Learn Africa Plc

Quarter 3 Unaudited Financial Statement
1st January to 30th September 2017

Contents

Summary of significant accounting policies

The following are the significant accounting policies applied by Learn Africa Plc in preparing its financial statements:

1. **Intangible Assets**

Intangible assets include purchased computer software and software licences with finite useful lives.
Purchased software and software licences are recognised as assets if there is sufficient certainty that future economic benefits associated with the item will flow to the entity. Amortisation is calculated using the straight-line method between 6 – 10 years.
Computer software primarily comprises external costs and other directly attributable costs.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives between 6 – 10 years is recognised in profit or loss as the expense category that is consistent with the function of the intangible assets. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the other operating income when the asset is derecognised.

2. **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss. Cost comprises the cost of acquisition and costs directly related to the acquisition up until the time when the asset is available for use. In the case of assets of own construction, cost comprises direct and indirect costs attributable to the construction work, including salaries and wages, materials, components and work performed by subcontractors. Such cost also includes the cost of replacing part of the property, plant and equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognized such parts as individual assets with specific useful lives and depreciates them accordingly.

Replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The depreciation base is determined as cost less any residual value. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets and begins when the assets are available for use.
The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognised in the profit or loss as an expense.

The estimated useful lives of the major asset categories are:

Asset category	Useful lives (Years)
Long leasehold land and buildings	50
Plant and machinery	10
Furniture, fittings and equipment	10
Motor Trucks	6
Motor Vehicle	6
Computer hardware	4

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

3. **Impairment of non-financial assets**

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an assets or CGU exceeds its recoverable amount, the assets is considered impaired and is written down to its recoverable amount

Learn Africa evaluates impairment losses for potential reversals when events or circumstances may indicate such consideration is appropriate. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Impairment losses and reversals are recognised in profit or loss.

4. **Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials:

Purchase cost on a first in, first out basis.

Goods- In-Transit, Work- in –progress and Finished goods

Goods in transit are valued at invoice price together with other attributable charges.

The cost of finished goods comprises suppliers' invoice prices and, where appropriate, freight, printing costs and other charges incurred to bring the materials to their location and condition.

Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

5. **Financial instruments**

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

- **Financial Asset**

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available for-sale financial assets.

Learn Africa determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus directly attributable transaction costs.

The company's financial assets include cash, trade and other receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are initially recognised at the amount expected to be received, less, when material, a discount to reduce the receivables to fair value.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in administrative expenses.

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

a) The rights to receive cash flows from the asset have expired or

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

a) The company has transferred substantially all the risks and rewards of the asset or

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

Impairment of financial assets
The company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

- **Financial Assets carried at amortised cost**

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

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.
The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

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

- **Financial liabilities**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs carried at amortised cost. This includes directly attributable transaction costs. Learn Africa's financial liabilities are trade and other payables.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Gains or losses on liabilities held for trading are recognised in profit or loss.
The company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost:
Financial liabilities at amortised cost include accounts payable and accrued liabilities. Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortised cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within 12 months. Otherwise, they are presented as non-current liabilities.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

6. **Cash and cash equivalents**
Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position.
For the purpose of the statement cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

7. **Taxation**

Current income and Education taxes
Current income and education taxes assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in Nigeria. Current income and education taxes assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

8. **Provisions**

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

The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer. The initial determination of the extent of the warranty provision and recognition is based on historical experience and past trends. The initial estimate of warranty-related costs is revised annually.

Contingent Liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognized, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

9. **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Sale of goods

Learn Africa Plc revenue comprises the fair value of the consideration received or receivable from the sale of publishing and distribution of educational materials for all levels of learning – Nursery, Primary, Secondary and Tertiary in the ordinary course of the company’s activities. Revenue is shown, net of value-added tax, estimated returns, rebates and discounts. Revenue is recognized when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Interest income

These are interest on short-term deposits which are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

10. **Investment properties**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in other operating income in the year in which they arise.

Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

11. **Employee Benefits**

(a) Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior period.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension fund administration (PFA) on a mandatory basis in line with Pension Act. The company has no further payment obligations once the contributions have been paid.

The company operates a defined contribution pension scheme in line with the Pension Reform Act 2014. The employees and the Company contribute 8% and 10% of basic salary, housing and transport allowances respectively. The Company's contributions are accrued and charged to the Statement of profit or loss as and when the relevant service is provided by employees. The company has no further payment obligations once the contributions have been paid.

(b) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

12. **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

13. **Share capital and reserves**

Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognized in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

Other capital reserves

This relates to revaluation surplus on property, plant and equipment prior to date of transition to IFRS.

14. **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as finance or operating lease. A lease that does not transfer substantially all the risks and rewards incidental to ownership is classified as an operating lease. Operating lease payments are recognized as an administrative expense in profit or loss on a straight-line basis over the lease term.

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

15. Significant accounting judgment, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and the accompanying disclosures of the contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of assumption, estimation, uncertainties and critical judgements in applying the accounting policies that have the most significant effect on the amount recognised in the financial statements include the following:

Taxes

Uncertainties exist with respect to the amount and timing of future taxable income. Given the differences in the interpretation of the underlying principles of taxable income, differences arising between the actual results and the assumptions made could necessitate future adjustment to tax income and expenses already recorded. The company establishes provisions based on reasonable estimates.

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

Allowance for doubtful accounts

The allowance for doubtful accounts involves management judgement and review of individual receivable balances based on an individual customer’s prior payment record, current economic trends and analysis of historical bad debts of a similar type.

LEARN AFRICA PLC

Statement of Profit or loss and other Comprehensive Income
For period ended 30 September

2016 Q4 DECEMBER N'000	2016 Q3 JAN - SEPT N'000	2016 Q3 JULY-SEPT N'000		NOTE	2017 Q3 JAN - SEPT N'000	2017 Q3 JULY - SEPT N'000
2,009,852	1,629,805	1,494,107	**Revenue**	**1**	1,773,354	1,507,967
(1,013,116)	(715,595)	(620,111)	Cost of sales		(753,219)	(645,454)
996,736	914,210	873,996	**Gross profit**		1,020,135	862,513
58,217	(9,989)	(7,440)	Other operating income		25,427	23,862
(265,291)	(207,974)	(80,343)	Selling and distribution costs		(241,654)	(53,955)
(665,722)	(450,782)	(185,772)	Administrative expenses		(450,538)	(168,156)
-	(145,000)	-	Other operating expenses		(152,981)	(137,981)
123,940	100,465	600,440	**Operating (Loss)/Profit**		200,389	526,283
-	-	-	Finance costs		-	-
10,373	8,449	5,608	Finance income		8,854	1,120
134,313	108,914	606,048	**Profit before tax**		209,243	527,403
102,846	(32,674)	(181,814)	Income tax		(66,958)	(168,769)
237,159	76,240	424,234	**Profit/(Loss) for the year**		142,285	358,634

LEARN AFRICA PLC

STATEMENT OF FINANCIAL POSITION AS AT

DESCRIPTION	NOTE	2017 SEPTEMBER N'000	2016 DECEMBER N'000
Assets			
Non- current assets			
Property and equipment	2	225,579	274,931
Investment properties		241,500	241,500
Intangible asset		13,624	9,838
Prepayments		18,201	7,507
Deferred tax asset		119,704	119,704
		618,608	**653,480**
Current assets			
Inventories	3	1,756,468	1,823,169
Trade and other receivables	4	1,910,243	1,188,856
Prepayments	5	22,898	17,085
Cash and short- term deposits	6	70,822	957,093
		3,760,432	**3,986,203**
Total assets		**4,379,039**	**4,639,683**
Equity and liabilities			
Equity			
Issued share capital		385,725	385,725
Share premium		1,940,214	1,940,214
Other capital reserves		67,703	67,703
Retained earnings		653,527	588,387
Total equity		**3,014,169**	**2,982,029**
Current liabilities			
Trade and other payables	7	1,231,010	1,539,185
Income tax payable		-	16,858
Provisions		100,860	101,611
Total Liabilities		1,331,870	1,657,654
Total equity and Liabilities		**4,379,039**	**4,639,683**

Approved by the Board on 19 October 2017 and signed on its behalf by :

Alhaji Hassan Bala
AG. Managing Director
(FRC/2016/IODN/00000015071)

Ojeile Cordelia
Finance Director
(FRC /2014/ICAN/0000002038)

LEARN AFRICA PLC

STATEMENT OF CHANGES OF EQUITY

FOR PERIOD ENDED 30 SEPTEMBER 2017

	ISSUED CAPITAL N'000	SHARE PREMIUM N'000	OTHER CAPITAL RESERVES N'000	RETAINED EARNINGS N'000	TOTAL N'000
As at 1 January 2016	385,725	1,940,214	67,703	351,228	2,744,870
Profit for the year				237,159	237,159
Dividend				-	-
As at December 2016	385,725	1,940,214	67,703	588,387	2,982,029
As at 1 January 2017	385,725	1,940,214	67,703	588,387	2,982,029
Profit for the year				142,285	209,243
Dividend				(77,145)	(77,145)
As at September 2017	385,725	1,940,214	67,703	653,527	3,114,127

LEARN AFRICA PLC
STATEMENT OF CASH FLOWS
FOR PERIOD END SEPTEMBER,2017

	2017 SEPT. N'000	2016 SEPT. N'000
Operating activities		
Cash generated from operations	(803,353)	(219,251)
Income tax paid	(17,422)	(5,361)
Net cash generated from operating activities	(820,775)	(224,612)
Investing activities		
Interest received	8,854	8,449
Proceeds from sale of fixed assets	23,862	5,953
Purchase of fixed assets	(21,067)	(40,962)
Net cash used in investing activities	11,649	(26,560)
Financing activities		
Interest paid	-	-
Dividend paid	(77,145)	-
Net cash used in financing activities	(77,145)	-
Net (decrease)/increase in cash and cash equivalents	(886,271)	(251,172)
Cash and cash equivalents at 1 January	957,093	560,267
Cash and cash equivalents at 30 Sept	**70,822**	**309,095**

1. Revenue

These were sales from different districts.

	2017 Q3 SEPT N'000	2016 Q3 SEPT N'000	2016 Q4 DECEMBER N'000
HEAD OFFICE	123,774	6,087	89,233
ABUJA	272,721	201,990	282,497
LAGOS	373,378	361,002	402,125
IBADAN	470,411	447,210	507,714
OWERRI	222,355	298,832	306,842
JOS	83,554	75,778	69,107
ZARIA	104,973	101,433	147,542
PORTHARCOURT	122,188	137,473	204,792
	1,773,354	1,629,805	2,009,852

2. FIXED ASSETS

	Leasehold Land and Building N'000	Plant & Machinery N'000	Motor Vehicles N'000	Motor Trucks N'000	Furniture and Fittings N'000	Hardware N'000	Total N'000
Cost/valuation							
At 1 January 2017	162,819	104,697	296,770	87,890	151,700	71,336	875,212
Additions	-	3,168	8,308	-	854	1,537	13,867
Disposals	(25,000)	-	-	-	-	-	(25,000)
As at 30th Sept. 2017	137,819	107,865	305,078	87,890	152,554	72,873	864,079
Depreciation							
At 1 January 2017	49,474	77,582	231,957	76,770	105,578	58,920	600,281
Charge for the year	2,104	4,279	24,226	-	8,207	3,515	42,331
Disposals	(4,112)	-	-	-	-	-	- 4,112
As at 30th Sept. 2017	47,466	81,861	256,183	76,770	113,785	62,435	638,500
Net book value							
As at 30th Sept. 2017	90,353	26,004	48,895	11,120	38,769	10,438	225,579
As at 31st December 2016	113,345	27,115	64,813	11,120	46,122	12,415	274,930

3. Inventories

	2017 SEPT. N'000	2016 DECEMBER N'000
Raw materials	37,621	24,584
Work in progress	83,119	99,881
Publications	1,629,375	1,698,479
Consumables	6,353	225
TOTAL	**1,756,468**	**1,823,169**

4. **Trade and other Receivables**

	2017 SEPT. N'000	2016 DECEMBER N'000
Trade receivables	2,146,982	1,401,447
Less: impairment of doubtful receivables	(362,469)	(338,845)
withholding tax recoverable	120,787	120,632
other receivable	4,943	5,622
TOTAL	1,910,243	1,188,856

5. Prepayments

	2017 SEPT. N'000	2016 DECEMBER N'000
Non current prepayments	18,201	7,507
Current prepayments	22,898	17,085
	41,099	24,592

6. cash and cash equivalents

	2017 SEPT. N'000	2016 DECEMBER N'000
Cash at bank and on hand	(29,802)	843,581
Short-term deposit	94,926	113,512
	70,822	957,093

7.Trade and other payables

	2017 SEPT. N'000	2016 DECEMBER N'000
Trade payables	731,029	1,125,462
Royalties	362,752	290,048
Other taxation payable	22,285	20,410
Other payables	20,018	26,768
Unclaimed dividend	94,926	76,497
	1,231,010	1,539,185