

NIIT WEST AFRICA LIMITED  
(Registration number RC:945639)  
Trading as NIIT WEST AFRICA LIMITED  
Financial statements  
for the 15 months ended March 31, 2013

Emmanuel Adeyemo Ogunlowo & Co  
Published April 24, 2013

# NIIT WEST AFRICA LIMITED

(Registration number RC:945639)

Trading as NIIT WEST AFRICA LIMITED

Financial Statements for the 15 months ended March 31, 2013

## General Information

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	Information Technology Solutions
Directors	Rajendran Parappil Raghavan Govindan Lal Ajai Manohar Chadha Harjeet Singh
Registered office	70a, Itafaji Road Dolphin Estate Ikoyi, Lagos, Nigeria
Business address	70a, Itafaji Road Dolphin Estate Ikoyi, Lagos, Nigeria +234
Bankers	Zenith Bank Plc
Auditors	Emmanuel Adeyemo Ogunlowo & Co (Chartered Accountants)
Companies Secretaries	Ebao Nominees Limited
Tax reference number	10693426-0001

**NIIT WEST AFRICA LIMITED**  
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Financial Statements for the 15 months ended March 31, 2013

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The reports and statements set out below comprise the financial statements presented to the shareholders:

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### **Level of assurance**

These financial statements have been audited in compliance with the applicable requirements of the by the Companies and Allied Matters Act 1990.

### **Published**

April 24, 2013

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## Directors' Responsibilities and Approval

The directors are required in terms of the Companies and Allied Matters Act 1990 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. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial 15 months and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. 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 judgments 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 15 months to March 31, 2014 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing 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 page 4.

The financial statements set out on pages 5 to 19, which have been prepared on the going concern basis, were approved by the board of directors on April 24, 2013 and were signed on its behalf by:

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Raghavan Govindan

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Rajendran Parappil



## **Independent Auditors' Report**

**To the members of NIIT WEST AFRICA LIMITED**

We have audited the financial statements of NIIT WEST AFRICA LIMITED, which comprise the statement of financial position as at March 31, 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 15 months then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 5 to 16.

### **Directors' Responsibility for the Financial Statements**

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies and Allied Matters Act 1990, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of NIIT WEST AFRICA LIMITED as at March 31, 2013, and its financial performance and its cash flows for the 15 months then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies and Allied Matters Act 1990.

**Emmanuel Adeyemo Ogunlowo & Co**

**April 24, 2013**

**(Chartered Accountants)**

**29, Ogunlowo Street  
Off Obafemi Awolowo Way  
Ikeja, Lagos  
Nigeria**

**NIIT WEST AFRICA LIMITED**  
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Financial Statements for the 15 months ended March 31, 2013

## Directors' Report

The directors submit their report for the 15 months ended March 31, 2013.

### 1. Review of activities

#### Main business and operations

The directors are not aware of any matter or circumstance arising since the end of the financial 15 months. 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.

### 2. Events after the reporting period

The Directors are not aware of any matter or circumstance arising since the end of the financial 15 months.

3.

#### Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the 15 months under review.

### 4. 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).

#### 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

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## Directors' Report

**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.

**5. Directors**

The directors of the company during the 15 months and to the date of this report are as follows:

Name	Nationality
Rajendran Parappil	Indian
Raghavan Govindan	Indian
Lal Ajai Manohar	Indian
Chadha Harjeet Singh	Indian

**6.. Companies Secretaries**

The secretary of the company is Ebao Nominees Limited of:

Business address	29, Ogunlowo Street Off Obafemi Awolowo Way Ikeja, Lagos Nigeria
Postal address	P.O BOX 756 Ikeja, Lagos Nigeria

**7.. Auditors**

Emmanuel Adeyemo Ogunlowo & Co will continue in office in accordance with section 90 of the Companies and Allied Matters Act 1990.

The financial statements set out on pages 5 to 19, which have been prepared on the going concern basis, were approved by the board of directors on April 24, 2013 and were signed on its behalf by:

# NIIT WEST AFRICA LIMITED

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Trading as NIIT WEST AFRICA LIMITED

Financial Statements for the 15 months ended March 31, 2013

## Directors' Report

By Order of the Board

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Ebao Nominees  
Company Secretary

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Rajendran Parappil



# NIIT WEST AFRICA LIMITED

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Financial Statements for the 15 months ended March 31, 2013

## Directors' Report

### Accounting Policies

#### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies and Allied Matters Act 1990. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in Nigerian Naira.

#### 2. Statement of Significant Accounting Policies

The significant accounting policies adopted by the Company are detailed below:

##### i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

##### ii) Fixed Assets, Depreciation and Amortisation

Fixed Assets are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Amortization of Software is done over the useful life of the software from the date the software was put to use.

Depreciation and amortization is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets determined as follows: -

Plant and Machinery including:

Computers, printers and related accessories	5 years
Office Equipment and Electronic equipment	8 years
Air Conditioners	10 years
Assets acquired under lease	Lease Period
All other assets (including vehicles)	4 years

##### iii) 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.

##### iv) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognized and charged to Profit and Loss Account. Short-term investments are carried at cost or market value, whichever is lower.

##### v) Employee Benefits

###### a) Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible

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## Directors' Report

(continued)

employees in accordance with the company policy. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Company's liability is actuarially determined at the end of the year.

Actuarial losses/ gains are charged/ credited to the Profit and Loss Account in the year in which such losses/ gains arise.

### **b) Compensated Absences**

Liability in respect of compensated absences is provided both for en-cashable leave and those expected to be availed. The Company has defined benefit plans for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. Any gain or loss arising out of such valuation is recognized in the Profit and Loss Account.

### **vi) Foreign Currency Transactions**

Transactions in foreign currency are booked at standard rates determined periodically which approximates the actual rates, and all monetary assets and liabilities in foreign currency is restated at the end of accounting period. Gain/Loss arising out of fluctuations on realization/ payment or restatement is charged/ credited to the Profit and Loss Account.

### **vii) Trade and other receivables**

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of 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 for the trade receivable to be impaired. The amount of the provision is recognized in the income.

### **viii) Taxation**

Tax expense comprising of both current tax and deferred tax is included in determining the net results for the year. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. As a matter of prudence deferred tax assets are recognized and carried forward only to the extent, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **ix) Provisions and Contingencies**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Disclosure of show cause notices are made on merits of the matters where management foresees possibilities of outflow of resources.

### **x) Inventory Valuation**

Inventories are valued at lower of cost or net realizable value. Cost is determined using weighted average method and includes applicable cost incurred in bringing inventories to their present location and condition.

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## Statement of Comprehensive Income

	Note(s)	15 months ended 31st March 2013 N. '000
Revenue	8	162,615
Cost of sales	9	(130,747)
<b>Gross profit</b>		<b>31,868</b>
Operating expenses		(45,515)
<b>Operating loss</b>		<b>(13,647)</b>
Investment revenue	10	2,164
<b>Loss before taxation</b>		<b>(11,483)</b>
Taxation	11	(732)
<b>Loss for the 15 months</b>		<b>(12,215)</b>
Other comprehensive income		-
<b>Total comprehensive loss</b>		<b>(12,215)</b>
<b>Total comprehensive loss attributable to:</b>		
The Shareholders		(12,215)

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## Statement of Financial Position

		31st March 2013 N. '000
	Note(s)	
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	1	4,180
Short term Investment		65,000
		<b>69,180</b>
<b>Current Assets</b>		
Inventories	3	31,502
Trade and other receivables	4	5,227
Cash and cash equivalents	5	9,581
		<b>46,310</b>
<b>Total Assets</b>		<b>115,490</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	6	11,637
Accumulated loss		(12,215)
		<b>(578)</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Deferred tax	2	732
<b>Current Liabilities</b>		
Trade and other payables	7	115,336
<b>Total Liabilities</b>		<b>116,068</b>
<b>Total Equity and Liabilities</b>		<b>115,490</b>

Raghavan Govindan

Rajendran Parappil

The accounting policies on page 8 and the notes on pages 14 to 16 form an integral part of the financial statements.

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## Statement of Changes in Equity

	Share capital	Deposit for shares	Total share capital	Accumulated loss	Total equity
	N. '000	N. '000	N. '000	N. '000	N. '000
<b>Balance at January 01, 2012</b>	-	-	-	-	-
Changes in equity					
Total comprehensive income for the 15 months	-	-	-	(12,215)	(12,215)
Issue of shares	10,000	1,637	11,637	-	11,637
Total changes	10,000	1,637	11,637	(12,215)	(578)
<b>Balance at March 31, 2013</b>	<b>10,000</b>	<b>1,637</b>	<b>11,637</b>	<b>(12,215)</b>	<b>(578)</b>
Note(s)	6	6	6		

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## Statement of Cash Flows

		15 months ended 31st March 2013 N. '000
	Note(s)	
<b>Cash flows from operating activities</b>		
Cash receipts from customers		159,630
Cash paid to suppliers and employees		(94,105)
Cash generated from operations	13	65,525
Interest income		2,164
<b>Net cash from operating activities</b>		<b>67,689</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	1	(4,745)
Short term investments		(65,000)
<b>Net cash from investing activities</b>		<b>(69,745)</b>
<b>Cash flows from financing activities</b>		
Proceeds on share issue	6	11,637
<b>Total cash movement for the 15 months</b>		<b>9,581</b>
<b>Total cash at end of the 15 months</b>	5	<b>9,581</b>

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## Notes to the Financial Statements

2013  
N. '000

### 1. Property, plant and equipment

	2013		
	Cost / Valuation	Accumulated depreciation	Carrying value
Motor vehicles	4,745	(565)	4,180

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

### 2. Deferred tax

### 3. Inventories

Inventories	31,502
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### 4. Trade and other receivables

Trade receivables	5,052
Other receivables	175
	<u>5,227</u>

### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	9,581
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### 6. Share capital

#### Authorised

10,000,000 Ordinary shares of N 1.00 each	10,000
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#### Issued

10,000,000 Ordinary shares of N 1.00 each	10,000
Deposit for shares	1,637
	<u>11,637</u>

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## Notes to the Financial Statements

2013  
N. '000

### 7. Trade and other payables

Trade payables	87,472
Advance from customers	7,869
Other payables	355
Accrued expense	19,640
	<u>115,336</u>

### 8. Revenue

Rendering of services	<u>162,615</u>
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### 9. Cost of sales

Rendering of services	
Cost of services	<u>130,747</u>

### 10. Investment revenue

Interest on short term deposit	<u>2,164</u>
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### 11. Taxation

#### Major components of the tax expense

#### Deferred

Originating and reversing temporary differences	<u>732</u>
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### 12. Auditors' remuneration

Fees	<u>2,000</u>
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### 13. Cash generated from operations

Loss before taxation	(11,483)
Adjustments for:	
Depreciation and amortisation	565
Interest received	(2,164)
Changes in working capital:	
Inventories	(31,502)
Trade and other receivables	(5,227)
Trade and other payables	115,336
	<u>65,525</u>



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## Notes to the Financial Statements

2013  
N. '000

### 14. Related parties

Relationships

Holding company 85,304

### 15. Going concern

We draw attention to the fact that at March 31, 2013, the company had accumulated losses of N. (12,215) and that the company's total liabilities exceed its assets by N. (578).

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.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note of these financial statements will remain in force for so long as it takes to restore the solvency of the company.

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## Value Added Statement

2013

N. '000

### Value Added

#### Value added by operating activities

Revenue	162,615
Bought - in materials and services	(155,547)
	<u>7,068</u>

#### Value added by investing activities

Interest income	2,164
Fair Value adjustments	(54)
	<u>2,110</u>

#### Total Value Added

9,178

### Value Distributed

#### To Pay Employees

Salaries, wages, medical and other benefits	20,096
	<u>20,096</u>

#### To be retained in the business for expansion and future wealth creation:

##### Value reinvested

Depreciation, amortisation and impairments	565
Deferred tax	732
	<u>1,297</u>

#### Value retained

Retained profit	(12,215)
	<u>(12,215)</u>

#### Total Value Distributed

9,178

“Value added” is the measure of wealth the group has created in its operations by “adding value” to the cost of products and services. The statement above summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out above is the amount retained and re-invested in the company for the replacement of assets and the further development of operations.

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## Detailed Income Statement

	Note(s)	15 months ended 31st March 2013 N. '000
<b>Revenue</b>		
Rendering of services		162,615
<b>Cost of sales</b>		
Purchases		(162,249)
Closing stock		31,502
	9	<b>(130,747)</b>
<b>Gross profit</b>		<b>31,868</b>
<b>Other income</b>		
Interest received	10	2,164
<b>Expenses (Refer to page 19)</b>		<b>(45,515)</b>
<b>Loss before taxation</b>		<b>(11,483)</b>
Taxation	11	732
<b>Loss for the 15 months</b>		<b>(12,215)</b>

# NIIT WEST AFRICA LIMITED

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Trading as NIIT WEST AFRICA LIMITED

Financial Statements for the 15 months ended March 31, 2013

## Detailed Income Statement

	Note(s)	15 months ended 31st March 2013 N. '000
<b>Operating expenses</b>		
Advertising		(7,890)
Auditors remuneration	12	(2,000)
Bank charges		(1,313)
Consulting and professional fees		(3,805)
Depreciation, amortisation and impairments		(565)
Employee costs		(20,096)
Industrial Training Fund		(201)
Insurance		(1,417)
Legal expenses		(810)
Loss on exchange differences		(54)
Postage		(69)
Printing and stationery		(184)
Repairs and maintenance		(244)
Research and development costs		(455)
Telephone and fax		(1,426)
Travel - local		(4,483)
Travel - overseas		(503)
		<b>(45,515)</b>