



Learn Africa Plc

Vision

To be the leading publishing brand delivering optimum value to its stakeholders.

Mission

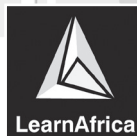
To deliver excellent services in a socially responsible manner.

Values

The Learn Africa values are encapsulated in the acronym - PRIDE - which represents the five pairs of principles that guide us wherever we may be; whatever we may be doing.

The principles are:

- Professionalism & Performance
- Reliability & Respect
- Integrity & Innovativeness
- Devotion & Decency
- Excellence & Equity



CORPORATE PROFILE

Learn Africa Plc is a learning resource business with a history spanning over 50 years. The Company was established in 1961 as Longman Nigeria – a book publishing firm wholly owned by Longman Group UK Limited, now Pearson Education.

On 23 July 1996, the shares of Longman Nigeria Plc were listed on the Nigeria stock Exchange. In 2008, the Company became a subsidiary of Pearson Plc following the latter's increase in its shareholding from 29 to 51 percent. In 2011, however, Pearson and Longman Nigeria agreed to become separate corporate entities in Nigeria.

The main business of Learn Africa is the publication and marketing of textbooks for the entire gamut of the educational system – pre-primary, primary, secondary and tertiary. The Company has equally distinguished itself in the marketing of reference, professional and general reading materials. Today, Learn Africa Plc is Nigeria's largest educational publisher with the widest range of books and educational resources and a very expansive distribution network.

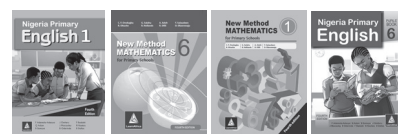
To enhance the quality of education in Nigeria and beyond, the Company offers teacher training and development programmes, digital content provisioning and educational consultancy services.

To realise its vision, Learn Africa Plc continues to

- provide products of such high quality and international standard that will enable it to sustain the confidence and patronage of its customers, remain the preferred educational partner and guarantee adequate returns to shareholders;
- offer its employees fair and adequate remuneration and opportunities for full realisation of their potential as individuals;
- provide exceptionally high-quality content, in book and electronic formats, that appropriately serve the needs of pupils, students and teachers at all levels of education; and
- support teachers and lecturers by giving them access to cutting-edge teaching resources delivered through workshops and online sources.

As a customer-focused organisation, Learn Africa Plc places strong emphasis on customer insight, product quality and value addition. The Company appreciates the crucial role it plays in the development of human capital that is primed for the challenges of the 21st century and beyond.

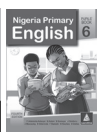
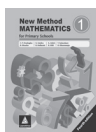
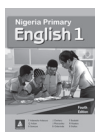
As a learning organisation, the Company keeps searching for innovative ways of making education more accessible and enjoyable to people, thus enhancing the quality of life and socio-economic development of the nation.





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Learn Africa Plc

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of the Shareholders of **Learn Africa Plc** will be held at 52 Oba Akran Avenue, Ikeja, Lagos on Thursday, 17 October 2019 at 11.00 a.m. to transact the following business:

Ordinary Business

- 1 To lay before the meeting, the Report of the Directors and Financial Statements for the 15-month period ended 31 March 2019, together with the Directors, Auditors and Audit Committee Reports thereon.
- 2 To declare a dividend.
- 3 To elect/re-elect Directors.
- 4 To authorise the Directors to fix the remuneration of the Auditors.
- 5 To elect/re-elect members of the Audit Committee.

Special Business

To consider, and if thought fit, pass the following resolution as an Ordinary Resolution:

- 6 To approve the remuneration of Directors.

By Order of the Board

DCSL Corporate Services Limited
(Company Secretaries)
Bisi Adeyemi – FRC/2013/NBA/00000002716
Dated: 25 September 2019

Rights of Securities Holders to ask Questions: Securities Holders have a right to ask questions not only at the meeting but also in writing prior to the meeting, and such questions must be submitted to the Company on or before the 2nd day of October 2019.



Learn Africa Plc

Notice of Annual General Meeting (cont'd)

Note:

1 Proxy

A member entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and vote on his/her behalf and such a proxy need not be a member of the Company. All executed proxy forms should be deposited with the Registrars, First Registrars and Investors Services Limited, Plot 2, Abebe Village Road, Iganmu, Lagos or the office of the Company Secretaries, DCSL Corporate Services Limited at 235, Ikorodu Road, Ilupeju, Lagos, not later than 48 hours before the time of holding the meeting. To be valid, the instruments of proxy should be duly stamped by the Commissioner for Stamp Duties. A proxy form is attached to the Annual Report.

2 Closure of Register and Transfer Books

The Register of Members and Transfer Books will be closed from Monday, 23 September 2019 to Friday, 27 September 2019 (both days inclusive) for the purpose of updating the Register of Members and payment of dividend.

3 Dividend Payment

A total dividend of ₦115,717,500.00 at 15 kobo per share has been recommended by the Board of Directors for the approval of the shareholders. If approved, the payment of the dividend will be made on 18 October 2019 to all shareholders, whose names appear in the Register of Members at the close of business on 20 September 2019.

4 Nomination of the Audit Committee

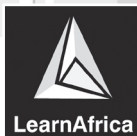
In accordance with Section 359(5) of the Companies and Allied Matters Act LFN 2004, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretaries at least 21 days before the Annual General Meeting.

5 Change of Address

Members are requested to notify the Registrars of changes, if any, in their registered addresses.

6 Re-election of Directors

In accordance with the provisions of CAMA 2004, the Directors to retire by rotation at the 46th AGM are Chief Emeke Iwerebon, Alhaji Bala Hassan and Mr Fred Ijewere. The retiring Directors, being eligible, offer themselves for re-election.



Learn Africa Plc

Financial Highlights

For the 15-month period ended 31 March 2019

	2019 N'000	2017 N'000	Increase/ (Decrease) %
Major financial position items:			
Share capital	385,725	385,725	-
Total assets	5,547,466	4,388,770	26
Revenue reserve	748,349	778,128	(4)
Shareholders' funds	3,141,991	3,171,770	(1)
Major comprehensive income items:			
Turnover	3,479,474	2,485,531	40
Profit/(Loss) before taxation	379,929	296,689	28
Profit/(Loss) after taxation	161,960	266,886	(39)
Dividend (gross)	115,718	108,003	7
Information per 50k ordinary share based on 771,450,000 ordinary shares:			
Earning per share (kobo)	21	35	(40)
Dividend per share (kobo)	15	14	7
Net assets per share (kobo)	407	411	(1)
Number of employees	213	180	18



Learn Africa Plc

Directors and Other Corporate Advisers

Board of Directors

Chief Emeke Iwerebon
Alhaji Hassan Bala
Alhaji Awwalu M. Makarfi
Mr Frederick E. Ijewere
Hajia Binta Bakari
Mrs Yetunde Aina
Mr Gbolagunte Aiyedun
Mrs Cordelia Ojeile

Chairman
Managing Director
Independent Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Publishing Director
Finance Director

Company Secretary

DCSL Corporate Services Limited
(Company Secretary)
235, Ikorodu Road, Ilupeju, Lagos
Tel: +234-8090381860, Website: www.dcs1.com.ng

Registered Office

52 Oba Akran Avenue, Ikeja, Lagos

Registered Number

RC 2637

Independent Auditor

Ernst & Young
(Chartered Accountants)
10th & 13th Floors, UBA House
57 Marina, Lagos, Nigeria

Registrar

First Registrars and Investors Services Limited
Plot 2 Abebe Village Road, Iganmu
P.M.B 12692, Lagos

Solicitor

Citi Point Chambers
(Legal Practitioners)
11, IPM Avenue, Alausa, Lagos

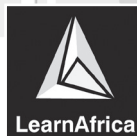
Bankers

First Bank of Nigeria Plc
Zenith Bank Plc
United Bank for Africa Plc
Guaranty Trust Bank Plc

Investment Adviser

Apel Asset & Trust Limited
8, Bashorun Street
Ikoyi, Lagos





Learn Africa Plc Chairman's Statement

Fellow Shareholders
Invited Guests
Distinguished Ladies and Gentlemen

It is with great pleasure that I welcome you all to the 46th Annual General Meeting of our great Company, Learn Africa Plc. At this meeting, I shall present to you the Annual Reports and Audited Financial Statements of our Company for the year ended 31 March 2019. I wish to remind you that we had fifteen months (January 2018 – March 2019) in our last financial year, being a transition from January-December to April-March financial year regimes.

Before I present the report, it is necessary to take a brief look at certain developments in our operating environment that impacted on our operations and performance during the year being reviewed.

Operating Environment

In many respects, the period being reviewed was a period of recovery for the Nigerian economy, emerging from its worst recession which had characterised 2016 and some part of 2017. The average exchange rate of the naira was relatively stable at the Interbank Foreign Exchange market settling at ₦305.65 to one United States Dollar at the end of March 2018. Although access to forex improved compared to the previous year but it was not absolute. Almost half of our forex exposure were still sourced from the parallel market. The economy also experienced a marginal drop in the rate of inflation as a result of the improved foreign exchange rate.

In spite of the general positive economic atmosphere, the publishing sector and most other sectors of the economy were still faced with daunting challenges particularly with infrastructural facilities like congested ports, deplorable road network, high cost of maintenance and ever increasing high cost of energy. All these and many more increased our costs considerably and have adversely impacted on the fortunes of the Company.

Operating Result

In the year ended 31 March 2019, results of our Company's operations showed that the Company posted a turnover of ₦3.48 billion, an increase of 40% from the ₦2.485 billion recorded in 2017. The Company also posted a profit before tax of ₦379.9 million. We recorded an operating profit of ₦161.96 million after accruing for taxes of ₦217.9 million.





Learn Africa Plc Chairman's Statement

Dividend Payment

The Board of Directors has recommended for your consideration and approval at this meeting a dividend of 15 kobo per 50 kobo ordinary share. This translates to ₦115.7 million which is subject to the appropriate statutory deductions.

Product Development

We have continued to publish new titles in order to expand our market share and sustain our dominance of the business in Nigeria. Existing titles are also being regularly revised to improve on their sales. Some of the new titles are *New Method Mathematics for Primary Schools (Fourth Edition)*, *Nigeria Primary English (Fourth Edition)*, *Exploring ICT (Primary)*, *Exploring Science (Primary)*, *History for Primary and Junior Secondary Schools*, *Pre-Vocational Studies for Junior Secondary Schools* and *Practical Chemistry for Senior Secondary Schools*.

We are confident that the editorial, design and print qualities of these new titles meet the highest standards in our industry and will enable us continue to maintain our dominance as the market leader.

Learn Africa Education Development Foundation

During the year under review, the Learn Africa Education Foundation, the corporate social responsibility arm of our Company, donated thousands of copies of books to the various state governments and their ministries, departments and agencies under the **Support-A-Library** initiative of the Foundation. Books were also donated to many chain schools including mission, Nigerian Army Education and Nigerian Navy Education Schools.

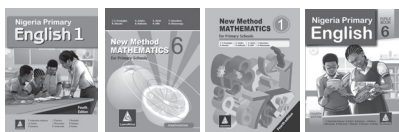
The books donated were our older editions that we recommended to be used as reference materials only and to be kept in their various school libraries.

Conclusion

On behalf of the Board and Management, I would like to express my sincere gratitude to all our shareholders for your continued support and trust over the years. I thank my colleagues on the Board, Management and staff for their unalloyed commitment and sacrifices towards the progress of our Company.

Finally, I thank you all here present and charge you all to *keep discovering*. God bless our Company, God bless Nigeria.

Emeke Iwerebon
CHAIRMAN





Learn Africa Plc Profile of Directors



Chief Emeke Iwerebon

Chairman, Board of Directors

(Appointed 7 June, 2011)

Chief Emeke Iwerebon holds a B.Sc. in Business Administration, MA (Honours) in Economics and a Juris Doctor degree in Law and was called to the bar in 1989.

He has worked in various fields of human endeavour including judicial clerkships with Justices of the Illinois Appellate Court, prosecutorial work and extensive work in the finance department of Longman USA. He has been the Chairman of other companies operating in key sectors of the nation's economy.



Alhaji Hassan S. Bala

Managing Director/Chief Executive Officer

(Appointed 1 April, 2016)

Alhaji Hassan Bala was appointed Managing Director of Learn Africa Plc on 1 April 2016. He joined Longman Nigeria Plc in 1996 as a Sales Canvasser in Zaria and later became the Senior Sales Representative in charge of Borno/Yobe; Area Manager of North West District and later, District Manager, North West at different times.

Until his appointment Managing Director in 2016, Alhaji Bala was the Head of Sales, North from 2013. Alhaji Bala holds a Certificate in Marketing and a Diploma in Purchasing & Supply Management from Kaduna State Polytechnic (now Nuhu Bamalli Polytechnic) Zaria, and a B.Sc. Business Management & Entrepreneurial Studies at the National Open University of Nigeria.



Learn Africa Plc Profile of Directors



Alhaji Awwalu Makarfi

Independent Non-Executive Director

(Appointed 28 September, 2011)

Alhaji Awwalu Makarfi was appointed as a Director on the Board of Learn Africa Plc in 2011. He is a professional librarian who has attended numerous on-the-job courses both locally and overseas.

Makarfi also has a rich experience in the maritime industry, and until his retirement in 2006, he was the Director of Administration and Personnel Services at the National Maritime Authority (NMA), and the Nigerian Maritime Administration and Safety Agency (NIMASA).



Mr Frederick Ijewere

Non-Executive Director

(Appointed 12 August, 2011)

Mr Frederick Ebakoleane Ijewere is a Chartered Accountant by profession. He is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN), fellow of the Chartered Institute of Taxation, Nigeria (CITN) and a SAP human resources consultant.

With over 25 years of private accounting practice, Fred is a director of organisations involved in business risk consultancy, oil and gas, and manufacturing, and has also been a Managing Director of a finance company, and industrial mineral processing plants.

He is also a member and treasurer of the Anti-Counterfeit Coalition in Nigeria, and an Assistant Governor of Rotary International.



Learn Africa Plc Profile of Directors



Hajia Binta Bakari

Non-Executive Director

(Appointed 12 August, 2011)

Hajia Binta Bakari is the MD/CEO of Elegant Touch Limited. She has vast experience in purchasing, sales and construction. Before starting Elegant Touch Limited, she had worked with AWAL Motors Limited and AWAL Construction Limited.

A seasoned administrator, Hajia Binta has been a contractor to many government ministries, parastatals, agencies, private companies, individuals and the diplomatic community. She had her education at the Women Teachers Training College, Borno State, and she is currently undertaking a Diploma in Law at the University of Jos, Plateau State.



Mrs Yetunde Aina

Non-Executive Director

(Appointed 6 December, 2012)

Mrs Yetunde Aina holds a B.Sc. Economics, and a degree in Law from Kings College and the London School of Economics, respectively. Mrs Aina has varied experience in banking, product design and business development. She was also a design consultant to Shell Petroleum Development Company (SPDC).

Mrs Aina is currently the CEO of Jadeas Trust, an educational and cultural foundation with a Pan-African focus. The organisation has played advisory roles to State Governments, National and International agencies and organisations.



Learn Africa Plc Profile of Directors



Mr Gbolagunte Aiyedun

Publishing Director

(Appointed 6 December, 2012)

Mr Gbolagunte Aiyedun graduated from Obafemi Awolowo University in 1988 with a B.Sc. (Honours) degree in Biochemistry. He joined Longman Nigeria Plc in 1999 as Publisher (Science and Technical) having worked with two other publishing companies from 1992. He rose to the position of Senior Publisher in 2002, Deputy Publishing Manager in 2008 and Assistant General Manager (Publishing) in 2009.

He was appointed as the Publishing Director in 2012. He has attended many local and overseas training programmes including the Strategic Publishing Management Course at the Publishing Training Centre, Wandsworth, London, United Kingdom.



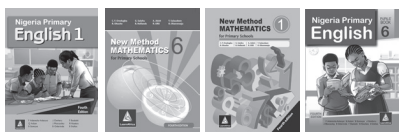
Mrs Cordelia Isioma Ojeile

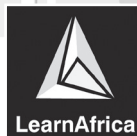
Finance Director

(Appointed 11 December, 2014)

Mrs Cordelia Isioma Ojeile is an associate member of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITN). She is an alumnus of Yaba College of Technology.

She joined Longman Nigeria Plc in 1998 as an Assistant Accountant and rose to the position of Assistant Management Accountant in 2006. She was appointed Management Accountant in 2009, and was thereafter made the interim Head of Human Resource and Administration in 2011. In 2012, she rose to the position of Head of Finance and was appointed Finance Director in December 2014.





Learn Africa Plc Directors' Report For the 15-month period ended 31 March 2019



The Directors present their report on the affairs of the Company together with the Audited Financial Statements for the 15-month period ended 31 March 2019.

Legal form

The Company was incorporated in Nigeria under the Companies and Allied Matters Act as a Private Limited Liability Company in Nigeria in 1961. It also commenced business operations that same year. The Company was converted to a Public Limited Liability Company on 28 May 1991 and its shares listed on the Nigerian Stock Exchange on 23 July 1996.

Principal activities and business review

The principal activities of the Company continue to be publishing and distribution of education materials for all levels of learning – Nursery, Primary, Secondary and Tertiary.

There was no change in the principal activities of the Company in the period under review.

Operating results

The profit/loss after taxation of the Company for the 15-month period ended on 31 March 2019 and the state of the Company's affairs as at that date are set out in the Company's Financial Statements on pages 37 to 120.

Profit/loss results for the year, after taxation are as follows:

Operating Results	15 months ended 31 Mar 2019 N'000	12 months ended 31 Dec 2017 N'000
Revenue	3,479,474	2,485,531
Profit before taxation	379,929	296,689
Income tax expenses	(217,969)	(29,803)
Profit after taxation	161,960	266,886



Learn Africa Plc

Directors' Report (cont'd)

For the 15-month period ended 31 March 2019

Dividend

The Directors in submitting to the shareholders the financial statements for the year ended 31 March 2019, proposed the payment of a dividend of 15 kobo per ordinary share of 50 Kobo each for the financial year (15-month period) ended 31 March 2019.

Shareholding and substantial shareholders

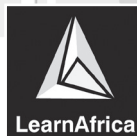
The issued and fully paid-up share capital of the Company is 771,450,000 ordinary shares of 50 kobo each. The Register of Members shows that as at 31 March 2019, only one person, Chief Emeke Iwerebon held more than 12% of the Company's shares; one person Mr Ade-Ajayi Jacob Festus (Prof) held 5.50% of the Company's shares while seventeen (17) members held between 1% and 5%. Other shareholders held less than 1% respectively.

Shares of 50k each				
	2019 No. of Shares	%	2017 No. of shares	%
MAJOR SHAREHOLDERS				
The following shareholder held More than 5% of the issued share Capital at 31 December				
Iwerebon Emeke Felix (Chief)	92,664,131	12.01	92,674,631	12.01
Ade-Ajayi Jacob Festus (Prof)	<u>42,429,847</u>	<u>5.50</u>	<u>42,429,847</u>	<u>5.50</u>

Aside from the substantial shareholders stated above, no other individual(s) hold(s) 5% and above of the issued and fully paid shares of the Company.

The Company shareholding structure as at 31 March 2019 is as stated below: 1

Structure description	Count	Holdings	% Holdings
Corporate	317	154,179,376	19.99
Foreign	10	1,274,363	0.17
Individual	7645	615,996,261	78.85
	7972	771,450,000	100.00



Learn Africa Plc

Directors' Report (cont'd)

For the 15-month period ended 31 March 2019

Directors interest in shares

The interests of the Directors in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and/or as notified by them for the purpose of Section 275 of the Companies and Allied Matters Act CAP C20 LFN 2004 and the listing requirements of the Nigerian Stock Exchange are as follows:

Directors holdings

Directors Holdings		As at March 2019			December 2017		
S/N	Name	Direct	Indirect	Total	Direct	Indirect	Total
1	Chief Emeke Iwerebon	77,564,842	15,099,289	92,664,131	77,564,842	15,109,789	92,674,631
2	Alhaji Bala	200,000	—	200,000	—	—	—
3	Alhaji Awwalu M. Makrfi	—	—	—	—	—	—
4	Mr Frederick E. Ijewere	2,379,611	35,441,404	37,621,015	2,179,611	35,441,404	37,621,015
5	Hajia Binta Bakari	21,878,696	—	21,878,969	21,878,969	—	21,878,969
6	Mrs Yetunde Aina	—	42,429,847	42,429,847	—	42,429,847	42,429,847
7	Mr Gbolagunte Aiyedun	200,000	—	200,000	200,000	—	200,000
8	Mrs Cordelia Isioma Ojeile	181,017	—	181,017	—	—	—

Chief Emeke Iwerebon has declared his majority interest in First Nationwide Limited, a company holding 15,009,289 ordinary shares in the Company. The indirect holdings of Mr Fredrick Ijewere and Mrs Yetunde Aina represent the holdings of Ebako & Company Limited and Professor Ade-Ajayi Jacob Festus, respectively.

Directors' interest in contracts

In accordance with Section 277 of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, 2004, no Director notified the Company of any interest in any contracts in which the Company was involved in the ordinary course of business during the year under review.

Acquisition of own shares

The Company did not purchase any of its own shares during the year.



Learn Africa Plc

Directors' Report (cont'd)

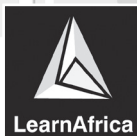
For the 15-month period ended 31 March 2019

Analysis of shareholdings

The share holding pattern of the Company as at 31 March 2019 is as stated below:

Range	No. of holders	Holders %	Units	Units %
1 - 1,000	1282	16.08	490,788	0.06
1,001 - 5,000	1,330	16.68	3,490,522	0.45
5,001 - 10,000	2,323	29.14	17,527,362	2.27
10,001 - 50,000	2,221	27.61	46,485,604	6.03
50,001 - 100,000	406	5.09	28,850,647	3.74
100,001 - 500,000	293	3.68	59,961,132	7.77
500,001 - 1,000,000	54	0.68	42,080,276	5.45
1,000,001 - 5,000,000	53	0.66	121,220,389	15.71
5,000,001 - 10,000,000	11	0.14	74,635,489	9.67
10,000,001 - 771,450,000	19	0.24	376,707,791	48.83
	7,975	100.00	771,450,000	100.00

DONATION		
SCHOOLS	LOCATION	AMOUNT
BRIGHTON SCH MAGAZINE	ENUGU	5,000.00
LIGHT OF GOD SCHOOL	ENUGU	5,000.00
ROTARY CLUB	ENUGU	50,000.00
ROSE VALLEY N/P	LAGOS	30,000.00
LATMOS COMP COLL	LAGOS	10,000.00
KINGDOM HERITAGE MODEL SCHOOL	LAGOS	30,000.00
MADONNA NUR & PRY SCHOOL	LAGOS	20,000.00
ALPHA REHOBOTH	LAGOS	30,000.00
MARYLAND COLLEGE	LAGOS	30,000.00
NIGERIA PUBLISHERS ASSOCIATION	LAGOS	2,000,000.00
DE -BRIGHT NUR & PRY SCHOOL	LAGOS	20,000.00
OUR LADY OF MOUNT CARMEL	LAGOS	20,000.00
APOSTOLIC FAITH SECONDARY SCHOOL	LAGOS	20,000.00
AOCOED SFTAFF SCHOOL	LAGOS	30,000.00
COMMAND DAY SECONDARY SCHOOL	LAGOS	100,000.00
QUEENS COLLEGE	LAGOS	50,000.00
FEDERAL GOVERNMENT COLLEGE	MAKURDI	15,000.00
KINGDOM HERITAGE MODEL SCHOOL	OGUN	30,000.00
MATHEMATICAL ASSOCIATION OF NIGERIA	OGUN	20,000.00
NIGERIA NAVY SECONDARY SCHOOL	OGUN	50,000.00
FEDERAL SCEINCE AND TECH COLLEGE	ONITSHA	10,000.00
SACRED HEAH COLLEGE	OYO	20,000.00
FEDERAL SCEINCE AND TECH COLLEGE	WARRI	10,000.00
		2,605,000.00



Learn Africa Plc List of Major Distributors

Abeokuta

Books and More Bookshop
Fola Bookshop
Ogunde Bookshop,
Ijebu – Ode

Abuja

Emetex Bookshop
Too Ventures Bookshop
Pearls Book Ventures

Agbor

All Saints Bookshop
Osinachi Bookshop
Standard Bookshop

Ajegunle

Garvic Bookshop, Ajegunle
Odunayo Bookshop, Festac
Timberland Bookshop, Agbara

Akure

Arowolo Bookshop
Ejisco Bookshop
Noble Bookshop

Benin

Destiny Bookshop
Jomoh Bookshop
Ken Jones Bookshop

Calabar

Silverbiz Bookshop
Student Bookshop
Youngest Bookshop

Enugu

Azoribe Bookshop, Nsukka
Samson Bookshop, Enugu
Ukpaka Bookshop, Enugu

Ibadan

Maryland Catholic Pry Sch,
Ogbomoso
Nickedel Group of Schools,
Ibadan
Wonsebolatan Bookshop, Ibadan

Ikeja

Abiodun Bookshop, Yaba
Ambra Royal Bookshop, Ipaja
Learner's Bookshop, Egbeda

Ikorodu

Brains Bookshop
Jacobson Bookshop
The Book Company

Ilorin

Alliance Bookshop
Lara Bookshop
Monday Bookshop

Jos

Eminent Bookshop
EYN Bookshop
Nuba Modern Bookshop

Kano

Alex Bookshop
De Masco Bookshop
Zamani Bookshop

Makurdi

Benco Bookshop, Makurdi
Chindu Martins
Bookshop, Boko
Kings Bookshop, Boko

Onitsha

Michael Bookshop
Ukpaka Bookshop
Ugochukwu Bookshop

Osogbo

Ishola Bookshop, Ikirun
Sambest Bookshop, Osogbo
New Era Bookshop,
Modakeke

Owerri

Chinwendu Bookshop, Aba
C.U. Uba Bookshop, Aba
Nnamdi Bookshop, Aba

Port Harcourt

Linus Bookshop
Partway Bookshop
POC Bookshop

Ota/Sango

Desh Bookshop
J. C Chuks Bookshop
Jossy Bookshop

Warri

Anuka Bookshop
Pipper Bookshop
Raff & Law Bookshop

Zaria

Kola Bookshop, Zaria
Mustapha Bookshop, Kaduna
Progress Bookshop, Kaduna



Learn Africa Plc

Directors' Report (cont'd)

For the 15-month period ended 31 March 2019

Events after the reporting date

As stated in Note 28, there are no events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

Format of the financial statements

The financial statements of Learn Africa Plc have been prepared in accordance with the reporting and presentation requirement of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the requirements of Financial Reporting Council of Nigeria Act No 6, 2011. The directors consider that the format adopted is that most suitable for the Company.

Independent Auditors

Messrs Ernst & Young served as the Independent Auditors during the year under review. The Independent Auditor's Report was signed by Mrs Omolola Alebiosu; a Partner in the Firm and a fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

In accordance with Section 357(2) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004, Messrs Ernst & Young have indicated their willingness to continue in office as Independent Auditors to the Company. A resolution will be proposed at the Annual General Meeting to authorise the Directors to fix their remuneration.

Change in accounting period

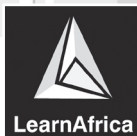
The Shareholders at the 45th Annual General Meeting held on 30 August 2018 authorised a change in the Company's Accounting Period, from 1 January – 31 December to 1 April – 31 March. In order to adjust to the new accounting period, the audit for the 2018 Financial Year is with respect to the 15-month period of 1 January 2018 to 31 March 2019, after which the new yearly accounting period of 1 April to 31 March would apply.

Dated: 31 July 2019

By Order of the Board

DCSL Corporate Services Limited
(Company Secretaries)
235, Ikorodu Road, Ilupeju, Lagos, Nigeria
Bisi Adeyemi - FRC/2013/NBA/00000002716





Learn Africa Plc

Corporate Governance Report

For the 15-month period ended 31 March 2019

In view of its long-standing commitment to delivering greater shareholder value, Learn Africa Plc continues to institutionalise the highest standards of corporate governance principles, in recognition of the fact that these form the essential foundation upon which corporate successes are built.

The Company guided by the Corporate Governance Code of the Securities and Exchange Commission ('SEC Code') and the recently passed Nigerian Code of Corporate Governance (NCCG) is committed to being in full compliance with the provisions of the Codes. The Company recognises that Corporate Governance standards and practices as well as International Best Practices must be balanced to protect the interest of the shareholders of the Company.

The Board operates in line with obligations under the SEC Code and the Post Listing Rules of the Nigerian Stock Exchange. In addition, the Board and Committee Charters collectively provide the basis for promoting sound Corporate Governance. The Company complied with Corporate Governance requirements during the year under review as set out below:

Governance structure

The Board

The Board is ultimately responsible for the oversight of the long-term strategy, objectives and likely risks that the Company may be exposed to in the ordinary course of business. The Board is also responsible for evaluating and directing the implementation of the Company's internal controls and procedures including (but not limited to) maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. These functions of the Board are guided by the provisions of the SEC Code, the Companies and Allied Matters Act, the Company's Articles of Association and relevant laws and regulations.

Composition of the Board

The Company's Articles of Association provide that the Board shall consist of not more than twelve (12) Directors. During the period under review, the Board was composed of eight (8) Directors made up of five (5) Non-Executive Directors, one of whom is an Independent Director, and (3) Executive Directors; all seasoned professionals who have excelled in their various fields of endeavor. This composition is in line with the SEC Code of Corporate Governance, which requires majority of the Board members to be Non-Executive Directors. The Directors possess the requisite integrity, skills, and experience to bring independent judgement to bear on the deliberations of the Board.



Learn Africa Plc Corporate Governance Report (cont'd) For the 15-month period ended 31 March 2019

Below are details of the Directors who held office during the financial year (15 months) ended 31 March 2019:

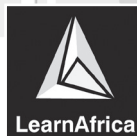
S/N	Name	Designation
1	Chief Emeke Iwerebon	Non-Executive Chairman
2	Alhaji Bala S. Hassan	Executive (Managing) Director
3	Alhaji Awwalu Markarfi	Independent Non-Executive Director
4	Mr Frederick Ijewere	Non-Executive Director
5	Hajia Binta Bakari	Non-Executive Director
6	Mrs Yetunde Aina	Non-Executive Director
7	Mr Gbolagunte Aiyedun	Executive (Publishing) Director
8	Mrs Cordelia I. Ojeile	Executive (Finance) Director

The Board is of a sufficient size relative to the scale and complexity of the Company's operations and is led by a Non-Executive Chairman who provides leadership to the Board in the discharge of its oversight functions. The effectiveness of the Board is derived from the diverse range of skills and competences of the Executive and Non-Executive Directors.

Changes on the Board

In accordance with Section 9.3 of the Company's Board Charter, which limits the term of an Independent Director to a maximum of six (6) years, consisting of two consecutive terms of three (3) years each, the current Independent Director, Alhaji Awwalu Makarfi was due to retire from the Board with effect from 28 September 2017. However, at the meeting of the Board of Directors held on 14 December 2017, it was unanimously resolved that in view of his pivotal role as the Chairman of the Remuneration and Governance Committee, and the considerable amount of work relating to succession planning and employment matters that is required following the appreciable progress the Company has made in its recovery from the impact of the economic recession, the operation of Section 9.3 of the Charter should be waived and the tenure of the Independent Director, Alhaji Awwalu Makarfi extended for an additional term of three (3) years. This extension and re-election was approved at the Annual General Meeting that held on the 2 August 2018.

In accordance with the Articles of Association, Chief Emeke Iwerebon, Mr Frederick Ijewere and Alhaji Hassan Bala, being one-third of the Directors on the Board of the Company retire by rotation and being eligible offer themselves for re-election.



Learn Africa Plc

Corporate Governance Report (cont'd)

For the 15-month period ended 31 March 2019

Responsibilities of the Board

The Board has the ultimate responsibility of delivering long term value to the Shareholders. In order to achieve this, it provides overall strategic direction for the Company, within a framework of rewards, incentives and controls.

In compliance with International Best Practices, there is a separation of powers between the Chairman and the Managing Director, as they play distinct roles, with responsibilities which should not be domiciled with one individual. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. He is also responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions and provide advice to promote the success of the Company. The Chairman facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non- Executive Directors, both inside and outside the Boardroom.

The responsibility for the day-to-day management of the Company has, however, been delegated by the Board to the Management, represented by the Managing Director, albeit supported by the other two Executive Directors. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between conformance to governance principles and economic performance; thus, it ensures that Management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives.

Notwithstanding the above, the Board reserves certain powers to itself. These include monitoring the approval and implementation of the Company's strategy and financial objectives, approval of the Company's investment policies, framework and strategic commitments that may have material effects on the assets, profits or operation of the Company and that may result in material changes in the business of the Company. The Board also reserves the power to approve the Company's financial statements, any significant changes in the Company's accounting policies and/or practices; appointment or removal of Company Secretary; approval of major changes in the Company's corporate or capital structure; recommendation to shareholders of the appointment or removal of Auditors and the remuneration of Auditors; approval of resolutions and corresponding documentation for shareholders in general meeting(s).

The Board carries out these responsibilities through its Committees, which report and make recommendations to the Board on issues within their respective terms of reference. Through these Committees, interactive dialogue is employed on a regular basis to set broad policy guidelines and to ensure the proper management and direction of the Company. All members of the respective Committees have access to the services of the Company Secretary.



Learn Africa Plc

Corporate Governance Report (cont'd)

For the 15-month period ended 31 March 2019

The Board and the Board Committees meet quarterly (at a minimum) in each financial year, although additional meetings may be convened when the need arises. Decisions are taken at the Board meetings by way of resolutions, as provided for in the Companies and Allied Matters Act, 2004.

The Board met five (5) times during the 15-month period ended 31 March 2019. Below is a record of Directors' attendance at each meeting:

	Meetings	1	2	3	4	5
	Directors	22/03/2018	21/06/2018	18/10/18	13/12/2018	21/03/ 2019
1	Chief Emeke Iwerebon	✓	✓	✓	✓	✓
2	Alhaji Bala S. Hassan	✓	✓	✓	✓	✓
3	Alhaji Awwalu Markarfi	✓	✓	✓	✓	✓
4	Mr Frederick Ijewere	✓	✓	✓	✓	✓
5	Hajia Binta Bakari	✓	✓	✓	✓	✓
6	Mrs Yetunde Aina	✓	✓	✓	✓	✓
7	Mr Gbolagunte Aiyedun	✓	✓	✓	✓	✓
8	Mrs Cordelia I. Ojeile	✓	✓	✓	✓	✓

Note:

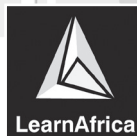
- ✓ - Present
- × - Absent with apology

In accordance with the provisions of Section 258(2) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004, the record of Directors' Attendance at Board Meetings during the year under review is available at the Annual General Meeting for inspection.

Board committees

The oversight role of the Board is further implemented by two (2) Committees, viz: the Finance and Risk Management Committee (FRMC) and the Remuneration and Governance Committee (RGC), chaired by a Non-Executive Director and Independent Director, respectively. In line with best practice, the Chairman of the Board does not sit on any of the Committees.





Learn Africa Plc

Corporate Governance Report (cont'd)

For the 15-month period ended 31 March 2019

The Board carries out its responsibilities through these Committees, each of which have a clearly defined charter, defining its purpose, composition, structure, frequency of meetings, duties, tenure, reporting lines to the Board, functions and scope of authority. The Committees make recommendations to the Board, which retains responsibility for final decision making.

Finance and Risk Management Committee (FRMC)

The Committee has oversight of the design and implementation of the Company's financial commitments and investments, financing plans, internal control and risk management systems. In furtherance of this responsibility, the Committee periodically reviews and assesses the adequacy of the Company's internal control systems both financial and non-financial, particularly taking into consideration the Company's Balance sheets, capital management, as well as its Credit and Market Risk Management. The Committee also reviews and advises the Board on accounting policies to be used in the preparation of the Company's audited financial statements.

During the year under review, the Committee engaged in strategic discussions on the Company's risk management policy (including its risk appetite and risk strategy) and undertook a review of the Company's risk management systems and internal control environment including the performance of the internal audit function (i.e. Internal Audit) and the Company's compliance with legal and regulatory requirements.

The Committee currently consists of three (3) members: two (2) Non-Executive Directors and one (1) Executive Director. The Committee meets four (4) times in each financial year, although it may convene additional meeting as the need arises. During the period under review, the Committee met five (5) times. Members of the Committee are as follows:

S/N	Name	Status	Designation
1	Mr Frederick Ijewere	Non-Executive	Chairman
2	Alhaji Bala Hassan	Executive (Managing Director)	Member
3	Hajia Binta Bakari	Non-Executive	Member

Remuneration and Governance Committee (RGC)

This Committee advises the Board on its oversight responsibilities in relation to compensation, benefits and all other human resource matters affecting the Company. Specifically, the Committee is responsible for determining and executing the processes for Board appointments, recommending appropriate remuneration for Directors (both Non-Executive and Executive) and staff. The Committee also identifies individuals qualified to serve as members of the Board and recommends candidates to the Board for appointment.



Learn Africa Plc

Corporate Governance Report (cont'd)

For the 15-month period ended 31 March 2019

Key issues considered by the Committee during the period included promotion and appointment of top management staff as well as the review and approval of the Company's human resource operations. The Committee currently consist of three (3) members: two (2) Non-Executive Directors and the Independent Director. The Committee met five (5) times during the financial year and was at liberty to convene additional meetings if the need had arisen. The members of the Remuneration and Governance Committee during the period under review were:

S/N	Name	Status	Designation
1	Alhaji Awwalu Makarfi	Independent	Chairman
2	Hajia Binta Bakari	Non-Executive	Member
3	Mrs Yetunde Aina	Non-Executive	Member

Statutory Audit Committee (SAT)

The Statutory Audit Committee was established in compliance with the provisions of the Companies and Allied Matters Act (CAMA) which mandates all public companies to constitute an Audit Committee. The Committee assists the Board in fulfilling its oversight responsibilities relating to the Company's Financial Statements and ensuring the independence of the Company's internal and external auditors. The Committee ensures that the Company complies with all relevant regulatory policies and procedures, as well as policies laid-down by the Board of Directors.

The Committee is currently composed of three (3) Non-Executive Directors and three (3) representatives of the shareholders with one of the shareholders' representatives as the Chairman of the Committee. The Company Secretary of the Company serves as the Secretary to the Committee. The Committee met six (6) times during the year under review and the following members served on the Committee during the financial year ended 31 March 2019:

S/N	Name	Status	Designation
1	SUPE Anthony Omojola	Shareholders' Representative	Chairman
2	Mrs Mary Joke Shofolahun	Shareholders' Representative	Member
3	Mr David Oguntoye	Shareholders' Representative	Member
4	Alhaji Awwalu Makarfi	Independent Non-Executive Director	Member
5	Mr Frederick Ijewere	Non-Executive Director	Member
6	Mrs Yetunde Aina	Non-Executive Director	Member

Learn Africa Plc Corporate Governance Report (cont'd) For the 15-month period ended 31 March 2019

Attendance at committee meetings

The table below shows the frequency of Committees meetings as well as attendance by respective members during the period under review:

S/N	Date of meetings	SAC	FRMC	RGC
		16/03/2018 20/03/2018 19/06/2018 28/08/2018 11/12/2018 20/03/2019	23/03/2018 19/06/2018 16/10/2018 28/11/2018 18/03/2019	19/03/2018 07/06/2018 16/10/2018 12/12/2018 16/10/2018
	Total number of meetings during the 15-month period ended 31 March 2019	6	5	5
1	Alhaji Bala S. Hassan	N/A	4	N/A
2	Alhaji Awwalu Markarfi	4	N/A	5
3	Mr Frederick Ijewere	5	5	N/A
4	Hajia Binta Bakari	N/A	5	5
5	Mrs Yetunde Aina	6	N/A	5
6	SUPE Anthony Omojola	6	N/A	N/A
7	Mr David Oguntoye	5	N/A	N/A
8	Mrs Mary Joke Shofolahun	5	N/A	N/A

Note:

N/A - Not a member of the Committee at this time.

Shareholders' participation

The Company is conscious of and promotes shareholders' rights and continues to take necessary steps in ensuring that shareholders participate actively in matters affecting the growth and development of the Company. The Board ensures the protection of the statutory and general rights of shareholders at



Learn Africa Plc

Corporate Governance Report (cont'd)

For the 15-month period ended 31 March 2019

all times, particularly their right to vote at general meetings. The Annual General Meeting (AGM) of the Company is the highest decision-making body of the Company and it is conducted in a transparent and fair manner. The Board and Management have significantly benefited from the shareholder representatives on the Statutory Audit Committee as well as the contributions of shareholders at the AGMs.

The Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to shareholders via the Nigerian Stock Exchange (NSE) and other media is timely, accurate and continuous.

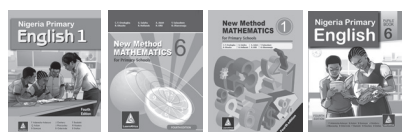
Independent advice

Independent professional advice is available, on request, to all Directors at the Company's expense when such advice is required to enable a member or committee of the Board effectively perform certain responsibilities. The Company bears the cost of independent professional advice obtained jointly or severally by a Director or Directors, where such advice is necessary to enable them to fulfil the obligation imposed on them by virtue of their Board membership.

Management team

The Board has a management team that ensure that recommendations of the Board and the Committees are effectively and efficiently implemented. Membership of the management team include the following:

Managing Director/CEO	- Alhaji Hassan Bala
Publishing Director	- Gbolagunte Aiyedun
Finance Director	- Cordelia Ojeile
Head of Distribution & Warehouse	- Raphael Amanam
Head of Publishing	- Segun Akanmu
Head of Production	- Lanre Kehinde
Head of Finance	- Herbert Nwoke
National Head of Sales	- Julian Obiwanne
Acting Head of Marketing	- Toyosi Moronkola
Head, Human Resource/Admin	- Grace Okon
Head of Credit Control Unit	- Paul Olowu
Acting Head of IT	- Emmanuel Moses
Acting Chief Internal Auditor	- Modupe Lawal





Learn Africa Plc

Corporate Governance Report (cont'd)

For the 15-month period ended 31 March 2019

Corporate Social Responsibility (CSR)

Our vision at Learn Africa Plc is to be the leading Learning Resource Company and to employ our resources in a socially responsible manner to provide consistently superior value to our stakeholders. As an integral part of the Nigerian society playing varied roles as an employer, partner, taxpayer and competitor, the Company is committed to the growth and development of schools and education through the provision of educational infrastructure.

The Company through the Learn Africa Education Development Foundation distributed the books (older editions of our titles recommended for library use) worth about ₦10 million to Internally Displaced Persons (IDP) camps and charitable organisations across the country.

Learn Africa Education Development Foundation (LAEDF) is one of the CSR initiatives of Learn Africa Plc, the foremost learning resource company. The Foundation was established in 2012 to, among other things, promote learning and encourage academic excellence in the country.

The Board of Trustees of the Foundation is chaired by the Chairman of Learn Africa Plc, Chief Emeke Iwerebon. Other members of the Board of Trustees are Alhaji Bala Hassan, MD/CEO of Learn Africa Plc; Alhaji Awwalu Makarfi and Mrs Yetunde Aina, who are both Non-Executive Directors of Learn Africa Plc. The late Dr Stella Ameyo Adadevoh was also a Trustee of the Board from its inception until her demise.

Presently, the Foundation is managed by Mr Toyosi Moronkola, a top Sales Manager at Learn Africa Plc, and ably supported by Mr Segun Akanmu, the Head of Publishing, Learn Africa Plc.

Securities trading policy

In accordance with the Post-Listing Rules of the Nigerian Stock Exchange, Learn Africa has in place a Securities Trading Policy which regulates securities transactions by its Directors, Employees and other Insiders on terms which are no less exacting than the required standard set out in the Nigerian Stock Exchange Rules. The Policy and Closed periods are communicated periodically to drive compliance. In respect of the year ended 31 March 2019, the Directors of Learn Africa hereby confirm that:

- A Code of Conduct regarding the securities transactions by all Directors has been adopted by the Company.
- Specific enquiry of all Directors has been made during the reporting period and there is no incidence of non-compliance with the listing rules of the Nigerian Stock Exchange or with Learn Africa's Code of Conduct, with respect to security transactions by Directors.



Learn Africa Plc

Corporate Governance Report (cont'd)

For the 15-month period ended 31 March 2019

Complaint management policy framework

In compliance with the Securities and Exchange Commission Rules relating to the Complaints Management Framework of the Nigerian Capital Market ('SEC Rules') issued in February 2015, Learn Africa Plc. has further strengthened its Complaint Management Procedure.

The Company currently has in place a formal Complaint Management Policy, through which complaints arising from issues covered under the Investment and Securities Act 2007 (ISA) are registered, and promptly resolved. The policy provides an avenue for customers, shareholders and stakeholders communication and feedback.

Business conduct

Our business is conducted with integrity and due regard to the legitimate interest of all stakeholders. In furtherance of this, the Company has adopted policies such as a Code of Ethics and Business Conduct, as well as a Whistle blowing Policy. Directors and all members of the staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Ethics and Business Conduct Policy which prescribes the common ethical standard, policies and procedures of the Company.

Environmental policy

This policy statement serves to demonstrate the Company's responsibility to the environment and the pursuit of world-class vision in all aspects of its operations. The Company strives to comply with all present and future environmental laws and regulations and continuously improve the efficiency of its operations to minimise its impact on the environment.

Human resource policy

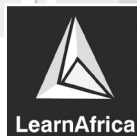
Employment of disabled persons

It is the policy of the Company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. All employees, whether or not disabled, are given equal opportunities to develop. As at 31 March 2019, there was no disabled person in the employment of the Company.

Board and employees' training

Training and education of Directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skill and keep them informed of new developments in the Company's business and operating environment.





Learn Africa Plc

Corporate Governance Report (cont'd)

For the 15-month period ended 31 March 2019

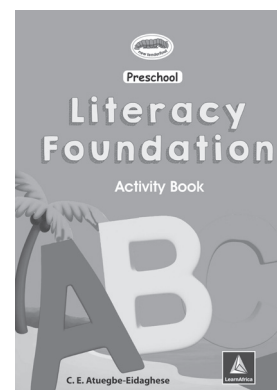
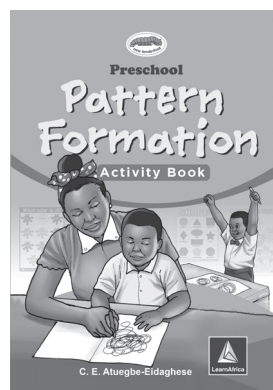
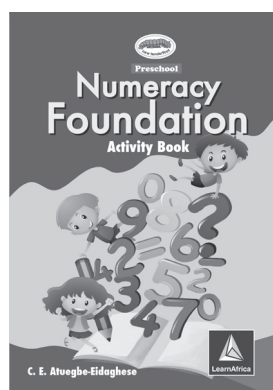
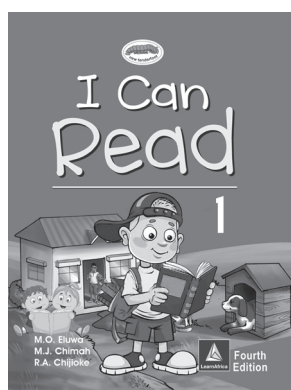
The Company is also committed to keeping employees fully informed as much as possible, regarding the Company's performance and progress and seeking their views, wherever practicable, on matters which particularly affect them as employees. Management, professionals and technical experts are the Company's major assets, and investment in their future development continues.

The Company's expanding skill base has been extended by a range of trainings provided to its employees whose opportunities for career development within the Company have thus been enhanced. Training is carried out various levels through both in-house and external courses.

Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonuses.

Health, Safety and Welfare

The Company takes the health, safety and welfare of its employees very seriously, with a strong conviction that a healthy workforce will always be highly productive. Top health care providers have been carefully selected to look after the health care needs of employees and their dependants. We comply with relevant statutory provisions and regulations on health, safety and welfare matters.





Learn Africa Plc

Statement of Directors' Responsibilities

For the 15-month period ended 31 March 2019

The Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004; and Financial Reporting Council of Nigeria Act No 6, 2011;
- establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, issued by International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

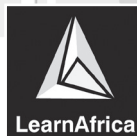
The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the 15 months ended 31 March 2019. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Chief Emeke Iwerebon
Chairman
FRC/2014/IODN/00000002046
28 June 2019

Alhaji Hassan S. Bala
Managing Director
FRC/2016/IODN/00000015071
28 June 2019





Learn Africa Plc

Independent Auditor's Report

For the 15-month period ended 31 March 2019



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Fax: +234 (01) 463 0481
Email: Services@ng.ey.com
www.ey.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEARN AFRICA PLC

Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of Learn Africa Plc which comprise the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the 15 months period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of Learn Africa Plc as at 31 March 2019 and of its financial performance and its cash flows for the 15 months period then ended in accordance with the International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act No 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA) and other independence requirements applicable to performing audits of Learn Africa Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audits of Learn Africa Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Learn Africa Plc

Independent Auditor's Report (cont'd)

For the 15-month period ended 31 March 2019



Independent Auditors' Report

To the Members of Learn Africa Plc - Continued

Key Audit Matters	How the matter was addressed in the audit
<p>Expected Credit Loss (ECL) assessment on Trade receivables</p> <p>The Company has trade receivables which are measured at amortised cost. This represents about 24% of total assets, and the associated impairment provision are significant to the financial statements. The adoption of the International Financial Reporting Standards (IFRS 9) - Financial Instrument Recognition and Measurement effective 01 January 2018 introduced an expected credit loss model (ECL) for calculating the loss on financial instruments different from the incurred loss model under IAS 39 - Financial Instruments: Recognition and Measurement.</p> <p>The ECL model involves the application of judgement, assumptions and estimation in determining inputs for ECL calculation such as:</p> <ul style="list-style-type: none"> • Determining the deemed loss using a provisional matrix approach based on historical payment pattern. • Incorporating forward looking information in the ECL model building process. • Factors incorporated in determining the scalar adjustment multiplier for the base, upturn and downturn scenarios. • Factors considered in cash flow estimation including timing and amount. <p>These estimates are driven by a number of factors, changes in which might lead to a significant impact in the impairment amount.</p> <p>Adopting IFRS 9 also requires some judgements in taking certain key decisions which impacted the transitional disclosures as at 01 January 2018.</p> <p>This is considered a key audit matter in the financial statements given the level of significance of the amount, the complexity and judgements involved in the process which required considerable audit time and expertise.</p> <p>Refer to Note 13 to financial statements for disclosures on impairment losses on financial assets.</p>	<p>We reviewed the IFRS 9 model developed by the management for the computation of impairment on financial assets in line with the requirements of IFRS 9.</p> <p>We gained an understanding of the historical payment pattern of the customers in order to arrive at the deemed loss.</p> <p>For the ECL on trade receivables, We challenged all assumptions used in arriving at the loss rate for each receivable bucket and also the management judgement as to the sources of their macro-economic variable to adjust the historical loss rate to a forward-looking loss rate and then applied the rate on each receivable aging.</p> <p>We performed detailed procedures on the completeness and accuracy of the information used.</p> <p>Other areas of complexities which include incorporating forward looking information such as macro-economic indicators like inflation, exchange rate, etc. were equally challenged for reasonableness taking into consideration available information in the public domain.</p> <p>We reviewed the quantitative disclosures for reasonableness to ensure conformity with IFRS 7- Financial Instruments and IFRS 9 Disclosures.</p>



Learn Africa Plc

Independent Auditor's Report (cont'd)

For the 15-month period ended 31 March 2019



Independent Auditors' Report To the Members of Learn Africa Plc - Continued

Key Audit Matters	How the matter was addressed in the audit
<p>Valuation of Investment Property</p> <p>The investment properties of the Company with a total value of N528.6 million are stated at their fair values based on independent external valuation. Investment property represents 61% of the non-current assets and 10% of the total assets.</p> <p>Management's assessment of the recoverable amounts of the investment properties is a judgemental process which requires the estimation of the net realisable value and the anticipated costs to completion.</p> <p>We identified valuation of the Company's Investment properties as a key audit matter because the determination of the fair values involve significant judgement and estimation; particularly in selecting the appropriate valuation methodology, assumptions and valuation basis.</p>	<p>We considered the qualification and competence of the external valuer engaged by management, read the terms of engagement of the valuer with the Company to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.</p> <p>We reviewed the valuation methodology used for reasonableness and appropriateness;</p> <p>We reviewed assumptions made in arriving at the fair value by checking transacted prices of past sales of comparable properties in similar location to externally published benchmarks.</p> <p>We reviewed the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.</p>

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors, Report of Audit Committee, Value Added Statement and Five-year financial summary as required by the Companies and Allied Matters Act (CAMA), and the Corporate Governance Report as required by the Securities and Exchange Commission. Other information does not include the financial statements and our Auditors' report thereon.

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

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



Learn Africa Plc

Independent Auditor's Report (cont'd)

For the 15-month period ended 31 March 2019



Independent Auditors' Report
To the Members of Learn Africa Plc - Continued

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, relevant provisions of the Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011, and for such internal control as the Directors determines necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

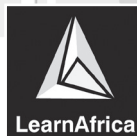
In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.



Learn Africa Plc

Independent Auditor's Report (cont'd)

For the 15-month period ended 31 March 2019



Building a better
working world

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEARN AFRICA PLC

Report on the audit of financial statements - Continued

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, we confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.


Omolola Alebiosu, FCA
FRC/2012/ICAN/00000000145

For: Ernst & Young
Lagos, Nigeria

29 June 2019





Learn Africa Plc

Audit Committee's Report

For the 15-month period ended 31 March 2019



Learn Africa Plc RC 2637
formerly Longman Nigeria Plc

Head Office: Felix Iwerebon House,
52 Oba Akran Avenue, Ikeja, Lagos.
Tel: +234 (01) 08055844008, 07027210085
E-mail: learnafrica@learnafricaplc.com
Website: www.learnafricaplc.com

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF LEARN AFRICA PLC

In accordance with the provision of section 359 (6) of the Companies Allied Matters Act, (CAP C20), Laws of the Federation of Nigeria, 2004, we have examined the Auditors Report for the 15 months ended 31 March 2019.

- We have obtained all the information and explanations we required.
In our opinion, the Auditor's Report is consistent with our review of the scope and planning of the Audit. We are also satisfied that the accounting and reporting policies of the Company are in accordance with legal requirement and agreed ethical practices.
- Having reviewed the Auditor's findings and recommendations on management matters, we are satisfied with management responses thereon.
- We acknowledge the cooperation of the Auditor, Ernst & Young (Chartered Accountants), Management and staff of the Company in performing our duties.

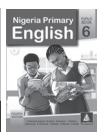
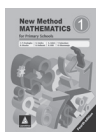
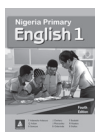
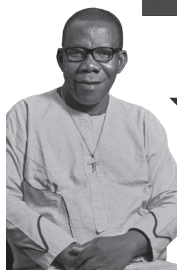
Dated: 26 June 2019

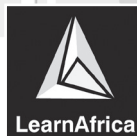

SUP. SNR Evangelist (DR) A. O. Omojola
Chairman, Audit Committee
FRC/2013/CIBN/0000002341

Members of the Audit Committee

- | | | |
|---|---------------------------------------|--------------------------|
| 1 | Sup. Snr Evangelist (Dr) A.O. Omojola | - Shareholder / Chairman |
| 2 | Mrs Mary Joke Shofolahan | - Shareholder |
| 3 | Oguntoye Olusegun David | - Shareholder |
| 4 | Alhaji M. Awwalu Makarfi | - Non-Executive Director |
| 5 | Mrs Yetunde Aina | - Non-Executive Director |
| 6 | Mr Fred Ijewere | - Non-Executive Director |

Chief Emeke Iwerebon - Chairman, Alhaji Hassan S Bala - Managing Director/Chief Executive
Directors: Alhaji M. Awwalu Makarfi, Mr Fred Ijewere, Hajia Binta Bakari, Mrs Yetunde Aina
Executive Directors: Mr Gbolu Aiyedun, Mrs Isiomma C. Ojelle





Learn Africa Plc

Statement of Profit or Loss and Other Comprehensive Income

For the 15-month period ended 31 March 2019

	Notes	₦'000	₦'000
Revenue	4	3,479,474	2,485,531
Cost of sales	5.3	(2,205,900)	(1,143,397)
Gross profit		1,273,574	1,342,134
Other operating Income	5.1	338,587	138,099
Selling and distribution expenses	5.4	(342,698)	(340,302)
Administrative expenses	5.5	(880,335)	(823,398)
Operating profit		389,128	316,533
Finance cost	5.7	(20,822)	(34,143)
Finance income	5.2	11,623	14,299
Profit before taxation		379,929	296,689
Income tax expense	6.1	(217,969)	(29,803)
Profit for the period/year		161,960	266,886
Other comprehensive income, net of tax		-	-
Total comprehensive income for the period/year, net of tax		161,960	266,886
Earnings per share			
Basic earnings per share	7	21	35

See Notes to the Financial Statements.



Learn Africa Plc

Statement of Financial Position

For the 15-month period ended 31 March 2019

Assets	Notes	31 Mar 2019 N'000	31 Dec 2017 N'000
Non-current assets			
Property, plant and equipment	8	243,265	233,910
Investment properties	9	528,620	297,200
Intangible asset	10	5,324	14,198
Deferred tax asset	6.4	81,130	170,997
Prepayments and other assets	11.2	8,508	26,303
Total non-current assets		866,847	742,608
Current assets			
Inventories	12	3,043,640	1,574,701
Trade and other receivables	13	897,004	1,477,500
Prepayments and other assets	11.2	129,603	107,808
Cash and cash equivalents	14	610,372	486,153
		4,680,619	3,646,162
Total assets		5,547,466	4,388,770
Equity and liabilities			
Equity			
Issued share capital	15	385,725	385,725
Share premium	15	1,940,214	1,940,214
Asset revaluation reserve	15	67,703	67,703
Retained earnings		748,349	778,128
Total equity		3,141,991	3,171,770
Current liabilities			
Trade and other payables	17	2,125,372	927,017
Income tax payable	6.2	26,834	81,096
Provisions	18	130,860	100,861
Interest bearing loans and borrowings	19.2	122,409	71,510
		2,405,475	1,180,484
Non-current liabilities			
Interest bearing loans and borrowings	19.2	-	36,516
		-	36,516
Total liabilities		2,405,475	1,217,000
Total equity and liabilities		5,547,466	4,388,770

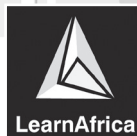
The financial statements was approved by the Board of Directors on 28 June 2019 and signed on their behalf by:

Chief Emeke Iwerebon
FRC/2014/IODN/00000002046

Alhaji Hassan Bala
FRC/2016/IODN/00000015071

Mrs Cordelia Ojeile
FRC/2014/ICAN/00000002038





Learn Africa Plc

Statement of Changes in Equity

For the 15-month period ended 31 March 2019

	Issued capital N'000	Share premium N'000	Asset revaluation reserve N'000	Retained earnings N'000	Total N'000
At 1 January 2018	385,725	1,940,214	67,703	778,128	3,171,770
Effect of adoption of new accounting standards (Note 3.2)	-	-	-	(83,736)	(83,736)
At 1 January 2018 (Restated)	385,725	1,940,214	67,703	694,392	3,088,034
Profit for the year	-	-	-	161,960	161,960
Dividend (Note 16)	-	-	-	(108,003)	(108,003)
At 31 March 2019	385,725	1,940,214	67,703	748,349	3,141,991

For The 12 Months ended 31 December 2017

At 1 January 2017	385,725	1,940,214	67,703	588,387	2,982,029
Profit for the year	-	-	-	266,886	266,886
Dividend (Note 16)	-	-	-	(77,145)	(77,145)
At 31 December 2017	385,725	1,940,214	67,703	778,128	3,171,770

See Notes to the Financial Statements.



Learn Africa Plc

Statement of Cash Flows

For the 15-month period ended 31 March 2019

	Notes	15 months ended 31 Mar 2019 N'000	12 months ended 31 Dec 2017 N'000
Operating activities			
Profit before taxation		379,929	296,689
Adjustment for non-cash items:			
Depreciation of property, plant and equipment	8	67,628	55,767
Amortisation of intangible assets	10	8,874	2,840
Gain on sale of property, plant and equipment	5.1	(421)	(19,895)
Gain on related party loan	5.1	-	(18,667)
Write off of investment properties	9	-	61,500
Valuation gain from investment property	9	(231,420)	(99,147)
Allowance for expected credit loss/impairment allowance	5.5	14,503	26,351
Inventory write-off	5.3	26,651	21,765
Prepayment utilized in the year	11	126,518	143,939
Finance cost	5.7	20,822	34,143
Finance income	5.2	(11,623)	(14,299)
		-----	-----
		401,461	490,986
(Increase)/decrease in inventories		(1,495,591)	226,704
Decrease/(increase) in trade and other receivables		420,956	(314,995)
Increase/(decrease) in trade and other payables		1,182,037	(638,530)
		-----	-----
Increase/(decrease) in provisions		29,999	(750)
		-----	-----
		538,862	(236,585)
Tax paid	6.2	(120,542)	(16,858)
Prepayment additions	11.1	(130,518)	(253,458)
Unclaimed dividend	17.2	16,316	18,429
		-----	-----
Net cash flows from/(used in) operating activities		304,118	(488,472)
Investing activities			
Interest received		13,526	11,317
Proceeds from sale of property, plant and equipment		2,300	44,750
Purchase of property, plant and equipment	8	(78,861)	(39,601)
Purchase of investment property		-	(18,053)
Purchase of intangible assets	10	-	(7,200)
		-----	-----
Net cash used in investing activities		(63,035)	(8,787)
		-----	-----



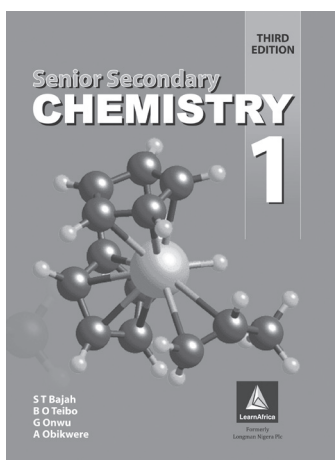
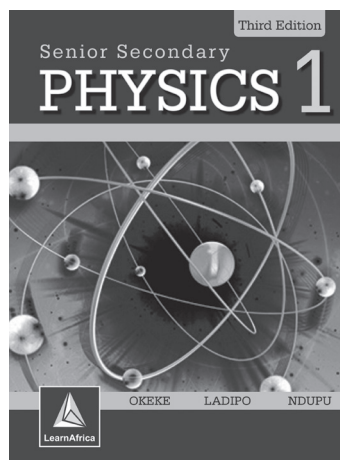
Learn Africa Plc

Statement of Cash Flows (cont'd)

For the 15-month period ended 31 March 2019

	Notes	15 months ended 31 Mar 2019 N'000	12 months ended 31 Dec 2017 N'000
Financing activities			
Loan received	19.1	-	117,000
Finance cost	5.7	(6,439)	(16,518)
Dividend paid	16	(108,003)	(77,145)
		-----	-----
Net cash flows from financing activities		(114,442)	23,337
		-----	-----
Net increase/ (decrease) in cash and cash equivalents		126,641	(473,922)
Cash and cash equivalents at 1 January		483,171	957,093
Effect of expected credit loss		(519)	-
		-----	-----
Cash and cash equivalents at 31 March/December	14	609,293	483,171
		=====	=====

See Notes to the Financial Statement.





Learn Africa Plc

Notes to the Financial Statements

For the 15-month period ended 31 March 2019

1 The reporting entity

Learn Africa Plc is a public limited liability company incorporated and domiciled in Nigeria whose shares are publicly traded. The registered office is located at 52, Oba Akran Avenue, Ikeja, Lagos in Nigeria.

The principal activities of the Company are publishing and distribution of educational materials for all levels of learning – Nursery, Primary, Secondary and Tertiary.

2.1 Basis of preparation

2.1.1 Statement of compliance

The financial statements of Learn Africa Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Financial Reporting Council of Nigeria Act, No 6, 2011.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for investment properties, of which have been measured at fair value.

2.1.2 Functional currency, presentation currency and the level of rounding

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to nearest thousand (₦'000) except where otherwise indicated.

2.1.3 Significant accounting judgement, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of 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.



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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:

Going concern

Learn Africa Plc is a going concern, which assumes that it will be able to continue operation into the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business.

Material estimates in the financial statements include the following:

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of satisfaction of performance obligations

The Company satisfies its obligations to its customers either over time or at a point in time.

The Company concluded that revenue for sales of goods is to be recognised at a point in time; when the customer obtains control of the goods. The Company assesses when 'control is transferred' using the indicators below:

- The Company has a present right to payment for the goods;
- The Customer has legal title to the goods;
- The Company has transferred physical possession of the goods and acknowledged by appropriate officials;
- The customer has the significant risks and rewards of ownership of the goods; and
- The customer has accepted the goods.



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

The Company also concluded that revenue is to be recognised over time for some contracts, because the educational materials does not create an inventory (asset) with alternative use and the Company has a right to payment for goods delivered. The fact that another entity would not need to re-perform the service that the Company has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The Company has determined that the output method is the best method in measuring progress of service provided because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Company's performance completed to date.

Financial instruments

Provision for expected credit losses of trade receivables

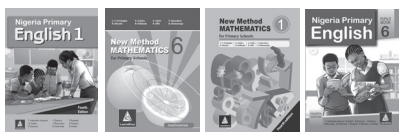
The company uses a provision matrix to calculate ECL's for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. (i.e. by geography, product type, customer type and rating, coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 13.

Measurement of the expected credit loss allowance for financial asset

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

techniques used in measuring ECL is further detailed in Note 23, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining the criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purpose of measuring ECL.

Property, plant and equipment, and intangible assets

The Company carries its property, plant and equipment at cost in the statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

The useful lives and residual values of the assets are determined by Management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Further details of property, plant and equipment are disclosed in Note 8.

Investment property

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Company engaged an independent valuation specialist to assess fair value as at 31 March 2019 for investment properties. For investment properties, a valuation methodology based on a discounted cash flow (DCF) model was used, as there is a lack of comparable market data because of the nature of the properties. Further details are provided in Note 9 of the financial statements.

Warranty provisions

A provision is recognised for expected warranty claims on books sold during the last one year, based on past experience of the level of returns. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within one year after the reporting date. Assumptions used to calculate the provision for warranties were



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

based on current sales levels and anticipated rate of return based on one-year warranty period for all books sold in the prior year. Further details are provided in Note 18 of the financial statements.

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 judgement is required to determine the amount of deferred tax income assets that can be recognised, based upon the likely timing and the level of future taxable income.

Further details of taxes are disclosed in Note 6.

2.2 Summary of significant accounting policies

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

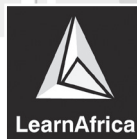
2.2.1 Intangible assets

Intangible assets include purchased computer software and software licenses with finite useful lives. Purchased software and software licenses are recognised as assets if there is sufficient certainty that future economic benefits associated with the item will flow to the entity.

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. The useful lives and residual values of these intangible assets are assessed and reviewed every year. 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.

An intangible asset shall be derecognised on disposal, or when no future economic benefits are expected to flow to the company. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and





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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.2.2 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 recognised 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



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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 profit or loss in the year the asset is derecognised.

2.2.3 Earnings per share

The Company presents basic/ diluted earnings per share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

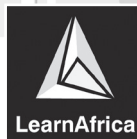
Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding as at year of dilution.

2.2.4 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 asset or CGU exceeds its recoverable amount, the asset 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 as 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.



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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

2.2.6 Financial instruments – initial recognition and subsequent measurement

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

Policy applicable from 1 January 2018.

i) Financial asset

Initial recognition and measurement

Financial assets are classified at initial recognition as, amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Note 2.2.10 Revenue from contracts with customers.



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

The Company's financial assets include financial assets at amortised cost.

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables, staff loans, cash and cash equivalents.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights 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 rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 2.1.3
- Trade receivables Note 13

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any).



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

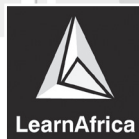
For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

The Company calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

- **PD** The Probability of Default is an estimate of the likelihood of default over a time horizon.
- **EAD** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.
- **LGD** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, a downside. Each of these is associated with different PDs, EADs and LGDs. In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Oil price
- Exchange rate
- Inflation rate



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Write-offs

The Company's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

The Company has not designated any financial liability as fair value through profit or loss.

Loans and borrowings

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

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 as finance costs in profit or loss.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

This category generally applies to interest-bearing loans and borrowings.

Trade and other payables

Trade payables are initially recognised 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.

Derecognition

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

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Policy applicable before 1 January 2018.

Financial assets

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.

Subsequent measurement

Loans and receivables

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



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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:
 - i) The Company has transferred substantially all the risks and rewards of the asset or
 - ii) 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.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

The Company operates credit sales policy to its business partners in varying degrees. The credit period starts from the date of delivery. Variation to this payment is considered depending on the type of customers, the sales history as well as payment history.

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.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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 costs

Financial liabilities at amortised cost include accounts payable and accrued liabilities. Trade payables are initially recognised 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.

2.2.7 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.

2.2.8 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.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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.

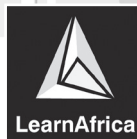
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- 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.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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.

2.2.9 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 recognised 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.

2.2.10 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 recognised 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 recognised, except in the extremely rare circumstances where no reliable estimate can be made.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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

2.2.11 Revenue recognition

The Company is mainly engaged in publishing and distribution of educational materials for all levels of learning – Nursery, Primary, Secondary and Tertiary.

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.1.3.

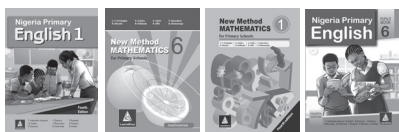
Sale of goods

Revenue from good is recognised at a point in time or over time depending on the manner in which control is transferred to the customer.

The Company recognises revenue from sale of goods at a point in time when control of the good is transferred to the customer, generally on the delivery of the goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Company has written contract with Universal Basic Education Commission (UBEC) to deliver books as specified in the contract. The Company recognises revenue from this over time, using an output method to measure progress towards complete satisfaction of the sale, because the educational materials transferred to the customer does not create an inventory (asset) with alternative use and the Company have a right to payment for goods delivered. The revenue is recognised when the delivered goods are certified by the appropriate officials.

In determining the transaction price for the service, the Company considers the existence of significant financing components (if any).





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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Significant financing component

Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good will be one year or less.

Contract balances

- **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

- **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.2.6 under financial instruments – initial recognition and subsequent measurement.

- **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.2.12 Investment properties

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing 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.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Fair values are evaluated annually by an accredited external, independent valuers, applying a valuation model recommended by the International Valuation Standards Committee.

Changes in fair values are recognised in the profit or loss in the period in which they arise, including the corresponding tax effect. Investment properties are derecognised when they have been disposed. Where the Company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the profit or loss within net gain from fair value adjustment on investment property.

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. Further details are provided in Note 9 of the financial statements.

2.2.13 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.





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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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 recognised 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.

2.2.14 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 recognised 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 recognised in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

2.2.15 Share capital and reserves

a) Share issue costs

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

b) Dividends on ordinary shares

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

c) Asset revaluation reserves

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

2.2.16 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 fulfilment 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 recognised as administrative expenses in profit or loss on a straight-line basis over the lease term.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised 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.

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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.1 Standards issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company is currently assessing the impact that these standards will have on the financial position and performance. The Company intends to adopt these standards, if applicable.

- 1 IFRS 16 Leases – 1 January 2019
- 2 IFRS 17 Insurance Contracts – 1 January 2021
- 3 IFRIC Interpretation 23 Uncertainty over Income Tax Treatment – 1 January 2019
- 4 Amendments to IFRS 9: Prepayment Features with Negative Compensation – 1 January 2019
- 5 Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- 6 Amendments to IAS 19: Plan Amendments, Curtailment and Settlement – 1 January 2019
- 7 Amendments to IAS 28: Long-term interests in associates and joint ventures 1 January 2019
- 8 IFRS 3 Business Combinations – 1 January 2019
- 9 IFRS 11 Joint Arrangements – 1 January 2019
- 10 IAS 12 Income Taxes – 1 January 2019
- 11 IAS 23 Borrowing Costs 1 January 2019
- 12 Amendments to IFRS 3: Definition of a Business– 1 January 2020
- 13 Amendments to IAS 1 and IAS 8: Definition of Material -1 January 2020

The Company intends to adopt these standards, if applicable, when they become effective. The following have been identified to be applicable to the Company's financial statements:

IFRS 16: Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

However, the Company does not have any lease contracts under operating leases.

IFRS 17: Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

IFRIC Interpretation 23: Uncertainty over Income Tax Treatments

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. These amendments have no impact on the financial statements of the Company.

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

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. These amendments have no impact on the financial statements of the Company.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the



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For the 15-month period ended 31 March 2019

benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments will not apply to the entity as the Company has no defined benefit obligation.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Company does not have associates and joint ventures, the amendments will not have an impact on its financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)

These improvements include:

IFRS 3: Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.



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For the 15-month period ended 31 March 2019

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments have no impact on the financial statements of the Company.

IFRS 11: Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Company.

IAS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application is permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company do not expect any effect on its financial statements.

IAS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January



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For the 15-month period ended 31 March 2019

2019, with early application permitted. The Company currently has no borrowing made to develop a qualifying asset.

Amendment to IFRS 3: Definition of a Business

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. Distinguishing between a business and a group of assets is important because an acquirer recognises goodwill only when acquiring a business.

Companies are required to apply the amended definition of a business to acquisitions that occur on or after 1 January 2020. Earlier application is permitted.

Amendment to IAS 1 and 8: Definition of Material

The IASB issued Definition of Material (Amendments to IAS 1 and IAS 8) in October 2018 to clarify and align the definition of material. The amendments are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

The amendments are a response to findings that some companies experienced difficulties using the old definition when judging whether information was material for inclusion in the financial statements.

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. The changes are effective from 1 January 2020, but the Company can decide to apply them earlier.

3.2 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretation apply for the first time in 2018, but do not have an impact on the financial statement of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

IFRS 15: Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. The Company adopted new standard on the required date using the modified retrospective method, but it does not have an impact on its financial statement.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 January 2018.

There is no material quantitative changes based on the adoption of IFRS 15 to the Company's revenue but the qualitative disclosures have been updated in line with application of IFRS 15.

IFRS 9: Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39.

The Company applied IFRS 9 retrospectively, with an initial application date of 1 January 2018. The company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

The effect of adoption of IFRS 9 as at 1 January 2018 was, as follows:

	Adjustment	1 January 2018 N'000
Assets		
Deferred tax assets	(c)	35,886
Trade receivables	(b)	(119,282)
Staff loan	(b)	(1)
Short-term deposits	(b)	(339)

Total assets		(83,736)
		=====
Liabilities		-

Total liabilities		-
		==
Adjustments on equity		
Retained earnings	(b), (c)	(83,736)

		(83,736)
		=====

The nature of these adjustment is described below:

a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under IAS 39. Trade receivables, staff loan and short term deposits as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of IFRS 9, the Company had the following required or elected reclassifications as at 1 January 2018.

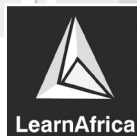
IAS 39 measurement category	N'000	IFRS 9 measurement category		
		Fair value through profit or loss	Amortised cost	Fair value through OCI
	N'000	N'000	N'000	N'000
Receivables				
Trade receivables*	1,352,670	-	1,233,388	-
Staff loan*	1,788	-	1,787	-
Short term deposits*	278,899	-	278,560	-
	-----	---	-----	---
	1,633,357	-	1,513,735	-
	=====	==	=====	==

* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

Upon adoption of IFRS 9 the Company recognised additional impairment on the Company's trade receivables, staff loan and short term deposits of N119.2m, N1,000, and N339,000 respectively which resulted in a decrease in Retained earnings of N119.6. million as at 1 January 2018.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Set out below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9:

	Allowance for impairment under IAS 39 as at 31 December 2017	Remeasurement impairment	ECL under IFRS 9 as at 1 January 2018
Loans and receivables under IAS 39/Financial assets at amortised cost under IFRS 9	₦'000	₦'000	₦'000
Trade receivables*	348,202	119,282	467,484
Staff loan	-	1	1
Short-term deposits	-	339	339
	-----	-----	-----
	348,202	119,622	467,824
	=====	=====	=====

c) Other adjustments

In addition to the adjustments described above, upon adoption of IFRS 9, other items of the primary financial statements such as deferred tax were adjusted to retained earnings as necessary.

Retained earnings	₦'000
Closing balance under IAS 39 (31 December 2017)	778,128
Recognition of IFRS 9 ECLs	(119,622)
Deferred tax in relation to the above (Note 6.4)	35,886

Opening balance under IFRS 9 (1 January 2018)	694,392
	=====
Total change in equity due to adopting IFRS 9	(83,736)
	=====



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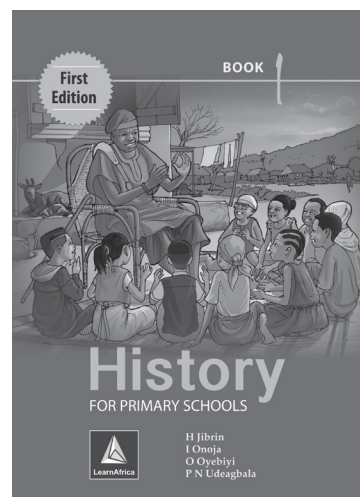
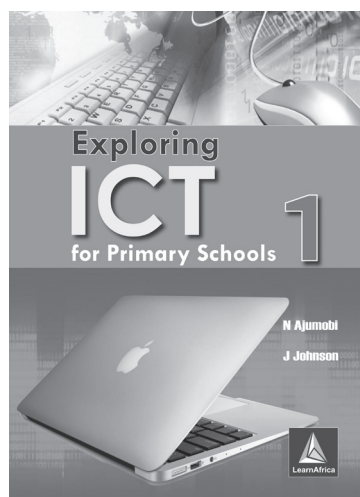
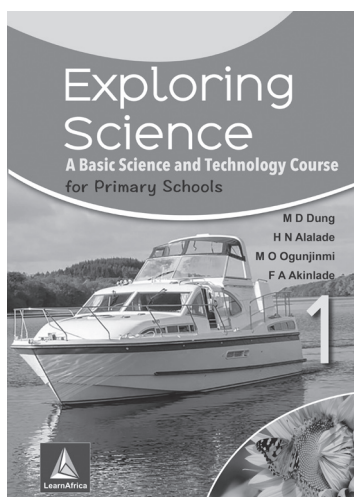
Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Other amendments/interpretations that became effective on 1 January 2018

The following amendments/interpretation became effective on 1 January 2018 and does not have an impact on the Company's financial statement:

- 1 IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations
- 2 Amendments to IAS 40 Transfers of Investment Property
- 3 Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
- 4 Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- 5 Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice
- 6 Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters.





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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

4 Revenue from contracts with customers

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

For the 15 months ended 31 March 2019

Segments	Open market N'000	Corporate N'000	Total N'000
Type of goods or service			
Sale of titles	1,913,959	1,565,515	3,479,474
Total revenue from contracts with customers	1,913,959	1,565,515	3,479,474
Geographical markets			
Head office	-	1,565,515	1,565,515
Northern zone	585,706	-	585,706
Eastern zone	485,700	-	485,700
Western zone	842,553	-	842,553
Total revenue from contracts with customers	1,913,959	1,565,515	3,479,474
Timing of revenue recognition			
Goods transferred at a point in time	1,913,959	169,051	2,083,010
Goods transferred over time	-	1,396,464	1,396,464
Total revenue from contracts with customers	1,913,959	1,565,515	3,479,474



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

	For the year ended 31 December 2017		
Segments	Open market N'000	Corporate N'000	Total N'000
Type of goods or service			
Sale of titles	2,150,490	335,041	2,485,531
	-----	-----	-----
Total revenue from contracts with customers	2,150,490	335,041	2,485,531
	=====	=====	=====
Geographical markets			
Head office	-	335,041	335,041
Northern zone	586,225	-	586,225
Eastern zone	526,541	-	526,541
Western zone	1,037,724	-	1,037,724
	-----	-----	-----
Total revenue from contracts with customers	2,150,490	335,041	2,485,531
	=====	=====	=====
Timing of revenue recognition			
Goods transferred at a point in time	2,150,490	335,041	2,485,531
Goods transferred over time	-	-	-
	-----	-----	-----
Total revenue from contracts with customers	2,150,490	335,041	2,485,531
	=====	=====	=====

Performance obligations

Information about the Company's performance obligations are summarised below:

Sale of title

Performance obligation in some contracts is satisfied at a point in time and revenue is recognised when control of the asset is transferred to the customer. The normal credit term is 30 days after acceptance of invoice amount by the customer.





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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

For contracts with UBEC, the performance obligations is satisfied over time and revenue is recognised over time when control of the asset is transferred to the customer. The normal credit term is 30 days after acceptance of invoice amount by the customer.

4.2 Contract balances

	31 Mar 2019	31 Dec 2017
	₦'000	₦'000
Trade receivables (Note 13)	800,083	1,352,670

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2019, ₦481.8m (31 December 2017: ₦348.2m) were recognised as provision for expected credit losses on trade receivables.

5 Other income and expenses

	15 months ended 31 Mar 2019 ₦'000	12 months ended 31 Dec 2017 ₦'000
5.1 Other operating income		
Net gain on disposal of PPE	421	19,895
Valuation gain from investment properties (Note 9)	231,420	99,147
Exchange gain	92,022	-
Insurance claim	9,824	-
Gain on related party loan*	-	18,667
Others	4,900	390
	338,587	138,099

- * In 2017 financial year, the Company obtained a loan from a related party at interest rate of 8% which is below the market rate, the market rate of 22% was used and the difference between the fair value and the contractual amount of the loan was recognised as benefit of related party loan in interest income on loans and borrowings.

**For the 15-month period ended 31 March 2019**81



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

5.5 Administrative expenses

AGM expense	11,545	13,671
Amortisation of intangible assets (Note 10)	8,874	2,840
Audit fee	12,500	9,000
Corporate social responsibility	10,081	-
Expected credit loss on trade and other receivables (Note 5.8)	14,503	-
Allowance for impairment on receivable (Note 5.8)	-	26,351
Bank charges	17,599	18,982
Depreciation (Note 8)	31,237	24,899
Donation and subscription	3,629	2,096
Employee benefits (Note 5.6)	468,625	356,870
Exchange loss	-	99,810
Insurance	7,428	7,039
Interconnectivity and branding	19,223	7,683
Legal and professional fee	37,872	46,258
Office printing and stationery	13,373	8,163
Operating lease expense	40,945	18,301
Other administrative expenses	14,912	8,077
Other tax liabilities	21,631	-
Piracy	10,972	3,480
Security	29,594	25,401
Rates	9,703	3,545
Repairs and maintenance	80,037	65,837
Telecommunication	16,052	13,595
Write-off of investment properties	-	61,500
	880,335	823,398

Included in legal and professional fee are tax consulting fee of ₦2,000,000 (31 December 2017: ₦2,000,000) and IFRS implementation assessment review fee of ₦3,500,000 (31 December 2017: ₦3,500,000).

These services were carried out with the consent of the audit engagement partner who has ensured that the non-audit service is not prohibited and poses no threat to the firm's independence and objectivity.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

	15 months ended 31 Mar 2019 N'000	12 months ended 31 Dec 2017 N'000
5.6 Employee benefits expense		
Short- term employee benefits	443,454	338,597
Pension contribution	25,171	18,273
	-----	-----
Total employee benefits expense	468,625	356,870
	=====	=====
5.7 Finance cost		
Interest expense on loans and borrowing (Note 19.1)	14,383	17,625
Interest expenses on overdraft	6,439	16,518
	-----	-----
	20,822	34,143
	=====	=====
5.8 Credit loss expense		

The table below shows the ECL charges on financial instruments for the year recorded in the income statement:

	Note	Stage 1 Collective	Simplified model	Total
Debt instruments measured at amortised cost - Staff loans	5.5	-	-	-
Debt instruments measured at amortised costs - Short-term deposits	5.5	180	-	180
Debt instruments measured at amortised costs - trade receivables	5.5	-	14,323	14,323
		-----	-----	-----
		180	14,323	14,503
		=====	=====	=====



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

	31 Mar 2019 N'000	31 Dec 2017 N'000
Additional provision during the year (Note 5.5)	14,323	26,351
Write off	-	(16,994)
	-----	-----
Note 13	14,323	9,357
	=====	=====

6 Taxation

6.1 Income tax recognised in profit or loss

	15 months ended 31 Mar 2019 N'000	12 months ended 31 Dec 2017 N'000
Current income tax:		
Company income tax	23,954	68,784
Education tax	2,880	10,337
Capital gains tax	-	1,975
	-----	-----
	26,834	81,096
Adjustment in respect of prior year under provision	65,382	-
	-----	-----
	92,216	81,096
Deferred tax:		
Relating to origination and reversal of temporary difference (Note 6.4)	125,753	(51,293)
	-----	-----
	217,969	29,803
	=====	=====



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

	31 Mar 2019 N'000	31 Dec 2017 N'000
6.2 Statement of financial position		
At 1 January	81,096	16,858
Amounts recorded in profit or loss	92,216	81,096
Payments during the year	(120,542)	(16,858)
Withholding tax utilised	(25,936)	-
	-----	-----
At 31 March/December	26,834	81,096
	=====	=====

6.3 Reconciliation between tax expense and accounting profit

	15 months ended 31 Mar 2019 N'000	12 months ended 31 Dec 2017 N'000
Accounting profit before tax	379,929	296,689
	=====	=====
Statutory income tax rate of 30%	91,183	89,007
Previously unrecognised and unused tax losses and deductible temporary differences now recognised	-	(45,723)
Disallowable expenses	195,228	32,381
Non-taxable income	(117,456)	(17,625)
Capital gains tax	-	1,975
Education tax	2,880	10,337
Adjustment in respect of prior year under provision	65,382	-
Capital allowance adjustment	(19,248)	(40,549)
	-----	-----
At the effective income tax rate	217,969	29,803
	=====	=====
Effective tax rate	57%	10%
	=====	=====



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

	31 Mar 2019 N'000	31 Dec 2017 N'000
6.4 Deferred tax asset		
At 1 January	170,997	119,704
Deferred tax on retained earnings restated arising on change in accounting policy (Note 3.2)	35,886	-
Relating to origination and reversal of temporary differences	(125,753)	51,293
	-----	-----
At 31 March/December	81,130	170,997
	=====	=====
6.5 Deferred tax		
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(56,966)	(58,840)
Impairment on receivables	154,345	104,461
Provisions	48,276	30,258
Trade payable - unrealised exchange loss	(29,413)	29,943
Unrealised gain in fair value on investment properties	(51,057)	(29,014)
Inventories – write down to net realisable value	15,945	94,189
	-----	-----
	81,130	170,997
	=====	=====

7 Basic/diluted earnings per share (EPS)

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

Diluted earnings per share amount are calculated by dividing profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.



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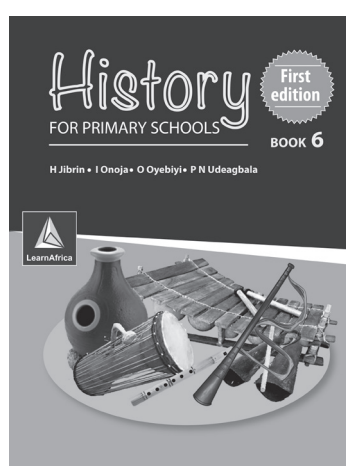
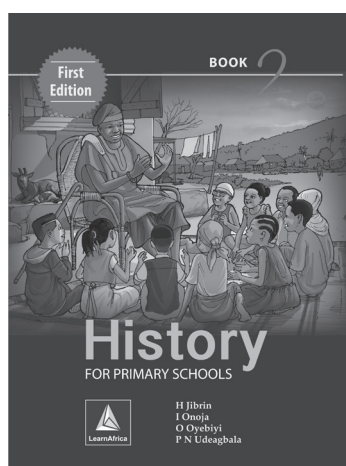
Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

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

	15 months ended 31 Mar 2019 N'000	12 months ended 31 Dec 2017 N'000
Profit attributable to ordinary equity holders	161,960	266,886
Average number of ordinary shares for basic earnings per share	771,450	771,450
Basic and diluted earnings per share (kobo)	21	35

Diluted EPS is the same as the Basic EPS as there are no potential securities convertible to ordinary shares.





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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

8 Property, plant and equipment

Cost	Leasehold Land and Building N'000	Plant and Machinery N'000	Motor vehicles N'000	Motor trucks N'000	Furniture Fittings and Equipment N'000	Computer hardwares N'000	Total N'000
At 1 January 2017	162,819	104,698	296,769	87,890	151,700	71,336	875,212
Additions		3,288	32,743	-	1,278	2,292	39,601
Disposals	(25,000)	-	-	-	-	-	(25,000)
At 31 December 2017	137,819	107,986	329,512	87,890	152,978	73,628	889,813
Additions	-	10,528	53,791	-	7,354	7,188	78,861
Disposals	-	-	(49,828)	-	-	-	(49,828)
At 31 March 2019	137,819	118,514	333,475	87,890	160,332	80,816	918,846



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

9 Investment properties

	Land N'000	Building** N'000	Total N'000
At 1 January 2017	180,000	61,500	241,500
Additions	-	18,053	18,053
Write off	-	(61,500)	(61,500)
	-----	-----	-----
	180,000	18,053	198,053
Fair value gains	90,000	9,147	99,147
	-----	-----	-----
At 31 December 2017	270,000	27,200	297,200
Fair value gains	74,000	157,420	231,420
	-----	-----	-----
At 31 March 2019	344,000	184,620	528,620
	=====	=====	=====

** The building is made up of the following:

Gate house

Guest house

Boys quarters

4 bedroom town house with BQ

Uncompleted semi-detached house

Uncompleted 4 Nos. Terrace house.

The Company owns two building investment properties which are residential buildings in Ikeja, Lagos Nigeria. There was no rental income in the current period (31 December 2017: Nil) as the property was not occupied by any tenant due to the ongoing construction of the buildings that commenced in 2017 financial year by a preferred contractor that was engaged by the Company. Management intends to sell after completion. At the year end, the Company engaged an independent valuer to fair value the investment properties which comprise the land and the building under construction and the changes in fair value was recognised in the profit or loss.

The Company has no restrictions on the realisability of its investment properties. The investment properties are stated at fair value, which has been determined, based on valuation performed by Juliet U. Uzo – FRC/2014/NIESV/00000008598 of J.U. Uzo & Associates – FRC/2016/00000009037 as at the reporting date. J.U. Uzo & Associates is a Chartered Estate Surveyors and accredited independent valuer with specialisation in



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied after making the following assumptions:

- a) That the information which the valuation is based on are correct;
- b) That the property is not adversely affected by or subject to a revocation or compulsory acquisition, road widening, new road proposal or planning scheme;
- c) That the property is free from onerous restrictions and charges.

The investment properties were valued based on current exchange of the asset in the market. By definition, market value of a property is the estimated price for which the property should exchange hand on the date of valuation between a willing seller and a willing buyer in an arm's length transaction after a proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In arriving at the market value, the following methods were adopted:

- a) the market comparison method which is a direct analysis of recent sales of comparable properties in the immediate neighbourhood;
- b) the income/investment method on which a prospective, rational and prudent purchaser-investor may likely make his bid, this being his discounted summarisation of the net rent benefit derivable from the property and capitalizing with the appropriate years purchase to arrive at a fair market value;
- c) the depreciated replacement cost method as a check on the above mentioned 2 methods where the cost of constructing similar buildings is taken into consideration after adequate depreciation is made with regards to the age of the buildings being taken care of.

The corresponding outcome is therefore added to the value of land to arrive at the market value.

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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Significant unobservable valuation input:

The fair values of investment properties recognised in the statement of financial position are level 3 of the fair value hierarchy

	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			31 Mar 2019	31 Dec 2017
			₦	₦
Residential property	Market comparable method	Estimated price per square meters adjusted for the nature, location and conditions of the investment properties	165,000-195,000	97,598-134,565

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value rate.

Using the market comparable method, this means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate, and an opposite change in the long term vacancy rate.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

10 Intangible assets

Computer software

	31 Mar 2019 N'000	31 Dec 2017 N'000
Cost		
At 1 January	17,038	9,838
Additions	-	7,200
	-----	-----
At 31 March/31 December	17,038	17,038
	-----	-----
Amortisation and impairment		
At 1 January	2,840	-
Amortisation	8,874	2,840
	-----	-----
At 31 March/31 December	11,714	2,840
	-----	-----
Net book value		
At 31 March/31 December	5,324	14,198
	=====	=====

11 Prepayments and other assets

11.1 Movement in prepayments and other assets

	31 Mar 2019 N'000	31 Dec 2017 N'000
At 1 January	134,111	24,592
Additions	130,518	253,458
	-----	-----
	264,629	278,050
Current portion amortisation	(126,518)	(143,939)
	-----	-----
	138,111	134,111
	=====	=====

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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

11.2 Classification of prepayments and other assets

Non-current portion		
Prepaid rent	8,508	26,303
	-----	-----
Current portion		
Prepaid rent	29,991	8,196
Other assets*	99,612	99,612
	-----	-----
At 31 March/December	129,603	107,808
	-----	-----
Total prepayments	138,111	134,111
	=====	=====

*Other assets relate to deposit made to a third party for the construction of investment property for the Company.

The long term rent prepaid relates to the Company's warehouse in Onitsha, Ilorin, Akure, Ajegunle and Port Harcourt for a period of three to five years.

The rent prepayment classified as current asset represents the portion that is due to be amortised in the next twelve months and this amounts to ₦30 million (31 December 2017: ₦8.2 million).

12	Inventories	31 Mar 2019 ₦'000	31 Dec 2017 ₦'000
	Raw materials	19,104	3,880
	Work-in-progress	51,210	67,416
	Finished goods	1,486,979	1,501,833
	Consumables	2,475	1,572
	Goods in transit	1,483,872	-
		-----	-----
	Total	3,043,640	1,574,701
		=====	=====

Inventory write-down that was recognised in cost of sales for the 15 months ended 31 March 2019 was ₦26,651,423 (31 December 2017: ₦21,764,942). Inventories are valued at the lower of cost and net realisable value less costs to sales.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

13 Trade and other receivables

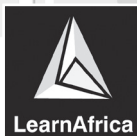
	31 Mar 2019	31 Dec 2017
	₦'000	₦'000
Trade receivables	1,281,891	1,700,872
Withholding tax recoverable	95,884	121,128
Staff loan	1,037	1,788
Other receivable*	-	1,914
	-----	-----
	1,378,812	1,825,702
Less: Allowance for expected credit loss/ impairment loss (Note 13.1)	(481,808)	(348,202)
	-----	-----
	897,004	1,477,500
	=====	=====

*Other receivable in the prior year consists mainly of receivable from the Bank on a cheque warrant yet to be honoured.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days except for receivables from government parastatals which are 300 days.

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	Trade receivables	Staff loan
	₦'000	₦'000
Gross	1,281,891	1,037
ECL	(481,807)	(1)
	-----	-----
Net	800,084	1,036
	=====	=====



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

13.1	Trade receivable	31 Mar 2019	31 Dec 2017
		N'000	N'000
	At 1 January (IAS 39)	348,202	338,845
	Effect of adoption of IFRS 9 (Note 3.2)	119,282	-
		-----	-----
	At 1 January (Restated)	467,484	338,845
	Provision for expected credit loss (Note 5.5)	14,323	-
	Additional provision under IAS 39 (Note 5.8)	-	26,351
	Write off	-	(16,994)
		-----	-----
		481,807	348,202
		-----	-----

13.2	Staff loan		
	At 1 January (IAS 39)	-	-
	Effect of adoption of IFRS 9 (Note 3.2)	1	-
		----	----
	At 1 January (Restated)	1	-
	Additional provision during the year (Note 5.8)	-	-
		----	----
		1	-
		----	----
	Allowance for credit loss total	481,808	348,202

The significant changes in the balances of trade receivables are disclosed in Note 4.2 while the information about the credit exposures are disclosed in Note 23.

14 Cash and cash equivalents

	31 Mar 2019	31 Dec 2017
	N'000	N'000
Cash at banks and in hand	254,661	207,254
Short-term deposit	355,711	278,899
	-----	-----
	610,372	486,153
	=====	=====



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

14.1 Short-term deposits

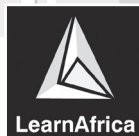
Fixed deposit placement with bank	356,230	278,899
	-----	-----
Gross	356,230	278,899
ECL (Note 14.2)	(519)	-
	-----	-----
Net	355,711	278,899
	=====	=====

14.2 Below is an analysis of expected credit loss allowance

	31 Mar 2019	31 Dec 2017
	N'000	N'000
At 1 January 2018 (IAS 39)	-	-
Effect of adoption of IFRS 9 (Note 3.2)	(339)	-
	-----	-----
At 1 January 2018 (Restated)	(339)	-
Additional provision during the year (Note 5.8)	(180)	-
	-----	-----
	(519)	-
	=====	=====

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits 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.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and short-term deposits as defined below. The short-term deposits have a maturity of less than 90 days and are subject to an insignificant risk of changes in value.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

	31 Mar 2019	31 Dec 2017
	N'000	N'000
Cash at banks and in hand	254,661	207,254
Short-term deposit	355,711	278,899
	-----	-----
	610,372	486,153
Less: Accrued interest	(1,079)	(2,982)
	-----	-----
	602,293	483,171
	=====	=====

15 Issued share capital and reserves

	31 Mar 2019	31 Dec 2017
	N'000	N'000
Authorised shares		
1,000,000,000 ordinary shares of 50k each	500,000	500,000
	=====	=====
Ordinary shares issued and fully paid		
771,450,000 ordinary shares of 50k each	385,725	385,725
	=====	=====
Share premium	1,940,214	1,940,214
	=====	=====
Revaluation reserve	67,703	67,703
	=====	=====

This relates to revaluation surplus on property, plant and equipment prior to date of transition to IFRS. Upon disposal, any revaluation reserve relating to a particular asset sold is transferred to retained earnings.

16 Dividend paid and proposed

	31 Mar 2019	31 Dec 2017
	N'000	N'000
Dividends on ordinary shares:		
At 1 January	-	-
Final dividend for 2017: 14k per share (2016: 10k per share)	108,003	77,145
Dividend paid during the year	(108,003)	(77,145)
	-----	-----
At 31 March/31 December	-	-
	=====	=====



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

17 Trade and other payables

	31 Mar 2019	31 Dec 2017
	₦'000	₦'000
Trade payable	1,525,090	453,707
Royalties (Note 17.1)	370,163	306,006
Unclaimed dividend (Note 17.2)	111,242	94,926
Withholding tax	21,858	16,777
Sundry creditors**	56,842	50,971
Pension	9,492	329
Cooperative thrift	6,815	-
Statutory deductions	5,683	546
Other payables*	18,187	3,755
	2,125,372	927,017

*Other payables comprise mainly of deposit made on account by customers yet to be identified and salary accrued.

**Sundry creditors are made up of provision for litigation, audit fee, legal & professional fees, housing, accrued interest on related party loan, leave and medical allowances.

Reconciliation of changes in trade and other payables included in the statement of cash flow

Movement in trade and other payables	1,182,038	612,168
Movement in unclaimed dividend (Note 17.2)	16,316	18,429
Changes in trade and other payables per statement of cash flow	1,198,354	630,597

Terms and conditions of the above financial liabilities:

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

Other payables are non-interest bearing and have an average term of 2 months.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

The maturity analysis of trade and other payables are as follows:

At 31 March 2019	1-60 days N'000	61-120 days N'000	> 120 days N'000	Total N'000
Trade payables	1,494,994	4,786	25,310	1,525,090
Other payables*	73,982	-	-	73,982

Year ended 31 December 2017	1-60 days N'000	61-120 days N'000	> 120 days N'000	Total N'000
Trade payables	291,422	154,350	7,935	453,707
Other payables*	53,589	-	-	53,589

*Other payables maturity analysis consists of sundry creditors and other payables disclosed above.

17.1 Royalty

This relates to payment made to authors for the use of their intellectual properties. The applicable rate ranges from 5% to 10% on the published price of textbooks. For major contracts from government institutions, a rate of 2.5% is applied.

The maturity ageing analysis of royalty payable is as follows:

At 31 March 2019	1-60 days N'000	61-120 days N'000	> 120 days N'000	Total N'000
Royalties payables	122,000	80,514	167,649	370,163
Year ended 31 December 2017	1-60 days N'000	61-120 days N'000	> 120 days N'000	Total N'000
Royalties payables	143,656	96,433	65,917	306,006



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Notes to the Financial Statements (cont'd)

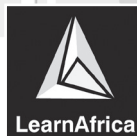
For the 15-month period ended 31 March 2019

17.2 Unclaimed dividend

This relates to 90% of unclaimed dividend of 15 months and above returned by the Company's Registrar in the year. This was as specified by the Security and Exchange Commission. This is as detailed below:

	31 Mar 2019	31 Dec 2017
	₦'000	₦'000
At 1 January	94,926	76,497
Receipt from company Registrar	16,316	18,429
	-----	-----
At 31 March/31 December	111,242	94,926
	=====	=====

S/N	Amount of dividend declared	Total dividend paid to date	Date of payment	Unclaimed dividend	90% Remittance
	NGN	NGN		NGN	NGN
1	17,638,963	17,565,461	28.06.2004	70,672	66,152
2	36,750,340	36,468,999	04.07.2005	273,999	253,207
3	44,100,408	43,785,720	03.07.2006	302,924	283,219
4	45,360,000	44,398,188	02.07.2007	940,962	865,631
5	113,400,000	110,612,731	08.08.2008	2,581,759	2,508,542
6	170,986,000	162,179,712	08.06.2009	8,461,324	7,925,659
7	170,100,000	170,085,052	07.06.2010	14,948	13,453
8	85,052,363	72,593,838	15.08.2011	11,384,223	11,212,672
9	173,576,250	147,713,005	09.04.2012	24,165,346	23,276,921
10	139,003,738	119,081,710	31.05.2013	18,252,13	17,929,825
11	83,412,750	69,899,753	06.06.2014	12,403,632	12,161,697
12	83,614,772	64,087,424	05.06.2015	19,527,348	18,428,841
13	69,714,246	51,596,230	07.07.2017	18,128,848	16,315,964
				<u>116,508,125</u>	<u>111,241,783</u>



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

18 Provisions

This relates to warranty provision made for sales returns. Provisions are required to be made for a percentage of goods estimated to be returned by customers.

	31 Mar 2019	31 Dec 2017
	N'000	N'000
At 1 January	100,861	101,611
Utilised during the year	(65,834)	(20,750)
Arising during the year	95,833	20,000
	-----	-----
At 31 March/December	130,860	100,861
	=====	=====

19 Interest-bearing loans and borrowings

19.1 Loans and borrowings

	Interest rate	Maturity	2019	2017
			N'000	N'000
Interest bearing loan	22%	Dec. 2019	122,409	108,026

N117 million related party loan

In prior year, the Company obtained a below market rate loan of N117 million from a related party at 8% for a term of 3 years. The loan was measured at fair value with effective interest rate of 22%, the unwinding charge on the loan is expensed in finance costs.

	31 Mar 2019	31 Dec 2017
	N'000	N'000
At 1 January	108,026	-
Additions	-	117,000
Gain on related party loan (Note 5.1)	-	(18,667)
Interest on loan (Note 5.7)	14,383	17,625
Accrued interest *	-	(7,932)
	-----	-----
At 31 March/December	122,409	108,026
	=====	=====

*Accrued interest is accounted for as part of sundry creditors in Note 17.



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

19.2 Classification of loans and borrowings

	31 Mar 2019	31 Dec 2017
	₦'000	₦'000
Non-current portion	-	36,516
Current portion	122,409	71,510
	-----	-----
At 31 March/December	122,409	108,026
	=====	=====

20 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

At 31 March 2019

	Date of valuation	Total (₦)	Fair value measurement using		
			Quoted prices	Significant	Significant
			in active market (Level 1)	observable inputs (Level 2)	observable inputs (Level 3)
Assets measured at fair value					
Investment properties (Note 9)	31.03.2019	528,620			528,620
Liabilities measured at fair value					
Interest bearing loans and borrowings (Note 19.1)	31.03.2019	122,409		122,409	



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

At 31 December 2017

At 31 December 2017		Fair value measurement using			
	Date of valuation	Total (₦)	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Assets measured at fair value					
Investment properties (Note 9)	31.12.2017	297,200			297,200
Liabilities measured at fair value					
Interest bearing loans and borrowings (Note 19.1)	31.12.2017	108,026		108,026	

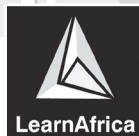
There have been no transfers between Level 1 and Level 3 during the period.

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

	Carrying amount		Fair value	
	31 Mar 2019 ₦'000	31 Dec 2017 ₦'000	31 Mar 2019 ₦'000	31 Dec 2017 ₦'000
Financial assets				
Trade receivable	800,084	1,352,670	800,084	1,352,670
Cash and cash equivalent	610,372	486,153	610,372	486,153
Staff loan	1,036	1,788	1,036	1,788
Financial liabilities				
Interest bearing loans and borrowings	122,409	108,026	122,409	108,026
Trade payable	1,525,090	453,707	1,525,090	453,707
Royalties	370,163	306,006	370,163	306,006
Deferred income	1,047	1,137	1,047	1,137
Sundry creditors	56,842	50,971	56,842	50,971
Other payables	17,140	2,618	17,140	2,618

Management assessed that the fair value of trade receivable, cash and cash equivalent, staff loan, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

21 Related party balances

Learn Africa Education Development Foundation (LAEDF)

Learn Africa Education Development Foundation is a CSR initiatives of Learn Africa Plc. The Foundation was established in 2012 to, among others, promote learning and encourage academic excellence in the country.

In 2017, a loan of ₦117 million was obtained from LAEDF at 8% interest rate payable after 3 years. The loan was measured at fair value with effective interest rate of 22%, the unwinding charge on the loan is expensed in finance costs.

22.1 Compensation of key management personnel of Learn Africa Plc

	15 months ended 31 Mar 2019 ₦'000	12 months ended 31 Dec 2017 ₦'000
Short-term employee benefits	68,491	57,653
Post-employment benefits	6,144	4,565
	-----	-----
	74,635	62,218
	=====	=====

The short-term employee benefits relates to the amounts recognised as an expense during the reporting period related to key management personnel. The executive directors are paid salaries by Learn Africa Plc.

	15 months ended 31 Mar 2019 ₦'000	12 months ended 31 Dec 2017 ₦'000
Information regarding directors emoluments:		
Directors' emoluments comprise:		
Fees as Directors	2,400	1,920
Others	45,722	40,310
Pension contribution	3,305	2,644
	-----	-----
	51,427	44,874
	=====	=====
Chairman	2,000	1,700
Highest paid Director	17,753	15,383
	=====	=====



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

The number of directors excluding the Chairman with gross emoluments within the following bands was:

	15 months ended 31 Mar 2019	12 months ended 31 Dec 2017
	Number	Number
	₦	₦
Less than – 3,000,000	2	4
3,000,001 – 3,500,000	2	-
3,500,001 – 5,000,000	-	-
5,000,001 – 7,500,000	-	-
7,500,001 – 9,000,000	-	2
9,000,001 – 15,000,000	2	-
15,000,000 and above	1	1

22.2 Information relating to employees

1 The average number of persons employed in the financial year and the staff cost were as follows:

	15 months ended 31 Mar 2019	12 months ended 31 Dec 2017
	Number	Number
Management (Directors)	3	3
Publishing and distribution	41	29
Sales and marketing	99	91
Administration	70	57
	-----	-----
	213	180
	===	===



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

- 2 The numbers of employees in receipt of emoluments excluding allowances within the following ranges were:

	15 months ended 31 Mar 2019	12 months ended 31 Dec 2017
	Number	Number
	₦	₦
650,001 – 700,000	-	-
700,001 – 750,000	-	-
750,001 – 800,000	-	2
800,001 – 900,000	23	30
900,001 – 1,000,000	37	28
1,000,001 – 1,100,000	41	21
1,100,001 – 1,200,000	26	26
1,200,001 – 1,300,000	18	4
1,300,001 – 1,400,000	3	9
1,400,001 – 1,500,000	8	6
1,500,001 – 2,000,000	30	35
2,000,001 – 3,500,000	18	11
3,500,001 – 5,500,000	6	5
Above 5,500,000	3	3
	-----	-----
	213	180
	===	===

23 Financial risk management

Learn Africa Plc's principal financial assets comprise trade and other receivables, cash and short-term deposits that arise directly from its operations.

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance and provide guarantee to support the Company's operations.

Learn Africa Plc is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies.

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

1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Learn Africa is exposed to credit risk from its operating activities (primarily for trade receivables) including short term deposits with banks and financial institutions. The effect of each financial asset is explained below:

a) Trade receivables

Customer credit risk is subject to Learn Africa Plc's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

At 31 March 2019, the Company had 87 customers (31 Dec 2017: 164 customers) that owed the Company more than N1,000,000 each and accounted for approximately 49% (31 Dec 2017: 52%) of all receivables owing. There were 9 customers (31 Dec 2017: 8 customers) with balances greater than N10,000,000 accounting for just over 40% (31 Dec 2017: 35%) of the total amounts receivable.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Company



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

31 Mar 2019

In thousands of naira	Trade receivables						
	Days past due						Total
	Current	1 - 180	181 - 360	361 - 720	721 - 1080	>1080	
	days	days	days	days	days	days	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	4.03%	4.03%	4.15%	4.40%	4.68%	4.92%	
Estimated total gross carrying amount at default	- (1,171,244)	874,225	356,624	(30,727)	1,253,013	1,281,901	
Expected credit loss	-	-	36,259	15,691	-	429,857	481,807

1 Jan 2018

In thousands of naira	Trade receivables						
	Days past due						Total
	Current	1 - 180	181 - 360	361 - 720	721 - 1080	>1080	
	days	days	days	days	days	days	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	7.84%	7.86%	8.27%	8.49%	9.28%	9.61%	
Estimated total gross carrying amount at default	99,853	378,743	-	-	874,074	348,202	1,700,872
Expected credit loss	8,399	29,769	-	-	81,114	348,202	467,484

Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Set out below is the movement in the allowance for expected credit losses/impairment allowance of trade receivables:

	31 Mar 2019	31 Dec 2017
	₦'000	₦'000
At 1 January under IAS 39	348,202	338,845
Adjustment upon application of IFRS 9 (Note 3.2)	119,282	
	-----	-----
At 1 January – As restated	467,484	338,845
Provision for expected credit loss (Note 5.8)	14,323	-
Additional provision under IAS 39 (Note 5.5)	-	26,351
Write off (Note 5.8)	-	(16,994)
	-----	-----
At 31 March/31 December	481,807	348,202
	=====	=====

Loss rate are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stage delinquency to write-off. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Expected credit loss measurement - other financial assets

The Company applied the general approach in computing expected credit losses (ECL) for staff loan and short term deposits. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.2 Summary of significant accounting policies and Note 2.1.3 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

The following tables set out the key drivers of expected loss and the assumptions used for the Company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 1 January 2018 and 31 March 2019.



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for 'Subsequent years' represent a long-term average and so are the same for each scenario.

31 March 2019

Key drivers

	Scenario	2019	2020	2021	2022	2023	Subsequent years
GDP growth							
	Upturn	0.26	0.29	0.32	0.35	0.38	0.41
	Base	0.20	19.00	0.15	0.16	0.14	0.15
	Downturn	0.14	0.11	0.08	0.05	0.02	-0.01
Oil price %							
	Upturn	56.00	59.00	62.00	65.00	68.00	71.00
	Base	55.00	57.00	62.00	54.00	56.00	57.00
	Downturn	44.00	41.00	38.00	35.00	32.00	29.00
Exchange rate %							
	Upturn	180.00	175.00	170.00	165.00	160.00	155.00
	Base	199.50	209.48	219.95	230.95	242.49	254.62
	Downturn	204.75	214.99	225.74	237.02	248.87	261.32
Inflation rate %							
	Upturn	26.00	24.00	22.00	20.00	18.00	16.00
	Base	31.00	32.00	33.00	34.00	35.00	36.00
	Downturn	34.00	36.00	38.00	40.00	42.00	44.00



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

1 January 2018

Key drivers

Scenario	2018	2019	2020	2021	2022	Subsequent years
GDP growth						
Upturn	0.23	0.26	0.29	0.32	0.35	0.38
Base	0.20	0.20	19.00	0.15	0.16	0.14
Downturn	0.17	0.14	0.11	0.08	0.05	0.02
Oil Price %						
Upturn	53.00	56.00	59.00	62.00	65.00	68.00
Base	50.00	55.00	57.00	62.00	54.00	56.00
Downturn	47.00	44.00	41.00	38.00	35.00	32.00
Exchange rate %						
Upturn	185.00	180.00	175.00	170.00	165.00	160.00
Base	190.00	199.50	209.48	219.95	230.95	242.49
Downturn	195.00	204.75	214.99	225.74	237.02	248.87
Inflation rate %						
Upturn	28.00	26.00	24.00	22.00	20.00	18.00
Base	30.00	31.00	33.00	33.00	34.00	35.00
Downturn	32.00	34.00	38.00	38.00	40.00	42.00

The following tables outline the impact of multiple scenarios on the allowance:

31 March 2019

	Staff loan N'000	Short term deposit N'000	Total N'000
Upside (10%)	-	51	51
Base (79%)	-	411	411
Downturn (11%)	-	57	57
	-----	-----	-----
Total	-	519	519
	=====	=====	=====



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

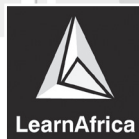
1 January 2018

	Staff loan	Short-term deposit	Total
	N'000	N'000	N'000
Upside (10%)	1	34	34
Base (79%)	-	268	268
Downturn (11%)	-	37	37
	-----	-----	-----
Total	1	339	339
	=====	=====	=====

Credit loss expense

The table below shows the ECL charges on financial instruments for the year recorded in the income statement:

	Stage 1	Stage 2	Stage 3	Simplified	POCI	Total
	Individual	Individual	Individual	Model		
	N'000	N'000	N'000	N'000	N'000	N'000
Debt instruments measured at amortised cost - Restricted cash and short-term deposit	519	-	-	-	-	519
Debt instruments measured at amortised cost - Trade receivables	-	-	-	481,807	-	481,807
Debt instruments measured at amortised cost - Staff loan	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
	519	-	-	481,807	-	482,326
	=====	=====	=====	=====	=====	=====



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

b) Cash and short term deposits

Credit risk from balances with banks and financial institutions is managed by the Learn Africa's Treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

Learn Africa's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2019 and 31 December 2017 is the carrying amounts as illustrated in Note 14.

2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include trade receivable and trade payable. The Company's exposure to foreign currency is as shown below:

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. The Company's exposure to the risk of changes in foreign exchange rates is low as most of its major transactions are carried out with local suppliers and customers. However, the Company is exposed to the US Dollars and pounds sterling.

The Company's exposure to foreign currency changes for all other currencies is as a result of payable to foreign publishers. The Naira carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:



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Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

	31 Mar 2019	31 Dec 2017
Liabilities		
Currency of USA (USD)	4,126,940	317,727
Currency of Britain (GBP)	-	4,880
Assets		
Currency of USA (USD)	5,724	5,057
Currency of Britain (GBP)	7,383	4,452

Changes in US Dollars Rate		Effect on profit before tax N'000
31 Mar 2019	(+5%)	74,026
	(-5%)	(74,026)
31 Dec 2017	(+5%)	5,628
	(-5%)	(5,628)

Changes in Pounds Rate		Effect on profit before tax N'000
31 Mar. 2019	(+5%)	172
	(-5%)	(172)
31 Dec. 2017	(+5%)	679
	(-5%)	(679)

3 Liquidity risk

Liquidity risk arises through excess obligations over available financial assets due at any point in time. Learn Africa's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. Learn Africa achieves this through funds generated by operations and externally through Trade and other payables that provide flexibility in the timing and amounts of short-term financing. Learn Africa has a policy of investing its cash balances in short-term deposits in highly-rated Nigerian financial institutions. The analysis of the financial assets and liabilities have been disclosed in Notes 13 and 17 respectively.

Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted amounts:

At 31 Mar 2019

	On Demand N '000	Less than 1 year N '000	1 - 5years N '000	Total N '000
Financial assets				
Trade and other receivables*	-	801,120	-	801,120
Cash and cash equivalent		610,372		610,372
	-----	-----	-----	-----
	-	1,411,492	-	1,411,492
	=====	=====	=====	=====
Financial liabilities				
Trade and other payables**	-	1,600,120	-	1,600,120
Interest bearing loans and borrowings	-	132,178	-	132,178
	-----	-----	-----	-----
	-	1,732,298	-	1,732,298
	=====	=====	=====	=====

At 31 Dec 2017

	On Demand N '000	Less than 1 year N '000	1 - 5years N '000	Total N '000
Financial assets				
Trade and other receivables*	-	1,356,372	-	1,356,372
Cash and cash equivalents		486,153	-	486,153
	-----	-----	-----	-----
	-	1,842,525	-	1,842,525
	=====	=====	=====	=====
Financial liabilities				
Trade and other payables**	-	508,433	-	508,433
Interest bearing loans and borrowings	-	47,198	84,980	132,178
	-----	-----	-----	-----
	-	555,631	84,980	640,611
	=====	=====	=====	=====

* This trade and other receivables excludes withholding tax in Note 13.

**This trade and other payables includes trade payable, customer deposit, sundry creditors and other payables in Note 17.



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

24 Capital management

The primary objective of the Learn Africa Plc capital management is to ensure that it maintains a healthy capital ratio that support its business and maximise shareholder value. Management considers capital to consist only of equity as disclosed in the statement of financial position. In order to ensure an appropriate return for shareholder's capital invested in the company, management thoroughly evaluates all material projects and potential acquisitions before approval. The company is not subject to any capital restriction requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, trade and other payables, interest bearing loans and borrowings less cash equivalents. The Company's capital structure and debt-equity ratio is shown below:

	31 Mar 2019	31 Dec 2017
	₦'000	₦'000
Trade and other payables (Note 17)	2,125,372	927,017
Interest bearing loans and borrowings (Note 19)	122,409	108,026
Less: cash equivalents (Note 14)	(610,372)	(486,153)
Net debt	1,637,409	548,890
Equity	3,141,991	3,171,770
Capital and Net debt	4,779,400	3,720,660
Debt to equity ratio	34%	14



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

25 Capital commitment

As at 31 March 2019, the Company had capital commitment for goods-in-transit of ₦1,483,872,000 (31 December 2017: Nil).

26 Segment information

Segment information is presented in respect of the Company's business segment. The primary format, business segments, is based on the Company's management and internal reporting structure.

For management purposes, the Company is organised into one business unit based on its product and has only one reportable segment which is publishing of books.

Segment statement of comprehensive income

	Book Publishing	
	31 Mar 2019 ₦'000	31 Dec 2017 ₦'000
Revenue (External customer)	3,479,474	2,485,531
Finance income	11,623	14,299
Cost of publishing recognised as expense	(2,205,900)	(1,143,397)
Other Income	338,587	138,099
Operating expenses	(1,223,033)	(1,163,700)
Finance cost	(20,822)	(34,143)
Profit before taxation	379,929	296,689
Taxation	(217,969)	(29,803)
Profit after taxation	161,960	266,886



Learn Africa Plc

Notes to the Financial Statements (cont'd)

For the 15-month period ended 31 March 2019

Segment statement of financial position

Total non-current assets

Current assets

Total assets

Ordinary share capital

Share premium

Other capital reserve

Retained earnings

Non-current liabilities

Current liabilities

Total equity and liabilities

Book Publishing

31 Mar 2019

₦'000

866,847

4,680,619

5,547,466

385,725

1,940,214

67,703

748,349

-

2,405,475

5,547,466

31 Dec 2017

₦'000

742,608

3,646,162

4,388,770

385,725

1,940,214

67,703

778,128

36,516

1,180,484

4,388,770

All revenue are earned locally in Nigeria across different states based on the location of the customers. All customers have sales below 10% of the total revenue of the Company. All non-current assets are located in Nigeria.

27

Litigation and claims

The Company is presently involved in three (3) litigation suits as at 31 March 2019. The claims against the Company from the suits amount to ₦276 million (31 December 2017: ₦279 million) as of reporting date. A provision of ₦20m has been made in the financial statements in the unlikely event of an unfavourable outcome from one of the suits based on solicitor's advice.

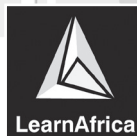
The Company has been advised by its legal counsel that it is only possible, but not probable that the suits will succeed. No other provision was made in the financial statements for other contingent liabilities as the Directors are of the opinion, based on solicitors' advice, that they have a good defense against the actions and there is no likelihood of any loss arising there from.

28

Events after the reporting date

The Directors are of the opinion that there are no events after the reporting date that could have material effect on the Company's financial statements that had not been adequately provided or disclosed in these financial statements.





National Standards



Learn Africa Plc

Statements of Value Added

For the 15-month period ended 31 March 2019

	15 months ended 31 Mar 2019 N'000	%	12 months ended 31 Dec 2017 N'000	%
Turnover	3,479,474		2,485,531	
Bought in goods & services				
Local	(1,623,176)		(951,040)	
Imported	(1,259,630)		(940,580)	
	-----		-----	
	595,668		593,911	
Other income	350,210		152,398	
	-----	-----	-----	-----
Value added	945,878	100	746,309	100
	=====	=====	=====	=====
Applied as follows:		%		%
To pay employees:				
Salaries and labour related expenses	468,625	50	356,870	48
To government:				
Income tax	92,216	10	81,096	11
To providers of capital:				
Finance cost	20,822	2	34,143	5
To provide for replacement of assets and expansion of business:				
Depreciation	67,628	7	55,767	7
Amortisation	8,874	1	2,840	-
Deferred tax	125,753	13	(51,293)	(7)
Retained in the business	161,960	17	266,886	36
	-----	-----	-----	-----
	945,878	100	746,309	100
	=====	=====	=====	=====

The value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, government and that retained or the future creation of more wealth.



Learn Africa Plc

Five-Year Financial Summary

For the 15-month period ended 31 March 2019

	IFRS				
	31 March 2019	2017	31 December 2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Property, plant & equipment	243,265	233,910	274,931	284,394	304,610
Investment property	528,620	297,200	241,500	237,000	227,500
Intangible asset	5,324	14,198	9,838	6,416	9,329
Non-current prepayments	8,508	26,303	7,507	2,938	9,841
Net current assets	2,275,144	2,465,678	2,328,549	2,214,122	2,922,054
Deferred taxation	81,130	170,997	119,704	-	7,502
Loans and borrowings	-	(36,516)	-	-	-
	-----	-----	-----	-----	-----
	3,141,991	3,171,770	2,982,029	2,744,870	3,480,836
	=====	=====	=====	=====	=====
Shareholders' funds					
Called up share capital	385,725	385,725	385,725	385,725	385,725
Share premium	1,940,214	1,940,214	1,940,214	1,940,214	1,940,214
Other capital reserve	67,703	67,703	67,703	67,703	67,703
Retained earnings	748,349	778,128	588,387	351,228	1,087,194
	-----	-----	-----	-----	-----
	3,141,991	3,171,770	2,982,029	2,744,870	3,480,836
	=====	=====	=====	=====	=====
Statement of comprehensive income					
Revenue	3,479,474	2,485,531	2,009,852	1,886,939	2,211,213
	=====	=====	=====	=====	=====
Profit/(loss) before taxation	379,929	296,689	134,314	(618,007)	2,958
Taxation	(217,969)	(29,803)	102,845	(25,385)	(23,374)
	-----	-----	-----	-----	-----
Profit/(loss) after taxation	161,960	266,886	237,159	(643,392)	(20,416)
	=====	=====	=====	=====	=====
Dividend declared	-	(108,003)	(77,145)	-	(92,574)
	=====	=====	=====	=====	=====
Per share data (kobo)					
Earnings/(loss) per share – Basic	21	35	31	(83)	(3)
Dividend per share	-	14	10	-	12



Learn Africa Plc The Management Team



Mr Gbolagunte Aiyedun
Publishing Director



Alhaji Hassan S. Bala
Managing Director/Chief Executive Officer



Mrs Cordelia Isioma Ojeile
Finance Director



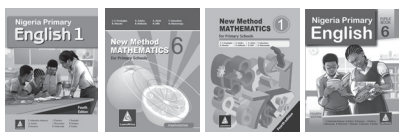
Mr Raphael Amanam
Head of Distribution



Mr Segun Akanmu
Head of Publishing



Mr Lanre Kehinde
Head of Production





Learn Africa Plc The Management Team (cont'd)



Mr Herbert Nwoke
Head of Finance



Miss Grace Okon
Head of HR/Admin.



Mr Paul Olowu
Head of Credit Control



Mr Julian Obinwanne
National Head of Sales



Mr Emmanuel Moses
Acting Head of IT



Mr Toyosi Moronkola
Acting Head of Marketing



Mrs Modupe Lawal
Acting Chief Internal Auditor



Learn Africa Plc Additional Information

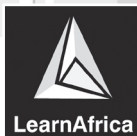
1 Unclaimed dividend position as at 31 March 2019

Payment No.	Amount
8	70,672.34
9	273,999.31
10	302,923.57
11	940,962.41
12	2,581,759.00
13	8,461,323.75
14	14,947.90
15	11,384,222.71
16	24,165,346.29
17	18,252,139.22
18	12,403,632.09
19	19,527,347.83
20	18,128,848.40
TOTAL	116,508,124.82

2 Ten-year dividend history

Dividend declared in the last ten years were as follows:

Year declared	Total amount	Dividend per share	Percentage
2007	176,400,000	100k	200%
2008	385,725,000	50k	100%
2009	385,725,000	50k	100%
2010	192,862,500	25k	50%
2011	192,862,500	25k	50%
2012	154,290,000	20k	40%
2013	92,574,000	12k	24%
2014	92,574,000	12k	24%
2015	-	-	0%
2016	77,145,000	10k	20%
2017	108,003,000	14k	28%



Learn Africa Plc Additional Information

3 Share capital history

Date	Authorised number of shares	Value ₦	Issued & fully paid number of shares	Value ₦	Consideration
1961	20,000	10,000	20,000	10,000	Cash transfer
1973	780,000	390,000	780,000	390,000	Cash
1976	800,000	400,000	800,000	400,000	Bonus
1977	800,000	400,000	800,000	400,000	Cash
1979	1,200,000	600,000	1,200,000	600,000	Bonus
1980	1,200,000	600,000	1,200,000	600,000	Bonus
1981	3,200,000	1,600,000	3,200,000	1,600,000	Bonus
1987	4,000,000	2,000,000	4,000,000	2,000,000	Bonus
1990	12,000,000	6,000,000	8,000,000	4,000,000	Bonus
1994	56,000,000	28,000,000	20,000,000	10,000,000	Bonus
1995	-	-	10,000,000	5,000,000	Bonus
1996	-	-	10,000,000	5,000,000	Rights Issue
1996	-	-	10,000,000	5,000,000	Subscription
1998	120,000,000	60,000,000	35,000,000	17,500,000	Bonus
2001	200,000,000	100,000,000	42,000,000	21,000,000	Bonus
2005	-	-	29,400,000	14,700,000	Bonus
2008	600,000,000	300,000,000	80,750,000	40,375,000	Private placement
2009	-	-	514,300,000	257,150,000	Bonus
Total	1,000,000,000	80,000,000	500,000,000	771,450,000	128,575,000



Learn Africa Plc Corporate Directory

Head office

Felix Iwerebon House
52, Oba Akran Avenue
Ikeja, Lagos State.
Tel. 09099912553, 08099912503
Email: learnafrica@learnafricaplc.com
Sales Enquiries: connect@learnafricaplc.com
Website: www.learnafricaplc.com

Abuja Corporate Office

Regent Place, MF15, Cadastral Zone,
Murtala Muhammed Expressway,
Opp. 2nd Kubwa Gate, Kubwa Abuja.
Tel: 08050633543, 08099912558
Email: emmanuelabeen@learnafricaplc.com

Branch Office

Abeokuta Office

Anike House, 2nd Floor
Opposite Fagbems Filling Station
Isale Igbini, Abeokuta, Ogun State.
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Email: pekulsopail@yahoo.com

Agbor Office

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25, James Watt Road,
Benin City, Edo State.
Tel: 08037021030, 09087807581
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Calabar Office

123 Murtala Mohammed Highway
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Enugu Office

14, Umuleri Street, Uwani
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Email: louischinedu@yahoo.com

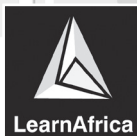
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Email: olajidealawode@learnafricaplc.com

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Email: cyrilbakwuye@learnafricaplc.com

Warri Office

Ogene Shopping plaza
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Effuru, Delta State.
Tel: 08059949860, 08099912530
Email: coliniusohwogbona@yahoo.com

Zaria Office

1, Sokoto Road
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Zaria, Kaduna State.
Tel: 08099912516, 08034502075
E-mail: tijaniwakili@learnafricaplc.com





Learn Africa Plc

Proxy Form

For the 15-month period ended 31 March 2019

ANNUAL GENERAL MEETING TO BE HELD AT 52 Oba Akran Avenue, Ikeja, Lagos on Thursday 17 October 2019 at 11.00 a.m.

I/We..... being a member/members of Learn Africa Plc hereby appoint

..... or failing him, the Chairman of the meeting as my/our proxy to vote for me/us at the Annual General Meeting of the Company to be held on Thursday, 17 October 2019 and at any adjournment thereof.

Signature

Dated this.....day of2019

To be effective, the Form of Proxy should be duly stamped by the Commissioner for Stamp Duties and signed before posting it to the address shown overleaf not later than 48 hours before the time for holding the meeting.

The Proxy Form should not be completed and sent to the address overleaf if the member will be attending the Meeting.

S/N	Ordinary Resolutions	For	Against
1	To declare a dividend		
2	To re-elect the following Directors retiring by rotation:		
	Chief Emeke Iwerebon		
	Alhaji Bala Hassan		
	Mr Fred Ijewere		
3	To authorise the Directors to fix the remuneration of Auditors		
4	To elect/re-elect members of the Audit Committee		
	Special Business To consider and if thought fit pass the following as an ordinary resolution:		
5	To approve the remuneration of the Directors		

Please, indicate with an X in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

FOR COMPANY'S USE ONLY

Full Name and Address of Shareholder

Number of Shares held

Admission Form

Please admit

..... to

The Annual General Meeting of Learn Africa Plc to be held at 11 a.m on Thursday, 17 October 2019, at 52 Oba Akran Avenue, Ikeja, Lagos.

Signature of the person attending

Notes:

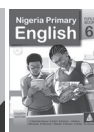
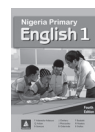
- A member (shareholder) who is unable to attend a General Meeting is allowed to appoint a proxy to attend and vote instead of him/her. The Proxy Form has been prepared to enable you to exercise your right to vote if you cannot personally attend.
- Provision has been made on this Proxy Form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked **) the name of any person, whether a member of the Company or not who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.
- Please sign the Proxy if you are not attending the Meeting, have it duly stamped by the Commissioner for Stamp Duties, and post it so as to reach the Registrars-First Registrars Nigeria Limited, Plot 2, Abebe Village Road, Iganmu, Lagos or the Company Secretary, DCSL Corporate Services Limited, 235, Ikorodu Road, Lagos, not later than 48 hours before the time of holding the meeting.
- This Admission Form must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
- Shareholders or their Proxies are required to sign the Admission Form before attending the Meeting.

DCSL Corporate Services
(Company Secretaries)



*Affix Postage
Stamp Here*

**The Company Secretaries
DCSL Corporate Services Limited
235 Ikorodu Road
P. O. Box 965, Lagos
Nigeria**





E-DIVIDEND

To:
The MD/CEO,
First Registrars Nigeria Limited,
Plot 2, Abebe Village Road,
Iganmu, P.M.B 12692,
Marina, Lagos,
Nigeria.

Important: The form should be completed in CAPITAL LETTERS using a black or dark blue ballpoint/fountain pen.
Characters and numbers should be similar in style to the following
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 0 1 2 3 4 5 6 7 8 9

Please fill in the form and return to the address above

Surname

First Name

Other Names

Address

Mobile Phone

Email

Signature

2nd Signature (for joint account or company)

(For company, please add Seal)

Bank Account Details

Bank Name

Bank Branch Address

Bank Account Number

Branch Sort Code

Branch Authorised Signatures & Stamp



website: www.firstregistrarsnigeria.com
Email: infor@firstregistrarsnigeria.com