

NIIT WEST AFRICA LIMITED
(Registration number RC: 945639)
Trading as NIIT WEST AFRICA LIMITED
Financial statements
for the year ended March 31, 2014

Emmanuel Adeyemo Ogunlowo & Co
(Chartered Accountants)

NIIT WEST AFRICA LIMITED
(Registration number RC 945639)
Trading as NIIT WEST AFRICA LIMITED
Financial Statements for the year ended March 31, 2014

General Information

Country of incorporation and domicile	Nigeria
Nature of business and principal activities	Information Technology Solutions
Registered office	29, Ogunlowo Street Off Obafemi Awolowo Way Ikeja, Lagos Nigeria +234
Bankers	Zenith Bank Plc
Auditors	Emmanuel Adeyemo Ogunlowo & Co (Chartered Accountants)
Secretaries	Ebao Nominees Limited
Tax reference number	10693426-0001

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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 Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004.

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Directors' Responsibilities and Approval

The directors are required in terms 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. 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 year 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 minimize 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, 2015 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 24, which have been prepared on the going concern basis, were approved by the board of directors on April 21, 2014 and were signed on its behalf by:

Approval of financial statements

Saravanan Lakshmanan
Director
PRC/

Pankaj Maheshwari
Director
PRC/



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, 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 5 to 23.

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 of Nigeria, Cap C20 LFN 2004, 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, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004.

Signed:

Bamidele. A. Ogunlowo (FCA)
FRC/2013/ICAN/0000002497
For: Emmanuel Adeyemo Ogunlowo & Co
(Chartered Accountants)



April 21, 2014

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

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Directors' Report

The directors submit their report for the year ended March 31, 2014.

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 year. 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 year 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. Application 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.

(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.

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5. Directors

Name	Nationality	Changes	Date
RajendranParappil	Indian	Reappointed	21 st January, 2014
RaghavanGovindan	Indian	Resigned	21 st January, 2014
LalAjaiManohar	Indian	Reappointed	21 st January, 2014
ChadhaHarjeet Singh	Indian	Resigned	21 st January, 2014
SaravananLakshmanan	Indian	Appointed	21 st January, 2014
Hariharaputran Ramamurthy	Indian	Resigned	21 st January, 2014
PankajMaheshwari	Indian	Appointed	21 st January, 2014

The secretaries of the company are Ebao Nominees Limited of:

Postal address P.O BOX 756
Ikeja, Lagos
Nigeria

Emmanuel AdeyemoOgunlowo & Co will continue in office in accordance with section 357 of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004.

The financial statements set out on pages 5 to 23, which have been prepared on the going concern basis, were approved by the board of directors on April 21, 2014 and were signed on its behalf by

EBAO Nominees
Company Secretaries
FRC/2014/ICAN/5849

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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 presented in Nigeria 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 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.

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Accounting Policies (continued)

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)	2014 N. '000	2013 N. '000
Revenue	9	131,731	162,615
Cost of sales	10	(110,306)	(130,747)
Operating expenses	11	(29,592)	(24,853)
Employee costs	12	(16,964)	(20,096)
Depreciation, amortization and impairment expenses		(475)	(565)
Operating loss		(25,606)	(13,646)
Investment revenue	13	3,561	2,164
Loss before taxation		(22,045)	(11,482)
Taxation	14	1,044	(732)
Loss for the year		(21,001)	(12,214)
Other comprehensive income		-	-
Total comprehensive loss for the year		(21,001)	(12,214)
Loss for the year		(21,001)	(12,214)
Earnings per share (Naira)		2.1	1.2

The accounting policies on page 7 and the notes on pages 13 to 23 form an integral part of the financial statements.

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Statement of Financial Position as at March 31, 2014

	Note(s)	2014 N. '000	2013 N. '000
Assets			
Non-Current Assets			
Property, plant and equipment	2	3,706	4,180
Fixed Deposit		-	65,000
Deferred tax	3	312	-
		<u>4,018</u>	<u>69,180</u>
Current Assets			
Inventories	4	42,476	31,502
Trade and other receivables	5	4,386	5,227
Cash and cash equivalents	6	137,252	9,581
		<u>184,114</u>	<u>46,310</u>
Total Assets		<u>188,132</u>	<u>115,490</u>
Equity and Liabilities			
Equity			
Share capital	7	11,637	11,637
Accumulated loss		(33,215)	(12,214)
		<u>(21,578)</u>	<u>(577)</u>
Liabilities			
Non-Current Liabilities			
Deferred tax	3	-	732
Current Liabilities			
Trade and other payables	8	209,710	115,335
Total Liabilities		<u>209,710</u>	<u>116,067</u>
Total Equity and Liabilities		<u>188,132</u>	<u>115,490</u>

The financial statements and the notes on pages 5 to 24, were approved by the board of directors on the April 21, 2014 and were signed on its behalf by:

Saravanan
Lakshmanan Director
FRC/

Pankaj Masheshwari
Director
FRC/

Ibituyi O. Moses
Head of Finance
FRC/2014/CAN/0000005660

The accounting policies on page 7 and the notes on pages 13 to 23 form an integral part of the financial statements.

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Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
	N. '000	N. '000	N. '000	N. '000	N. '000
Balance at April 01, 2012	10,000	1,637	11,637	-	11,637
Loss for the year	-	-	-	(12,214)	(12,214)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(12,214)	(12,214)
Balance at April 01, 2013	10,000	1,637	11,637	(12,214)	(577)
Loss for the year	-	-	-	(21,001)	(21,001)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(21,001)	(21,001)
Balance at March 31, 2014	10,000	1,637	11,637	(33,215)	(21,578)
(Signed)	7	7	7		

The accounting policies on page 7 and the notes on pages 13 to 23 form an integral part of the financial statements.

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Statement of Cash Flows

	Note(s)	2014 N. '000	2013 N. '000
Cash flows from operating activities			
Cash receipts from customers		209,432	159,630
Cash paid to suppliers and employees		(146,761)	(91,941)
Cash generated from operations	16	62,671	67,689
Withholding tax paid		(635)	(650)
PAYE paid		(2,926)	(1,515)
Net cash from operating activities		59,110	65,524
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(4,744)
Short term investments		65,000	(65,000)
Net cash from investing activities		65,000	(69,744)
Cash flows from financing activities			
Proceeds on share issue	7	-	11,637
Interest income		3,561	2,164
Net cash from financing activities		3,561	13,801
Total cash movement for the year		127,671	9,581
Cash at the beginning of the year		9,581	-
Total cash at end of the year	6	137,252	9,581

The accounting policies on page 7 and the notes on pages 13 to 23 form an integral part of the financial statements.

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Notes to the Financial Statements

1. New Standards and Interpretations

IFRS 9 Financial Instruments

This new standard was issued as part of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the Standard includes chapters for classification, measurement and de recognition of financial assets and liabilities. The following are the main changes from IAS 39:

- Financial assets will be 14recognized14 as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortized cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on de recognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The category of classification for financial liabilities remains unchanged from prior years. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be 14recognized14 in profit or loss.

The effective date of the standard is for years beginning on or after January 01, 2013.

The company has adopted the standard for the first time in the 2014 financial statements.

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Notes to the Financial Statements (continued)

IFRS 10 Consolidated Financial Statements

Standard replaces the consolidation sections of IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The standard sets out a new definition of control, which exists only when an entity is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to effect those returns through power over the investee.

The effective date of the standard is for years beginning on or after January 01, 2013.

The company has adopted the standard for the first time in the 2014 financial statements.

The impact of the standard is not material.

IAS 27 Separate Financial Statements

Consequential amendment as a result of IFRS 10. The amended Standard now only deals with separate financial statements.

The effective date of the amendment is for years beginning on or after January 01, 2013.

The company has adopted the amendment for the first time in the 2014 financial statements.

IAS 19 - Employee Benefit Revised

Require recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of re-measurements in other comprehensive income, plan amendments, curtailments and settlements.

The effective date of the amendment is for years beginning on or after January 01, 2013.

The company has adopted the amendment for the first time in the 2014 financial statements.

1.1 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 01, 2014 or later periods:

IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets

The amendment brings the disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the disclosure requirements of IFRS 13 Fair Value Measurements.

The effective date of the amendment is for years beginning on or after January 01, 2014.

The company expects to adopt the amendment for the first time in the 2015 financial statements.

The adoption of this amendment 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.

IFRIC 21 Levies

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Notes to the Financial Statements (continued)

1. New Standards and Interpretations (continued)

IFRIC 21 Levies

The interpretation provides guidance on accounting for levies payable to government. It specifies that the obligating event giving rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. A constructive obligation for levies that will be triggered by operating in future is not raised by virtue of the entity being economically compelled to operate in future or for being a going concern. Furthermore, if the obligating event occurs over a period of time, then the liability is recognised progressively. An asset is recognised if an entity has prepaid a levy before the obligating event. This accounting also applies to interim reporting.

The effective date of the interpretation is for years beginning on or after January 01, 2014.

The company expects to adopt the interpretation for the first time in the 2015 financial statements.

The adoption of this interpretation 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.

IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting

The amendment provides guidance on whether an entity is required to discontinue hedging when the derivatives which are designated hedging instruments are novated to a central counterparty.

The effective date of the amendment is for years beginning on or after January 01, 2014.

The company expects to adopt the amendment for the first time in the amendment 2015.

The adoption of this amendment 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 10, IFRS 12 and IAS 27 - Investment Entities

The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27.

The effective date of the amendments is for years beginning on or after January 01, 2014.

The company expects to adopt the amendments for the first time in the 2015 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

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Notes to the Financial Statements

	2014 N. '000	2013 N. '000
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2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Motor vehicles	4,745	(1,039)	3,706	4,745	(565)	4,180

Reconciliation of property, plant and equipment - 2014

	Opening balance	Depreciation (474)	Total 3,706
Motor vehicles	4,180		

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Total
Motor vehicles	-	4,180	4,180

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Notes to the Financial Statements (continued)

	2014 N. '000	2013 N. '000
3. Deferred tax		
Property plant and equipment	312	(732)
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:		
Deferred tax liability	312	(732)
Reconciliation of deferred tax asset / (liability)		
At beginning of year	(732)	-
Taxable / (deductible) temporary difference movement on tangible fixed assets	1,044	(732)
	312	(732)
Recognition of deferred tax asset		
Deferred tax asset is recognized to the extent that there is probability of future taxable profits or taxable temporary difference available for offset.		
Unrecognized deferred tax asset		
Unused tax losses not recognised as deferred tax assets	6,059	2,219
Unused tax credits not recognised as deferred tax assets	-	1,023
	6,059	3,242
4. Inventories		
Education and Training materials	42,476	31,502
There was no cost of inventories recognized as an expense during the year in respect of continuing operations. No inventory was pledged as security for loans.		
5. Trade and other receivables		
Trade receivables	3,693	5,052
Other receivables	693	175
Allowance for doubtful debts	-	-
	4,386	5,227
No interest is charged on overdue receivables. The Company does not hold any collateral over these balances. Above 70% of the Company's sales are on cash basis. This enables a reasonable credit limit to be set. The concentration of credit risk is limited due to this fact and the large and unrelated customer base. The company has pledged no trade receivables during the year. No receivable was impaired during the year.		
Other receivables represent advance to agents.		

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Notes to the Financial Statements (continued)

	2014 N. '000	2013 N. '000
6. Cash and cash equivalents		
Cash and equivalents consist of:		
Bank balances	20,691	9,581
Short-term deposits	116,561	-
	<u>137,252</u>	<u>9,581</u>
7. Share capital		
Authorized		
10,000,000 Ordinary shares of N 1.00 each	10,000	10,000
Issued		
10,000,000 Ordinary shares of N 1.00 each	10,000	10,000
Share premium	1,637	1,637
	<u>11,637</u>	<u>11,637</u>
8. Trade and other payables		
Trade payables	180,833	87,471
Advance from customers	4,033	7,869
Amount due to staff	1,474	-
Other payables	345	355
Accrued expense	23,025	19,640
	<u>209,710</u>	<u>115,335</u>
The average credit period on purchases is 30 days. No interest is charged on trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within a reasonable time of the credit time frame.		
9. Revenue		
Sales of Education books and materials	<u>131,731</u>	<u>162,615</u>
10. Cost of sales		
Cost of Education books and materials	<u>110,306</u>	<u>130,927</u>

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Financial Statements for the year ended March 31, 2014

Notes to the Financial Statements (continued)

	2014 N. '000	2013 N. '000
11. Operating expense		
The following items are included within operating expenses:		
Advertising	4,877	7,890
Auditors remuneration	2,000	2,000
Bank charges	2,016	1,313
Consulting and professional fees	6,957	4,615
Insurance	483	1,417
Levies	-	201
Postage	84	69
Printing and stationery	160	184
Profit and loss on exchange differences	3,893	54
Repairs and maintenance	1,259	244
Research and development costs	1,632	455
Telephone and fax	1,105	1,426
Travel - local	2,655	4,483
Travel - overseas	2,471	503
	29,592	24,854
12. Employee costs		
Indirect employee costs		
Basic	16,472	19,645
Commissions	492	450
	16,964	20,095
Total employee costs		
Indirect employee costs	16,964	20,095
13. Investment revenue		
Interest revenue		
Interest on short term deposit	3,561	2,164
14. Taxation		
Major components of the tax income		
Deferred		
Originating and reversing temporary differences	(1,044)	732

No provision has been made for 2014 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is N.14.2m - (2013: N.7.4m).

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 Financial Statements for the year ended March 31, 2014

Notes to the Financial Statements

	2014 N. '000	2013 N. '000
15. Auditors' remuneration		
Fees	2,000	2,000
16. Cash generated from operations		
Loss before taxation	(22,045)	(11,482)
Adjustments for:		
Depreciation and amortisation	475	565
Changes in working capital:		
inventories	(10,974)	(31,502)
Trade and other receivables	841	(5,227)
Trade and other payables	94,374	115,335
	<u>62,671</u>	<u>67,689</u>
17. Related parties		
Relationships		
Holding company (99% holding)		NIIT ANTILLES N.V (CURACAO)
The value of transactions between the NIIT ANTILLES N.V and NIIT West Africa during the year amounted to N111,257,431.62.		
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
NIIT ANTILLES N.V	(150,631)	(85,304)

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Notes to the Financial Statements

2014	2013
N. '000	N. '000

18. 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 8, . . . cash and cash equivalents disclosed in note 6, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

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 company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (company treasury) under policies approved by the board of directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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Financial Statements for the year ended March 31, 2014

Notes to the Financial Statements

2014	2013
N. '000	N. '000

18. Risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At March 31, 2014	Less than 1 year	Between 1 and 2 years
Trade and other payables	122,050	81,366
At March 31, 2013	Less than 1 year	Between 1 and 2 years
Trade and other payables	46,134	69,201

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. Foreign exchange risk arises from future commercial transactions, recognized 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 recognized assets and liabilities, entities in the company use forward contracts, transacted with company treasury. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

19. Going concern

We draw attention to the fact that at March 31, 2014, the company had accumulated losses of N.14.2m (33,215) and that the company's total liabilities exceed its assets by N.14.2m (21,578).

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 realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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Financial Statements for the year ended March 31, 2014

Notes to the Financial Statements

19. Going concern (continued)

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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Financial Statements for the year ended March 31, 2014

Two Year Financial Summary

	2014 N. '000	2013 N. '000
Statement of Financial Position		
Assets		
Non-current assets	16,232	69,180
Current assets	184,114	46,310
Total assets	200,346	115,490
Liabilities		
Non-current liabilities	-	732
Current liabilities	209,710	115,335
Total liabilities	209,710	116,067
Equity		
Share capital	11,637	11,637
Accumulated loss	(21,001)	(12,214)
Total equity	(9,364)	(577)
Total equity and liabilities	200,346	115,490
Profit and loss account		
Revenue	131,731	162,615
Cost of sales	(110,306)	(130,747)
Gross profit	21,425	31,868
Operating expenses	(47,031)	(45,514)
Operating loss	(25,606)	(13,646)
Investment Income	3,561	2,164
Loss before taxation	(22,045)	(11,482)
Taxation	1,044	(732)
Loss from discontinued operations	(21,001)	(12,214)
Loss for the year	(21,001)	(12,214)
Per share data		
Earnings per share (Basic)	2.1	1.2

Loss per share is based on loss after tax and the number of issued and fully paid ordinary shares at the end of each financial year.