,703	(182,383)	(33,909)
	(6,039)	72,597	79,852	(180,595)	(31,482)
Deferred taxation	-	-	-	-	-
Provision for liabilities and charges	-	-	-	-	-
Long term liabilities	-	-	-	-	-
Total net assets	**(6,039)**	**72,597**	**79,852**	**(180,595)**	**(31,482)**
Financed by:					
Share capital	11,637	11,637	11,637	10,000	10,000
Share premium	-	-	-	1,637	1,637
Revaluation reserve	-	-	-	-	-
Retained income	(17,676)	60,960	68,215	(192,232)	(43,119)
Non-controlling interest	-	-	-	-	-
Total equity	**(6,039)**	**72,597**	**79,852**	**(180,595)**	**(31,482)**
Condensed Income Statement					
Turnover	18,869	22,621	66,516	144,493	154,916
(Loss) profit before taxation	**(78,636)**	**(12,884)**	**294,586**	**(149,113)**	**17,171**
Taxation	-	5,631	(34,139)	-	(221)
(Loss) profit from discontinued operations	**(78,636)**	**(7,253)**	**260,447**	**(149,113)**	**16,950**
Discontinued operations	-	-	-	-	-
(Loss) profit for the year	**(78,636)**	**(7,253)**	**260,447**	**(149,113)**	**16,950**
Non-controlling interest	-	-	-	-	-
Retained (loss) income for the year	**(78,636)**	**(7,253)**	**260,447**	**(149,113)**	**16,950**