

LEARN AFRICA PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

LEARN AFRICA PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

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LEARN AFRICA PLC

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024	Increase/ (decrease)
	₦'000	₦'000	%
Major financial position items:			
Share capital	385,725	385,725	-
Total assets	5,908,233	4,862,779	21
Revenue reserve	1,689,555	1,214,577	39
Shareholder funds	4,083,197	3,608,219	13
Major comprehensive income items:			
Turnover	5,182,891	4,084,481	27
Profit before taxation	748,212	260,522	187
Profit after taxation	474,978	11,195	4,143
Dividend (gross)	-	192,860	(100)
Information per 50k ordinary shares based on 771,450,000 ordinary shares:			
Earning per share (kobo)	62	1	4,143
Dividend per share (kobo)	-	25	(100)
Net assets per share (kobo)	5	5	-
Number of employees	181	176	3

LEARN AFRICA PLC

DIRECTORS AND OTHER CORPORATE ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

BOARD OF DIRECTORS	Chief Emeke Iwerebon Alhaji Hassan S. Bala Mr. Gbola Aiyedun Mrs. Cordelia Ojeile Mr. Frederick E. Ijewere Hajia Binta Bakari Mrs. Yetunde Aina Mrs. Egbichi Akinsanya Mr. Iyinoluwa Aboyeji	Chairman Managing Director Publishing Director Finance Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Non- Executive Director Non-Executive Director
SECRETARIES	Dcsl Corporate Services Limited (Corporate Secretaries) 235 Ikorodu Road Ilupeju, Lagos Tel: +234-809-0381-860 Website: www.dcsi.com.ng	
REGISTERED OFFICE	52 Oba Akran Avenue, Ikeja, Lagos Website: www.learnafricaplc.com Tel: +234-8039-9912-547	
REGISTERED NUMBER	RC2637	
COMPANY FRC NO:	FRC 2012 00000000340	
AUDITOR	PKF Professional Services, PKF House, 205A Ikorodu Road, Obanikoro, Lagos Nigeria	
REGISTRAR	First Registrars and investor services Limited Plot 2 Abebe Village Road, Iganmu P.M.B 12692, Lagos	TEL:012799880 email:info@firstregistrarsnigeria.com
SOLICITORS	Citi Point Chambers (Legal Practitioners) 11, IPM Avenue Alausa, Lagos	
BANKERS	First Bank of Nigeria Limited Ikeja Industrial Estate Branch 21,Oba Akran Avenue, Ikeja, Lagos. Zenith Bank Plc Medical Road Branch 8, Simbiat Abiola Way Ikeja, Lagos.	United Bank of Africa Plc 16,Oba Akran Avenue Branch Ikeja, Lagos Guaranty Trust Bank Plc 33, Oba Akran Avenue Ikeja, Lagos.
INVESTMENT ADVISER	Cordros Capital Limited 70 Norman Williams Street Ikoyi, Lagos Tel: +23419049041 - +2347002673767	

LEARN AFRICA PLC

REPORTS OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

The directors have pleasure in presenting their report together with the audited financial statements and other national disclosures of Learn Africa Plc (“the company”) for the year ended 31 March 2025.

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 Exchange Limited on 23 July 1996.

PRINCIPAL ACTIVITIES

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

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

RESULTS FOR THE YEAR

	2025 N'000	2024 N'000
Revenue from contract with customers	<u>5,182,891</u>	<u>4,084,481</u>
Profit before taxation	<u>748,212</u>	260,522
Income tax expense	<u>(273,234)</u>	<u>(249,327)</u>
Profit after taxation	<u>474,978</u>	<u>11,195</u>

Dividend

The Directors are pleased to recommend to Shareholders the payment of a dividend of 35 kobo per ordinary share of 50 Kobo each for the year ended 31 March 2025, which amounts to N270,007,500, subject to the approval of the members at the Annual General Meeting. If approved, the dividend is payable less withholding tax to all members whose names appear in the Company’s Register of Members at the close of business on Friday, 12 September 2025.

Shareholders 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 2025, only three persons held more than 5% of the Company’s shares; one person Iwerebon Emeke Felix held 14.07%, Mr. Fredrick E. Ijewere held 6.23% and the Estate of Ade-Ajayi Jacobs Festus held 5.50% of the Company’s shares while twelve (12) members held between 1% and 5%. Other shareholders held less than 1% respectively.

	Shares of 50k each			
	2025 No. of shares	%	2024 No. of shares	%
Major shareholders				
The following shareholders held more than 5% of the issued share capital as at 31 March				
Iwerebon Emeke Felix (Chief)	108,538,916	14.07	107,197,682	13.90
Mr Frederick E. Ijewere	48,074,954	6.23	48,074,954	6.23
Estate of Ade-Ajayi Jacob Festus (Prof)	42,429,847	5.50	42,429,847	5.50

Stated below is the company’s shareholding structure as at the year ended.

Structure description	No. of Holders	Holdings	% Holdings
31 March 2025			
Corporate	297	118,818,869	15.40
Foreign	16	241,668	0.03
Individuals	<u>8,698</u>	<u>652,389,463</u>	<u>84.57</u>
	<u>9,011</u>	<u>771,450,000</u>	<u>100</u>
31 March 2024			
Corporate	301	147,603,666	19.13
Foreign	15	254,381	0.03
Individuals	<u>8,339</u>	<u>623,591,953</u>	<u>80.83</u>
	<u>8,655</u>	<u>771,450,000</u>	<u>100</u>

LEARN AFRICA PLC

REPORTS OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

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 Sections 301 and 302 of the Companies and Allied Matters Act 2020 and the listing requirements of the Nigerian Exchange Limited are as follows:

Direct

S/n Name	2025	2024
1. Chief Emeke Iwerebon	92,636,547	91,597,393
2 Alhaji Hassan S. Bala	200,500	200,500
3 Mr Frederick E. Ijewere	11,249,223	11,249,223
4 Hajia Binta Bakari	140,365	140,000
5 Mrs Yetunde Aina	-	-
6 Mr Gbolagunte Aiyedun	200,000	200,000
7 Mrs Cordelia Isioma Ojeile	181,017	181,017
8 Mrs Egbichi Akinsanya	-	-
9 Mr Iyinoluwa Aboyeji	-	-

Indirect holding

Name	Registered shareholder	Shareholding 2025	Shareholding 2024
1 Chief Emeke Iwerebon	First Nationwide Limited	15,902,369	15,600,289
2 Mr Frederick E. Ijewere	Ebako & Company Limited	36,825,730	36,825,730
3 Mrs Yetunde Aina	Estate of Prof Ade-Ajayi Jacob Festus	42,429,847	42,429,847
4 Hajia Binta Bakari	Estate of Bakari Shehu Usman Alhaji	21,878,696	21,878,696

Directors' interest in contracts

In accordance with Section 303 of the Companies and Allied Matters Act 2020, 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 has not purchased any of its own shares during the year under review (2024: Nil).

Analysis of shareholding as at period ended 31 March 2025

Range	No of Holders	Holders %	Units	Units%
1 . 1,000	2118	23.50	682,849	0.09
1,001 . 5,000	1515	16.81	3,962,200	0.51
5,001 . 10,000	2345	26.02	17,736,244	2.30
10,001 . 50,000	2199	24.40	46,387,482	6.01
50,001 . 100,000	399	4.43	28,613,622	3.71
100,001 . 500,000	296	3.28	63,610,173	8.25
500,001 . 1,000,000	51	0.57	37,327,306	4.84
1,000,001 . 5,000,000	59	0.65	124,439,033	16.13
5,000,001 . 10,000,000	13	0.14	91,965,865	11.92
10,000,001 . 771,450,000	16	0.18	356,725,226	46.24
	9011		771,450,000	100

Property, plant and equipment

Information relating to changes in property, plant and equipment during the year is given in Note 13 to the financial statements. In the opinion of the Directors, the market value of the Company's property, plant and equipment is not less than the value shown in the financial statements.

LEARN AFRICA PLC

REPORTS OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

Corporate social responsibility

As an integral part of the Nigerian society playing varied roles as an employer, partner, and tax payer. The Company impacts the society through various means including the Learn Africa Education Development Foundation, a non-profit making organisation committed to the growth and development of schools and education through the provision of educational infrastructure.

Employment of Physically Challenged Persons

The company continued to maintain its policy of non-discrimination in considering applications for employment and other industrial relations matters.

Health, safety and welfare of workers

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. The company is registered with a Health Management Organisation (HMO) which is accessible to all staff and their dependants where cases of illness are referred for treatment. We comply with relevant statutory provisions and regulations on health, safety and welfare matters.

Training and development

The Company places a premium on the development of its employees and advocates training and re-training for all employees. Our training activities during the year cut across all categories of employees. Also, induction training has been designed to benefit new employees such that it will assist them settle into their roles conveniently. The performance management system ensures that good performance is recognized and adequately rewarded while poor-performance is appropriately sanctioned. The system is designed to assist employees develop and apply their innate skills and proficiency in the discharge of their assigned duties.

Events after reporting date

As stated in Note 36, 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 statement

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, 2020 and the requirements of Financial Reporting Council of Nigeria Act, 2023 (as amended). The directors consider that the format adopted is that most suitable for the Company.

Auditor

PKF Professional Services (External Auditors) have indicated their willingness to continue in office as External Auditors of the Company. A resolution will be proposed at the Annual General Meeting to authorise Directors to determine their remuneration.

By Order of the Board



Anne Agbo-FRC/2013/NBA/002/00000000855
for: DCSL Corporate Services Limited
(Company Secretary)
235, Ikorodu Road, Ilupeju, Lagos Nigeria
FRC/2024/COY/876656

Dated: 23 June 2025

LEARN AFRICA PLC

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2025

In accordance with the provisions of the Companies and Allied Matters Act 2020, the directors of Learn Africa Plc. are responsible for the preparation of annual financial statements which gives a true and fair view of the financial position of the company at the end of the year and of the financial performance and cashflows for the year then ended. The responsibilities include ensuring that:

- a) 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, 2020 and Financial Reporting Council of Nigeria Act, 2023 (as amended).
- b) appropriate and adequate internal controls are established both to safeguard the assets and to prevent and detect fraud and other irregularities;
- c) the company prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have
- d) It is appropriate for the financial statements to be prepared on a going concern basis.

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
- the requirements of the Companies and Allied Matters Act 2020.
- the requirements of the Financial reporting Council of Nigeria Act 2023 (as amended)

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Company and of its performance and cash flows for the year.

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.

Signed on behalf of the Board of Directors by:



Chief Emeke Iwerebon
Chairman
FRC/2013/PRO/DIR/003/0000002046

Dated: 23 June 2025



Alhaji Hassan S. Bala
Managing Director
FRC/2016/PRO/DIR/003/00000015071

Dated: 23 June 2025

LEARN AFRICA PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Certification of management's assessment of internal control over financial reporting

We, **Alhaji Hassan S. Bala (Managing Director)** and **Mrs. Cordelia Ojeile (Finance Director)**, certify that:

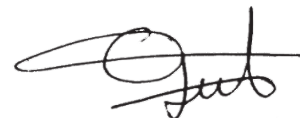
- a) We have reviewed the 2025 Annual Report and financial statements of Learn Africa Plc ("the company").
- b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly represent in all material respects the financial condition, results of operations, and cash flows of the company as of 31 March 2025, presented in this report.
- d) Learn Africa Plc certifying officers:
 - 1) Are responsible for establishing and maintaining internal controls;
 - 2) Have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information regarding Learn Africa Plc, is made known to us by others within the entities, particularly during the period in which the report is being prepared;
 - 3) Have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and
 - 4) Have evaluated the effectiveness of the company's internal controls and procedures as of date within 90 days prior to the report and presented in this report our conclusion about the effectiveness of the internal controls and procedures, as of 31 March 2025 covered by this report based on such evaluation.
- e) Learn Africa Plc certifying officers have disclosed, based on our most recent evaluation of internal control system, to the company's auditors (PKF Professional Services) and the Audit Committee that:
 - 1) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to affect Learn Africa Plc's ability to record, process, summarise, and report financial information; and
 - 2) There was no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) Learn Africa Plc certifying officers have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to deficiencies noted.

Dated this 23 day of June 2025



Alhaji Hassan S. Bala
Managing Director
FRC/2016/PRO/DIR/003/00000015071

Dated: 23 June 2025



Mrs. Cordelia Ojeile
Finance Director
FRC/2013/PRO/ICAN/001/00000002038

Dated: 23 June 2025

LEARN AFRICA PLC

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED 31 MARCH 2025

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 March 2025 that:

- a) We have reviewed the report;
To the best of our knowledge, the report does not contain:
- Any untrue statement of a material fact, or
 - Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;
- b) To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.
- c) We:
- are responsible for establishing and maintaining internal controls.
 - have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within the entity particularly during the period in which the periodic reports are being prepared;
 - have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- d) We have disclosed to the auditor of the Company and Audit Committee:
- All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
 - Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Alhaji Hassan S. Bala
Managing Director
FRC/2016/PRO/DIR/003/00000015071

Dated: 23 June 2025



Mrs. Cordelia Ojeile
Finance Director
FRC/2013/PRO/ICAN/001/00000002038

Dated: 23 June 2025

LEARN AFRICA PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Report of the Audit Committee to the Members of Learn Africa Plc

In accordance with the provision of section 404 (7) of the Company and Allied Matters Act 2020, we the members of the Statutory Audit Committee of Learn Africa Plc having carried out our statutory functions of the Act, hereby report that:

- a) The accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
- b) The scope and planning of both the external and internal audit for the year ended 31 March, 2025 are satisfactory.
- c) The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.
- d) Having deliberated with the Independent Auditor, who confirmed that necessary co-operation was received from Management in the course of their statutory audit and having reviewed the Independent Auditor's memorandum recommendations on accounting procedures and internal control matters, we are satisfied with Management's responses thereon.

The representatives of our Secretaries, DCSL Corporate Service Limited, acted as Secretaries.

Finally, we acknowledge the cooperation of Management and staff in the conduct of our duties.

Members of the Audit Committee are:

- | | |
|---------------------------------------|--------------------------|
| 1. V/Sup Snr Evang. (Dr.) A.O Omojola | - Shareholder/ Chairman |
| 2. Mrs. Mary Joke Shofolahan | - Shareholder |
| 3. Mr. David Olusegun Oguntoye | - Shareholder |
| 4. Mrs. Egbichi Akinsanya | - Independent Director |
| 5. Mr. Fredrick Ijewere | - Non-Executive Director |



V/SUP SNR EVANG. (DR) A.O. OMOJOLA
Chairman, Audit Committee
FRC/2013/PRO/OTHERS/00000002341

Dated: 23 June 2025

**Independent Auditor's Attestation Report on
Management's Assessment of Internal Controls over Financial Reporting
To the Shareholders of Learn Africa Plc**

Attestation

We have performed a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of Learn Africa Plc ("the Company") as of 31 March 2025, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's internal control over financial reporting as of 31 March 2025 is not effective, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Basis for Attestation

We conducted a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **Learn Africa Plc ("the Company")** as of 31 March 2025, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Our responsibilities under those sections and the guidance are further described in the Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting section of our report.

We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the internal control procedures over financial reporting in Nigeria.

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Internal control procedures over financial reporting in Nigeria.

Responsibilities of the Directors and Those Charged with Governance for maintaining effective internal control over financial reporting

The directors are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, in accordance with requirement of Section 405 of the Companies and Allied Matters Act, 2020, in connection with Section 1.3 of SEC Guidance on implementation of Sections 60-63 of the investments and securities Act No. 29, 2007 and in compliance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting

Our responsibility is to express an opinion on the management's assessment of the effectiveness of the Company's internal control over financial reporting based on our limited review.

We conducted our limited review assurance engagement in accordance with "the Guidance", which requires that we planned and performed the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included:

- obtaining an understanding of internal control over financial reporting;
- assessed the risks that a material weakness may exist; and
- evaluated the result of the test of design and operating effectiveness of internal control based on the assessed risks.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition of Internal Control over Financial Reporting

The Company's internal control over financial reporting is process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Acceptable Accounting Principles and includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and direction of the Company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Limitations of Internal Control over Financial Reporting

Because of such limitations, Internal Control over Financial Reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. The major limitation are:

- a) Internal Control over Financial Reporting cannot provide absolute assurance due to its inherent limitations;
- b) It is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures.
- c) It can be circumvented by collusion or improper management override.

Other Information

We have also audited, in accordance with the requirements of International Standards on Auditing, the financial statements of the **Learn Africa Plc** and our report dated **23 June 2025** expressed an unqualified opinion.



Benson O. Adejayan, FCA
FRC/2013/PRO/ICAN/004/00000002226
For: PKF Professional Services
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria

Dated: 23 June 2025



Independent Auditor's Report

To the Shareholders of Learn Africa Plc

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Learn Africa Plc (the Company), which comprise the statement of financial position as at 31 March 2025, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2023 (as amended).

Basis of 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 Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 judgment, were of most significance in our audit of the financial statements of the current period. 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.

Key audit matters	How the matter was addressed in the audit
<p>1. Impairment of trade receivables - Expected Credit Loss (ECL) assessment on financial assets.</p> <p>The determination of the impairment charge for trade receivables requires the assessment of Expected Credit Loss Model (ECL) using the simplified approach on recoverable amounts in line with IFRS 9.</p> <p>The ECL model involves the application of considerable level of judgement and estimation in determining inputs which are derived from historical records obtained within and outside the company in formulating the financial model. The model also requires assumptions in the estimation of forward looking macro-economic variables in computing the Probability of Default (PD).</p>	<p>We focused our testing of impairment on the assumption made by management and in line with IFRS 9, Expected Credit Loss Model (ECL).</p> <p>Our audit procedures include, amongst others, the following:</p> <ul style="list-style-type: none"> • Performed an independent review of the impairment calculation and considered all assumptions used in the impairment model and evaluated whether the model complies with the requirements of IFRS 9. • Reviewed the age analysis of debtors and controls put in place by management on the recoverability of receivables that have been long over due. • We reviewed other areas of macro-economic variables such as inflation rates, exchange rate, Gross Domestic Products (GDP). • We confirmed that appropriate disclosures were made in accordance with the entity's accounting policies and applicable financial framework.
<p>2. Valuation of investment properties</p> <p>The Company adopted fair valuation method in the valuation of investment properties. Included in the total assets at year end are investment properties valued at N376 million (2024:N345 million) representing 9%. The investment properties are stated at their fair values as determined by an independent valuer that was engaged by the management of the company at the reporting date.</p> <p>The assessment of the recoverable amounts of the investments properties by the management is a judgmental process which requires the estimation of the net realisable value. The determination of the fair values involve significant judgement, assumptions and estimation, particularly in selecting the appropriate valuation methodology and valuation basis. Due to the significant assumptions and estimate, valuation of investment properties has been considered as a key audit matter.</p>	<p>Our audit procedures include, amongst others, the following:</p> <ul style="list-style-type: none"> • We considered professional qualification and competence of the external valuer, and reviewed the term of engagement with the valuer. • We considered the appropriateness of the valuation methodology adopted by the valuer. • Reviewed the assumption made in determining the fair values of the investment properties for reasonableness. • We ensured adequate disclosures were made in the financial statements.

Key audit matters	How the matter was addressed in the audit
<p>3. Revenue recognition</p> <p>Revenue is a key performance indicators on which the company and its Directors are assessed. There could be pressures on margin and competition which could lead to recognising revenue in the wrong financial period.</p> <p>In addition, the company operates sales and return policy where goods sold can be returned within a reasonable time. As a result of this policy, goods returned may not be accurately recorded in the company's books or may not be recognised appropriately in the correct financial period.</p>	<p>Our audit procedures include, amongst others, the following:</p> <ul style="list-style-type: none"> • Reviewed the accounting policy for consistency and management's procedures in the recognition and recording of revenue and sales return. • Evaluated the design and implementation and the operating effectiveness of internal controls over the approval of goods sold. • For sales of goods to customers during the year, we compared on a sample basis, postings into revenue ledger which is evidence by delivery notes and copy of invoice duly signed by the customer. • For bulk and normal orders, we verified on a sample basis customers' purchase order, delivery notes and signed contract agreement. • We performed data integrity check on revenue including the accuracy of sample of journal entries relating to revenue by checking them to supporting documentations, such as approved credit notes to customers with respect to sales returns. • We assessed the posting in sales ledger subsequent to year end to understand the basis of any significant/unusual credit notes. • We tested whether revenue transactions occurring both prior and post year end date were recognised in the correct financial period.
<p>4. Valuation of inventory</p> <p>The carrying amount of inventories at year end was N3.2 billion representing 55% of the total assets. An allowance of N103 million has been recorded to reduce the carrying value of the inventories to their estimated realisable values. The company's inventory is prone to obsolescence as a result of changes in government curriculum, technological changes, passage of time among others. There is possibility that obsolete and slow moving inventories may not be adequately written down and this may lead to overstatement of inventory.</p>	<p>Our audit procedures include, amongst others, the following:</p> <ul style="list-style-type: none"> • Reviewed management's procedures and policies relating to provision for obsolete inventories. • Reviewed age analysis of the Company's inventory and ensured that the value of obsolete and soiled inventory were adequately written down. • Reviewed and take note for action, all observations noted during the inventory physical count that could likely affect the impairment calculation of obsolete inventory. • Reviewed and challenged the reasonableness of key management's assumptions used for the impairment based on our knowledge of the business and industry.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report; Audit Committee's Report, Corporate Governance Report and Company Secretary's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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 appeared to be materially misstated. If, based on the work we have performed on the other information that we 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.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards; and in the manner required by the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria Act, 2023 (as amended), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed 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.
- Obtained 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.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of the director's 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.
- Evaluated 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.
- Obtained 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 audit. We remain solely responsible for our audit opinion.

We communicated with the Audit Committee 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 provided the Audit Committee 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.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the fifth Schedule of the Companies and Allied Matters Act, 2020, 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 purpose of our audit;
- ii) Proper books of accounts have been kept by the Company, in so far as it appears from our examination of those books; and
- iii) The Company's statement of financial position and statement of profit or loss are in agreement with the books of account.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 March 2025. The work performed was done in accordance with ISAE 3000 (Revised) Assurance Engagements Other Than Audit or Reviews of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated **23 June 2025**. The report is included in the annual report.



Benson O. Adejayan, FCA
FRC/2013/PRO/ICAN/004/00000002226
For: **PKF Professional Services**
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria

Dated: 23 June 2025



LEARN AFRICA PLC

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

	Note	2025 N'000	2024 N'000
Assets			
Non-current assets			
Property, plant and equipment	13	543,441	543,160
Investment properties	14	376,000	345,000
Intangible asset	15	12,907	11,997
Right of use asset	16	29,413	16,713
Deferred tax asset	11.4	212,118	157,972
		<u>1,173,879</u>	<u>1,074,842</u>
Current assets			
Inventories	18	3,195,585	2,746,278
Trade and other receivables	19	262,637	510,021
Other current assets	17	48,464	42,671
Cash and cash equivalents	20	1,227,668	488,967
		<u>4,734,354</u>	<u>3,787,937</u>
Total assets		<u>5,908,233</u>	<u>4,862,779</u>
Equity and liabilities			
Equity			
Ordinary shares	21.2	385,725	385,725
Share premium	22	1,940,214	1,940,214
Other capital reserves	23	67,703	67,703
Retained earnings	24	1,689,555	1,214,577
Total equity		<u>4,083,197</u>	<u>3,608,219</u>
Current liabilities			
Trade and other payables	25	1,359,649	1,003,636
Provisions	26	156,235	144,694
Current borrowing	27	-	-
Current tax liabilities	11.2	309,152	106,230
		<u>1,825,036</u>	<u>1,254,560</u>
Total liabilities		<u>1,825,036</u>	<u>1,254,560</u>
Total equity and liabilities		<u>5,908,233</u>	<u>4,862,779</u>

The financial statements was approved by the Board of Directors on **23 June 2025** and signed on their behalf by:



Chief Emeke Iwerebon
Chairman
FRC/2013/PRO/DIR/003/0000002046



Alhaji Hassan S. Bala
Managing Director
FRC/2016/PRO/DIR/003/00000015071



Mrs. Cordelia Ojeile
Finance Director
FRC/2013/PRO/ICAN/001/00000002038

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

LEARN AFRICA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 N'000	2024 N'000
Revenue	6	5,182,891	4,084,481
Cost of sales	8	<u>(2,651,402)</u>	<u>(1,962,162)</u>
Gross profit		2,531,489	2,122,320
Other operating income	7.1	170,961	55,780
Distribution and selling expenses	9	(1,030,513)	(815,453)
Administrative expenses	10	<u>(904,552)</u>	<u>(1,081,905)</u>
Operating profit		767,384	280,741
Finance cost	7.3	(30,514)	(29,860)
Finance income	7.2	<u>11,342</u>	<u>9,641</u>
Profit before taxation		748,212	260,522
Income tax expense	11.1	<u>(273,234)</u>	<u>(249,327)</u>
Profit for the year		<u>474,978</u>	<u>11,195</u>
Other Comprehensive income			
Comprehensive income for the year; net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year; net of tax		<u>474,978</u>	<u>11,195</u>
Earnings per share			
Basic earnings per share (kobo)	12	<u>62</u>	<u>1</u>

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

LEARN AFRICA PLC

STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Issued capital N'000	Share premium N'000	Asset revaluation reserve N'000	Retained earnings N'000	Total N'000
At 1 April 2023	385,725	1,940,214	67,703	1,396,242	3,789,884
Profit for the year	-	-	-	11,194	11,194
Dividend	-	-	-	(192,860)	(192,860)
At 31 March 2024	<u>385,725</u>	<u>1,940,214</u>	<u>67,703</u>	<u>1,214,576</u>	<u>3,608,218</u>
At 1 April 2024	385,725	1,940,214	67,703	1,214,576	3,608,218
Profit for the year	-	-	-	474,978	474,978
Dividend	-	-	-	-	-
At 31 March 2025	<u>385,725</u>	<u>1,940,214</u>	<u>67,703</u>	<u>1,689,554</u>	<u>4,083,196</u>

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

LEARN AFRICA PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 N'000	2024 N'000
Operating activities			
Profit for the year		<u>474,978</u>	<u>11,195</u>
Adjustment for non-cash items:			
Depreciation of property, plant and equipment	13	116,187	89,912
Amortisation of intangible assets	15	11,822	7,403
Depreciation of Right of use assets	16	30,624	20,876
Gain on sale of property and equipment	7.1	(503)	(1,645)
Valuation gain on investment properties	7.1	(31,000)	(40,000)
Allowance for expected credit loss	10.3	163,028	439,472
Inventory write off	8	78,321	14,668
Finance cost	10.2	30,514	29,860
Income tax expense	11.1	273,234	249,327
Finance income	7.2	<u>(11,342)</u>	<u>(9,641)</u>
		1,135,863	811,428
Working capital changes:			
Increase in inventories		(527,628)	(534,752)
Decrease/(Increase) in trade and other receivables		84,356	(150,091)
Decrease/(Increase) in trade and other payables		358,015	(44,863)
Increase in prepayment		<u>(5,793)</u>	<u>(4,944)</u>
		1,044,813	76,778
Income tax paid/WHT utilised	11.2	(124,458)	(265,593)
Unclaimed dividend	25.1.4	<u>9,539</u>	<u>40,347</u>
Net cashflows (used in)/from operating activities		<u>929,893</u>	<u>(148,469)</u>
Investing activities			
Proceeds from sale of property, plant and equipment		503	10,436
Additions to investment properties		-	-
Additions to right of use assets		(46,547)	(20,269)
Reclassification from right of use		3,223	1,633
Purchase of property, plant and equipment	13	(116,468)	(186,065)
Purchase of intangible assets	15	<u>(12,732)</u>	<u>(8,650)</u>
Net cash flow used in investing activities		<u>(172,021)</u>	<u>(202,915)</u>
Financing activities			
Addition to current borrowing	27.1	300,000	300,000
Repayment in the year	27.1	(300,000)	(300,000)
Finance cost	10.2	(30,514)	(29,860)
Movement in current borrowing		-	(2,285)
Interest income received	7.2	11,342	9,641
Dividend paid	24	<u>-</u>	<u>(192,860)</u>
Net cash used in financing activities		<u>(19,172)</u>	<u>(215,364)</u>
Net increase/(decrease) in cash and cash equivalents		738,701	(566,748)
Cash and cash equivalents at 1 April		<u>488,967</u>	<u>1,055,715</u>
Cash and cash equivalents at 31 March	20	<u>1,227,668</u>	<u>488,967</u>

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. Reporting Entity

1.1 Legal Form

Learn Africa Plc (The Company) is a Company domiciled in Nigeria. It was founded in 1961. The Company shares were listed on the Nigeria Exchange Limited on July 23 1996. The Company's shares were publicly traded on the Nigeria Exchange Limited.

1.2. Corporate office

The Company's registered Office is located at 52, Oba Akran Avenue, Ikeja, Lagos, Nigeria.

1.3. Principal activities

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

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the interpretations issued by International Financial Reporting Standards Interpretation Committee (IFRIC) and the requirements of the Companies and Allied Matters Act, 2020.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost basis except for the undermentioned financial statement areas, which are measured as indicated below:

- Investment property is measured at revalued amount.
- Inventory is measured at net realisable value.
- Available for sale financial assets are measured at fair value.
- Land is carried at historical cost while Building and other property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment loss.
- Intangible assets are carried at cost and amortised over the useful economic life
- Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS Expected Credit Loss (ECL) Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value
- Right of use assets are measured at cost , and amortised over the useful life of the assets

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. The directors assess the Company's future performance and financial position on a going concern basis and are satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Company will not be able to continue as a going concern in the year ahead.

2.4 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 (N'000) except where otherwise indicated.

3. Changes in accounting policies and disclosures and Standards Issued

3.1. New and amended standards and interpretations

Several standards amendments and interpretations apply for the first time in **2024** but did not have an impact on the financial statements of the Company.

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after **1 January 2024**. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

3.1.1. Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The directors of the Company have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Company's financial statements for prior periods and in future periods.

3.1.2. Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The directors of the Company have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Company's financial statements for prior periods and in future periods.

3.1.3. Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- * The terms and conditions of the arrangements;
- * The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements;
- * The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
- * Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement;
- * Liquidity risk information.

The directors of the Company has accessed the application of this amendment above and concluded did not have any material impact on the amounts recognised in the Company's financial statements for prior periods and in future periods.

3.1.4. Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The directors of the Company have accessed the application of this amendment above and concluded that it did not have any material impact on the amounts recognised in the Company's financial statements for prior periods and in future periods.

3.2.2 Interpretations Issued and Effective on or after 1 January 2025

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

3.2.2.1. Standards issued and effective on or after 1 January 2025

- * Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);
- * Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);
- * IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027);
- * IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027);

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods, except if indicated below.

3.2.2.1.1. Amendments to IAS 21 -- Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

The directors of the Company anticipate that the application of these amendments may not have material impact on the Company's operations or

3.2.2.1.2. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- * clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- * clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- * add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance
- * update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The directors of the Company anticipate that the application of these amendments may not have a material impact on the Company's operations or financial statements in future periods.

3.2.2.1.3. IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The directors of the Company anticipate that the application of these amendments may not have a material impact on the Company's operations or financial statements in future periods.

3.2.2.1.4. IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures.

within the financial statements.

The new standard introduces the following key new requirements:

- * Entities are required to classify all income and expenses into five categories in the statement of profit or loss. Namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities net profit will not change.
- * Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- * Enhances guidance is provided on how to group information in the financial statements.

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

In addition, all entities are required to use the operating profit sub-total as the starting points for the statement of cash flows when presenting operating cash flows under the indirect method.

Management is currently assessing the detailed implications of applying the new standard on the company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- * Although the adoption of IFRS 18 will have no impact on the company's net profit, the company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
- * Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- * The directors of the company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - * management-defined performance measures;
 - * a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - * for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
- * From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

4. 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.

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:

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4.1 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.

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.

4.2 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 publishing segment of 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.

Measurement of the expected credit loss allowance for other 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).

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

- Determining 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

4.3 Property, plant and equipment, and intangible assets

The company carries its property, plant and equipment and intangible assets at cost in the statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation and amortisation are critical to the Company's financial position and performance. The charge in respect of periodic depreciation and amortisation 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 and intangible assets are disclosed in Note 13 and 15 respectively.

4.4 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 2024 for investment properties. For investment properties, a valuation methodology based on market comparable sales model was used, as there is a lack of comparable market data because of the nature of the properties.

4.5 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 based on current sales levels and anticipated rate of return based on one-year warranty period for all books sold in the prior year.

4.6 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 assets that can be recognised, based upon the likely timing and the level of future taxable.

5. Summary of significant accounting policies

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

5.1 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.

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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 of 2 years is recognised in profit or loss as the expense category that is consistent with the function of the intangible assets. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

5.1.1 Derecognition

An intangible asset shall be derecognised:

- (a) on disposal; or
- (b) when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss when the asset is derecognised (unless IAS 17 requires otherwise on a sale and leaseback). Gains shall not be classified as revenue.

The disposal of an intangible asset may occur in a variety of ways (eg by sale, by entering into a finance lease, or by donation). In determining the date of disposal of such an asset, an entity applies the criteria in IAS 18 Revenue for recognising revenue from the sale of goods. IAS 17 applies to disposal by a sale and leaseback.

The consideration receivable on disposal of an intangible asset is recognised initially at its fair value. If payment for the intangible asset is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue in accordance with IAS 18 reflecting the effective yield on the receivable.

Amortisation of an intangible asset with a finite useful life does not cease when the intangible asset is no longer used, unless the asset has been fully depreciated or is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5.

5.2 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.

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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)
Leasehold Land	Nil
Buildings	50
Plant and machinery	10
Furniture, fittings and equipment	10
Motor Trucks	6
Motor Vehicle	4
Solar Energy	4
Computer hardware	4

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

5.2 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.

5.3 Impairment of non-financial assets

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an 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 is appropriate. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Impairment losses and reversals are recognised in profit or loss.

5.4 Inventories

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

5.4.1 Raw materials and Consumables:

Purchase cost on a first in, first out basis.

5.4.2 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.

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

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

5.5 Leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

5.5.1 Company as a lessee

The company applies a single recognition and measurement approach for all leases. The company recognises lease liabilities (if any) to make lease payments and right-of-use-assets representing the right to use the underlying assets.

5.5.2 Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies on impairment of non-financial assets.

The cost of a right-of-use asset also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

The company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

5.5.3 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities (if any) measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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The company has concluded that its leases are only enforceable for the periods that payments have been made and has therefore not recognised any lease liabilities. This applies only to property leases.

5.5.4 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. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized 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.

5.6 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.

5.6.1 Financial assets

5.6.2 Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at 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.

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. Refer to the accounting policies on Revenue from contracts with customers.

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.

5.6.2.1 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.

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5.6.2.2 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; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding;

Financial assets at amortised cost are subsequently measured using the effective interest rate (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.

5.6.2.3 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 when:

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

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 recognize 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.

5.6.2.4 Impairment of financial assets

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

- Disclosures for significant assumptions Note 5.6.2
- Trade receivables Note 19

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).

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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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 given 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 realization 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

5.6.3 Write-off

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.

5.6.4 Financial Liabilities

5.6.4.1 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 and loans and borrowings.

5.6.4.2 Subsequent measurement

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

5.6.4.3 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.

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5.7 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.

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

5.8 Trade and other payables

Trade payables are stated at their original invoice value. The directors consider the carrying amount of trade and other payables to approximate their fair value.

5.9 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 profit or loss.

5.10 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

5.11 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.

5.12 Taxation

5.12.1 Current income tax

Current income tax 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.

5.12.2 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 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.

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

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

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

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

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

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

5.13 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.

5.14 Warranty provisions

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

5.15 Contingent Liability

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

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

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

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

5.16 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 4.1.

5.16.1 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).

5.17 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.

5.18 Contract balances

5.18.1 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.

5.18.2 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 5.6 under financial instruments – initial recognition and subsequent measurement.

5.18.2.1 Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 Expected Credit Loss (ECL) Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value.

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

5.18.3 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.

5.19 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.

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.

5.20 Employee benefits

5.20.1 Defined contribution plans

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

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

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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.

5.20.2 Short-term benefits

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

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

5.21 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

5.22 Share capital and reserves

5.22.1 Share issue costs

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

5.22.2 Dividend on ordinary shares

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

5.22.3 Asset revaluation reserves

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

5.22.4 Share capital and premium

Ordinary shares are recognized at par value and classified as 'share capital' in equity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

5.23. Related party disclosure

A related party transaction is a transfer of resources, services or obligation between a reporting entity and a related party, regardless of whether a price is charged. If an entity has had related party transactions during the year covered by the financial statements, IAS 24 requires it to disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

6. Revenue from contracts with customers

6.1 Disaggregated revenue information

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

31 March 2025

Segments

	N'000	N'000	Total N'000
Geographical markets			
Head Office	-	966,105	966,105
Northern Zone	1,206,544	-	1,206,544
Eastern Zone	1,018,719	-	1,018,719
Western Zone	<u>1,991,523</u>	<u>-</u>	<u>1,991,523</u>
Total revenue from contracts with customers	<u><u>4,216,786</u></u>	<u><u>966,105</u></u>	<u><u>5,182,891</u></u>
Timing or revenue recognition			
Goods transferred at a point in time	4,216,786	-	4,216,786
Goods transferred over time	<u>-</u>	<u>966,105</u>	<u>966,105</u>
Total revenue from contracts with customers	<u><u>4,216,786</u></u>	<u><u>966,105</u></u>	<u><u>5,182,891</u></u>

31 March 2024

Segments

Geographical markets			
Head Office	-	1,021,832	1,021,832
Northern Zone	904,340	-	904,340
Eastern Zone	729,432	-	729,432
Western Zone	<u>1,428,877</u>	<u>-</u>	<u>1,428,877</u>
Total revenue from contracts with customers	<u><u>3,062,649</u></u>	<u><u>1,021,832</u></u>	<u><u>4,084,481</u></u>
Timing or revenue recognition			
Goods transferred at a point in time	3,062,649	-	3,062,649
Goods transferred over time	<u>-</u>	<u>1,021,832</u>	<u>1,021,832</u>
Total revenue from contracts with customers	<u><u>3,062,649</u></u>	<u><u>1,021,832</u></u>	<u><u>4,084,481</u></u>

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.

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 90 days after acceptance of invoice amount by the customer.

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 N'000	2024 N'000
7. Other income		
7.1 Other operating income		
Gain on disposal of assets	503	1,645
Valuation gain from investment properties	31,000	40,000
Rental income	13,167	10,950
Insurance Claim	2,770	-
Others (Note 7.1.1)	123,521	3,185
	<u>170,961</u>	<u>55,780</u>
7.1.1. Others represents income from sale of obsolete books to Everest pulp and pap, income from partnership with Casio.		
7.2 Finance income		
Interest received on deposit	11,342	9,641
7.3 Finance cost		
Interest expense on loans and borrowing (Note 7.3.1)	30,514	29,860
Finance income were recognised using effective interest method. Interest expense were recognised using effective interest rate method. As at year end		
7.3.1 This represents interest on stock replacement facilities obtained from First Bank Plc and repaid during the year.		
8. Cost of sales		
Cost of publications	2,165,254	1,632,299
Royalties	329,113	288,501
Plant depreciation	78,714	23,264
Inventory write off	78,321	14,668
E-Product	-	3,430
	<u>2,651,402</u>	<u>1,962,162</u>
9. Selling and Distribution expenses		
Travelling	196,753	142,741
Motor repairs	181,554	161,384
Advert and publicity	176,408	140,542
Freight	62,455	41,064
Depreciation of property, plant and equipment	76,217	55,811
Employee benefits expenses (Note 9.1)	337,125	273,911
	<u>1,030,513</u>	<u>815,453</u>
9.1 Employee benefits expense		
Salaries and allowances	245,142	238,783
Performance Incentives	73,504	17,789
Pension contribution	16,340	15,486
NSITF	2,139	1,853
Total employee benefits expense	<u>337,125</u>	<u>273,911</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 N'000	2024 N'000
10. Administrative expenses:		
Amortisation of intangible assets	11,822	7,403
Director's fee	21,134	18,566
Audit fee	12,000	12,000
AGM expense	22,205	10,290
NSE expense	8,504	1,389
Bank charges	9,978	6,940
Corporate soc. responsibility	448	8,591
Depreciation of property, plant and equipment	36,985	33,343
Donation	3,520	3,290
Subscription	7,997	1,819
Employee benefits (Note 10.1)	219,440	239,610
Exchange loss	14,288	9,697
Interconnectivity	25,858	15,407
Insurance	20,645	18,942
Legal and Professional fee	60,406	20,628
Office printing and Stationery	10,368	11,699
Amortization of right of use	30,624	25,138
Other expenses (10.4)	15,706	12,202
Piracy	8,110	8,120
Rates	17,820	13,373
Repairs and Maintenance	73,106	60,187
Web/application maintenance	17,332	20,009
Energy and power	56,842	48,714
Impairment of trade receivable (Note 10.2)	163,028	439,472
Security	27,995	25,282
Telecommunication	7,041	7,764
Sundry expenses (10.3)	1,350	2,032
	<u>904,552</u>	<u>1,081,905</u>
10.1 Employee benefits expense		
Salaries and allowances	196,630	223,634
Pension contribution	10,020	9,737
ITF	6,481	5,146
NSITF	6,309	1,093
Total employee benefits expense	<u>219,440</u>	<u>239,610</u>
Total employee benefit		
Admin staff benefit (Note 10.1)	219,440	239,610
Selling and distribution expenses (Note 9.1)	337,125	273,911
	<u>556,565</u>	<u>513,521</u>
10.2 Impairment of trade receivable		
Expected credit losses on trade receivables (Note 19.3)	<u>163,028</u>	<u>439,472</u>

10.3. Sundry expenses represents liability for Paye and withholding tax payment from LIRS back duty assessment tax audit.

10.4. Other expenses represents postal and other utility expenses.

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	N'000	N'000
11. Income tax		
The major components of income tax expense for the period ended 31 March, 2025 and 31 March, 2024 are:		
11.1 Income Statement		
Current income tax:		
Current income tax charge	278,984	111,376
Current education tax charge	30,131	13,005
Police Trust fund levy	37	13
Capital Gain tax charged	-	50
Total current tax	<u>309,152</u>	<u>124,444</u>
Under provision in prior year	18,228	-
Deferred tax:		
Deferred tax (write back)/charge	<u>(54,146)</u>	<u>124,883</u>
Total income tax expense reported in the statement of profit or loss	<u><u>273,234</u></u>	<u><u>249,327</u></u>
11.2 Statement of financial position		
At 1 April	106,230	247,379
Under provision in prior year	18,228	-
Amount recorded in profit or loss	309,152	124,444
Payment during the year	(106,230)	(247,907)
WHT credit utilized	<u>(18,228)</u>	<u>(17,687)</u>
At 31 March	<u><u>309,152</u></u>	<u><u>106,230</u></u>
The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended to date, and Education Tax Act CAP E4 LFN 2004. The Company has adopted the International Accounting Standard 12 on Income Taxes.		
11.3 Reconciliation of tax charge		
Profit before tax	<u>748,212</u>	<u>260,522</u>
Tax at Nigerian's statutory income tax rate of 30%	224,464	78,157
Disallowable expenses	137,831	292,696
Non-taxable income	(119,732)	(135,689)
Police trust fund levy	37	13
Education tax @ 3% of assessable profit	30,131	13,005
Balancing charge	<u>503</u>	<u>1,145</u>
Total tax charge for the year	<u><u>273,233</u></u>	<u><u>249,327</u></u>
Effective tax rate	37%	96%
11.4 Deferred tax asset		
At 1 April	157,972	282,855
Relating to origination and reversal of temporary differences	<u>54,146</u>	<u>(124,883)</u>
At 31 March	<u><u>212,118</u></u>	<u><u>157,972</u></u>

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 N'000	2024 N'000
11.5 Deferred tax		
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(86,462)	(26,002)
Impairment on receivables	198,892	85,603
Right of use	(9,706)	-
Provisions	51,557	43,408
Trade payable - unrealised exchange loss	-	131,903
Unrealised gain in fair value on investment properties	(35,795)	627
Inventories-write down to the net realisable value	<u>93,633</u>	<u>(77,567)</u>
	<u>212,118</u>	<u>157,972</u>

Deferred Income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2024 : 30%). Deferred tax assets are attributable to the following items:

12. 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.

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

Profit attributable to ordinary equity holders	<u>474,978</u>	<u>11,195</u>
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12.1 Weighted average number of ordinary shares for basic earnings per share.

	Number 000	Number 000
Issued ordinary shares	<u>771,450</u>	<u>771,450</u>
Basic earnings per share (kobo)	62	1

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

Earnings per share

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

	N'000	N'000
The following reflects the income and share data used in the basic earnings per share computations		
Net profit attributable to ordinary equity holders	<u>474,978</u>	<u>11,195</u>
Weighted average number of ordinary shares for basic earnings per share	<u>771,450</u>	<u>771,450</u>
Basic earnings per share	0.62	0.01

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

13. Property, plant and equipment

	Leasehold land N'000	Leasehold building N'000	Plant and machinery N'000	Motor vehicle N'000	Furniture and fittings N'000	Computer hardwares N'000	Solar Energy N'000	CWIP N'000	Total N'000
Cost									
At 1 April 2023	108,381	142,800	116,713	420,073	194,967	156,880	-	10,750	1,150,564
Additions	3,200	8,019	484	156,082	9,619	6,109	2,552	-	186,065
Reclassification	-	-	-	-	-	(40,873)	40,873	-	-
Transfer	-	-	-	-	-	-	-	(10,750)	(10,750)
Disposals	-	(9,000.00)	-	(60,997)	-	-	-	-	(69,998)
At 31 March 2024	<u>111,581</u>	<u>141,819</u>	<u>117,197</u>	<u>515,158</u>	<u>204,586</u>	<u>122,116</u>	<u>43,425</u>	<u>-</u>	<u>1,255,881</u>
At 1 April 2024	111,581	141,819	117,197	515,158	204,586	122,116	43,425	-	1,255,881
Additions	-	-	308	39,428	1,829	19,609	28,000	27,295	116,468
Disposals	-	-	-	(10,063)	-	(395)	-	-	(10,458)
At 31 March 2025	<u>111,581</u>	<u>141,819</u>	<u>117,506</u>	<u>544,524</u>	<u>206,416</u>	<u>141,331</u>	<u>71,426</u>	<u>27,295</u>	<u>1,361,893</u>
Accum Depreciation									
At 1 April 2023	-	65,063	79,073	274,437	158,353	107,090	-	-	684,016
Charge for the year	-	2,899	5,602	56,570	6,521	18,109	212	-	89,913
Reclassification	-	-	-	-	-	(18,019)	18,019	-	-
Disposal	-	(210.00)	-	(60,997)	-	-	-	-	(61,207)
At 31 March 2024	<u>-</u>	<u>67,752</u>	<u>84,675</u>	<u>270,010</u>	<u>164,874</u>	<u>107,180</u>	<u>18,231</u>	<u>-</u>	<u>712,722</u>
At 1 April 2024	-	67,752	84,675	270,010	164,874	107,180	18,231	-	712,722
Charge for the year	-	2,942	5,450	79,202	6,651	8,586	13,356	-	116,187
Disposal	-	-	-	(10,063)	-	(394)	-	-	(10,457)
At 31 March 2025	<u>-</u>	<u>70,694</u>	<u>90,125</u>	<u>339,150</u>	<u>171,525</u>	<u>115,372</u>	<u>31,587</u>	<u>-</u>	<u>818,452</u>
Net book value									
At 31 March 2025	<u>111,581</u>	<u>71,125</u>	<u>27,381</u>	<u>205,374</u>	<u>34,891</u>	<u>25,959</u>	<u>39,839</u>	<u>27,295</u>	<u>543,441</u>
At 31 March 2024	<u>111,581</u>	<u>74,067</u>	<u>32,522</u>	<u>245,148</u>	<u>39,712</u>	<u>14,936</u>	<u>25,194</u>	<u>-</u>	<u>543,160</u>

There were no restrictions on the Company's property, plant and equipment as at 31 March 2025 except for the Company's Head Office building valued at N 1.7 billion on which First Bank of Nigeria Limited holds a floating debenture.

Reclassification represent items of computer hardware reclassified to solar energy

No impairment was recognised during the year.

Transfer represent CWIP to Intangible assets

Capital work in progress represent additional money spent on accounting software.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Land N'000	Building N'000	Total N'000
14. Investment properties			
At April 1 2023	95,000	210,000	305,000
Fair value gain	<u>30,000</u>	<u>10,000</u>	<u>40,000</u>
At April 1 2024	125,000	220,000	345,000
Fair value gain	<u>19,000</u>	<u>12,000</u>	<u>31,000</u>
At 31 March 2025	<u>144,000</u>	<u>232,000</u>	<u>376,000</u>

**The buildings are made up of the following:

-2 Completed wings of five-bedroom semi-detached houses on 3 floors each both wings have a physically measured area of approximately 52.20 square meters each.

Both building are currently occupied.

There are currently 2 properties classified as Investment Properties under the provision of IAS 40 at the reporting date. At the year end, the Company engaged an independent valuer to fair value the investment properties which comprise the land and the building, and the changes in fair value amounting to net fair value gain of N31 million (2024: N40 million gain) was recognised in the profit or loss. Total rental income received in advance for 2 years was N34.5 million. Amount recognised in other income was N4.167 million (2024: N12 million). The balance of N30.3 million has been deferred and will be recognised in next financial year.

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 Ubosi Chukwudi Stephen – FRC/2013/NIESV/00000001493 of Ubosi Eleh & Co – FRC/2016/NIESV/00000003997 as at the reporting date. Ubosi Eleh & Co is a Chartered Estate Surveyors and accredited independent valuer with specialisation in 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;
- d). That the titles to the properties are good and marketable.

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The investment properties were valued on the basis of open market; that is the price which an interest in a property or an item of plant and machinery might reasonably be expected to realise in a sale by a private treaty assuming:

- a) a willing buyer;
- b) a reasonable period within which to negotiate the sale taking into account the nature of the assets and the state of the market;
- c) values will remain static throughout the period;
- d) the assets will be freely exposed to the market;
- e) no account is to be taken of an additional bid by a special purchaser;
- f). no account is to be taken of expense of realisation, which may arise in the event of a disposal.

14.1 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)	
			2025	2024
Residential properties	Direct market comparison	Estimated price per square meters adjusted for the nature, location and conditions of the investment properties	₦ 700,000 to 750,000	₦ 300,000 to 350,000

Significant increase in estimated price per square meter in isolation would result in a significantly higher 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.

LEARN AFRICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 N'000	2024 N'000
15. Intangible assets		
Computer Software		
Cost		
As at 1 April	55,279	35,879
Additions	12,732	8,650
Reclassification	-	10,750
At 31 March	<u><u>68,011</u></u>	<u><u>55,279</u></u>
Amortisation and impairment		
As at 1 April	43,282	35,879
Amortisation	11,822	7,403
At 31 March	<u><u>55,104</u></u>	<u><u>43,282</u></u>
Net book value		
At 31 March	<u><u>12,907</u></u>	<u><u>11,997</u></u>
Intangible asset represent cost of accounting software (Acumen)		
16. Right of use assets		
The company has lease contracts, office buildings used in its operations. The assets under lease have lease terms between 2 to 3 years.		
Set out below are the carrying amounts of right-of-use assets recognized and the movement during the year.		
At 1 April	16,713	18,953
Additions	46,547	20,269
	63,261	39,222
Reclassification	(3,223)	(1,633)
Depreciation	(30,624)	(20,876)
	<u><u>29,413</u></u>	<u><u>16,713</u></u>
17. Other current assets		
Prepayment	48,464	41,819
Interest receivable	-	852
	<u><u>48,464</u></u>	<u><u>42,671</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 N'000	2024 N'000
18. Inventories		
Raw materials	4,181	294,787
Work in progress	5,458	44,339
Finished goods	2,985,267	2,393,503
Consumables	1,305	13,649
Goods in Transit	199,375	-
	<u>3,195,585</u>	<u>2,746,278</u>

Inventories to the value of N3.20 billion (2024 : N2.74 billion) were carried at net realisable value. The amount charged into profit/loss in respect of written down of inventories to net realisable value was N103 million (2024 : N14.7 million).

19. Trade and other receivables

Trade receivables	858,374	884,078
Staff salary advance	105	435
	<u>858,479</u>	<u>884,513</u>
Allowance for expected credit loss (Note 19.3)	<u>(602,703)</u>	<u>(439,675)</u>
	255,776	444,839
Other receivable (Note 19.1)	6,861	65,182
	<u>262,637</u>	<u>510,021</u>
19.1 Other receivables:		
Withholding tax recoverable	5,691	62,830
Statutory deductions	768	2,352
Other receivables	402	-
	<u>6,861</u>	<u>65,182</u>

Trade receivables are non-interest bearing and are generally on credit period terms of 30 to 60 days, except for receivables from government parastatals which are 90 days. In 2025, N163 million (31 March 2024: N439.5 million) were recognised as provision for expected credit losses on trade receivables.

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 Expected Credit Loss (ECL) Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value.

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

19.2 Trade Receivable		
Gross	858,374	884,078
Expected Credit Loss (ECL)	<u>(602,703)</u>	<u>(439,675)</u>
Net	<u>255,671</u>	<u>444,404</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 N'000	2024 N'000
19.3 Allowance for expected credit loss		
At 1 April	439,675	818,127
Additional provision during the year (Note 10)	163,028	439,472
Provision no longer required on bad debt written off	-	(817,924)
	<u>602,703</u>	<u>439,675</u>
At 31 March	<u>602,703</u>	<u>439,675</u>
20. Cash and cash equivalents		
Cash in hand	2,217	19,098
Cash at banks	980,962	223,003
Short-term deposit	244,489	246,865
	<u>1,227,668</u>	<u>488,967</u>
21 Ordinary shares		
771,450 ordinary shares of 50k each	<u>385,725</u>	<u>385,725</u>
22. Share premium	<u>1,940,214</u>	<u>1,940,214</u>
23. Other capital reserves	<u>67,703</u>	<u>67,703</u>
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.		
24. Retained earnings		
At 1 April	1,214,577	1,396,242
Transfer from profit or loss	474,978	11,195
Dividend declared and paid	-	(192,860)
	<u>1,689,555</u>	<u>1,214,577</u>
At 31 March	<u>1,689,555</u>	<u>1,214,577</u>
Dividends proposed and paid		
Dividends on ordinary shares:		
At 1 January	-	-
Final dividend for 2024: Nil per share	-	192,860
Dividend paid during the year	-	(192,860)
	<u>-</u>	<u>-</u>

The Directors are pleased to recommend to Shareholders the payment of a dividend of 35 kobo per ordinary share of 50 Kobo each for the year ended 31 March 2025, which amounts to N270,007,500, subject to the approval of the members at the Annual General Meeting. If approved, the dividend is payable less withholding tax to all members whose names appear in the Company's Register of Members at the close of business on Friday, 12 September 2025.

Bonus Share Issuance

In line with the resolution passed at the Annual General Meeting held in the preceding financial year, the Board of Directors recommended, and shareholders duly approved, the issuance of one (1) bonus share for every eight (8) ordinary shares of ₦0.50 each held by members of the Company. While the allotment process has commenced, the registration of the bonus shares with the Corporate Affairs Commission was not fully completed as at 31 March 2025.

Consequently, the dividend proposed for the year ended 31 March 2025 is based on the Register of Members as at that date. The bonus shares will be reflected in subsequent periods upon conclusion of the statutory registration process.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 N'000	2024 N'000
25. Trade and other payables		
Trade payables	304,290	142,606
Other payables (25.1)	<u>1,055,359</u>	<u>861,030</u>
	<u>1,359,649</u>	<u>1,003,636</u>
25.1 Other payables		
Royalties (Note 25.1.3)	589,044	519,387
Unclaimed dividend (Note 25.1.4)	185,315	175,776
Withholding tax	29,335	26,066
Customers deposit	6,323	6,876
Sundry creditors (Note 25.1.2)	134,693	70,669
Pension	6,325	3,412
Cooperative thrift	1,350	3,573
Statutory deductions	179	179
Others (Note 25.1.1)	<u>102,796</u>	<u>55,093</u>
	<u>1,055,359</u>	<u>861,030</u>
25.1.1 Other		
Unclaimed dividend	42,531	20,103
Deferred income	30,623	10,456
Others (Note 25.1.1)	<u>29,642</u>	<u>24,535</u>
	<u>102,796</u>	<u>55,094</u>

25.1.1 Others represent deposit made on account by customers yet to be reconciled, and payable to staff.

25.1.2 Sundry creditors represent provision for audit fee, legal and professional fees and performance incentives

Terms and conditions of the above financial liabilities:

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

Other payables are non-interest bearing and have an average term of 1 month.

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

	1-60 days N'000	61-120 days N'000	> 120 days N'000	Total N'000
31 March 2025				
Trade payables	304,290	-	-	304,290
Other payables	243,812	-	-	243,812
31 March 2024				
Trade payables	142,606	-	-	142,606
Other payables	132,637	-	-	132,637

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

25.1.3 Royalty

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

The maturity ageing analysis of royalty payable is as follows:

	1-60 days N'000	61-120 days N'000	> 120 days N'000	Total N'000
31 March 2025				
Royalty Payables	<u>18,139</u>	<u>222,701</u>	<u>343,205</u>	<u>589,044</u>
31 March 2024				
Royalty Payables	<u>66,794</u>	<u>212,184</u>	<u>222,758</u>	<u>519,387</u>

Trade and other payables are stated at their original invoiced value. The Directors consider the carrying amount of other payables to approximate their fair value.

25.1.4 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:

	2025 N'000	2024 N'000
At 1 April	175,776	135,429
Reclassified to statute barred	(20,462)	(8,151)
Receipt from/payment to the company Registrar	<u>30,001</u>	<u>48,498</u>
At 31 March	<u>185,315</u>	<u>175,776</u>

Payment No.	Amount of dividend declared ₦	Total dividend paid to date ₦	Date of payment ₦	Unclaimed dividend ₦	90% Remittance ₦
17	139,003,738	123,101,997	5/31/2013	1,157,853	14,743,888
18	83,412,750	73,168,311	6/6/2014	953,743	9,290,696
19	83,614,772	70,436,688	6/5/2015	1,052,568	12,125,516
20	69,714,246	56,735,219	7/7/2017	1,243,376	11,735,651
21	97,441,716	77,883,686	8/31/2018	1,846,547	17,711,483
22	104,145,750	82,383,895	10/19/2019	1,935,695	19,826,160
23	34,844,541	27,960,026	10/16/2020	609,115	6,275,400
24	104,411,996	84,151,789	10/22/2021	1,788,010	18,472,197
25	139,201,412	108,478,880	9/30/2022	414,493	30,308,039
26	173,997,248	124,532,505	9/26/2023	4,638,915	44,825,828
				<u>15,640,315</u>	<u>185,314,858</u>

The maturity ageing analysis of unclaimed dividend is as follows:

	On-Demand*	1-60 days N'000	61-120 days N'000	> 120 days N'000	Total N'000
31 March 2025					
Unclaimed Dividend	<u>185,315</u>	-	-	-	<u>185,315</u>
31 March 2024					
Unclaimed Dividend	<u>175,776</u>	-	-	-	<u>175,776</u>

Unclaimed Dividend is classified as on- demand because we can not accurately estimate the time frame in which shareholders will come forward for their claims.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

26. Provision

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. Also, provision are made for contingent liabilities.

	2025 N'000	2024 N'000
As at 1 April (Note 26.1)	144,694	253,536
Provision for the year	42,168	36,393
Reversal of excess provision	<u>(30,626)</u>	<u>(145,235)</u>
At 31 March	<u><u>156,235</u></u>	<u><u>144,694</u></u>

26.1 Analysis of provision

Provision for sales return	42,168	30,627
Provision for contingent liabilities	<u>114,067</u>	<u>114,067</u>
	<u><u>156,235</u></u>	<u><u>144,694</u></u>

26.2 Provision for sales return represents 1% of open market sales for the reporting period, based on historical trends and management's expectations of future return sales, which is in line with company's revenue recognition policy.

26.3 Provision for contingent liabilities represents a legal dispute with the former Acting Managing Director relating to termination of employment and other contractual obligations which are currently being adjudicated at the Court of Appeal.

	2025 N'000	2024 N'000
27. Current borrowing	<u>-</u>	<u>-</u>

27.1 Analysis Current borrowing

As at 1 April	-	-
Addition	300,000	300,000
Repayment	<u>(300,000)</u>	<u>(300,000)</u>
At 31 March	<u><u>-</u></u>	<u><u>-</u></u>

Current borrowing represents overdraft facilities granted by First bank for initial N100 million for a period of 12 Months starting from 30 June 2024 at an interest rate of 28%. There was another stock replacement facilities of N1 billion, from which N300 million was utilised and repaid during the year. The interest rate was 29% . The purpose is to augment the working capital requirement of the Company.

28. 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 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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;

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 categorization (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.

	Fair value measurement using		
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Total	₦		
At 31 March 2025			
Asset measured at fair value			
Investment properties (Note 14)	376,000	-	376,000

The date of valuation was 31 March 2025.

At 31 March 2024

Asset measured at fair value

Investment properties (Note 14)	345,000	-	345,000
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The date of valuation was 31 March 2025 and there has been no transfers between Level 1 and Level 3 during the year.

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-25 N'000	31-Mar-24 N'000	31-Mar-25 N'000	31-Mar-24 N'000
Financial assets				
Trade receivable	255,671	444,404	255,671	444,404
Cash and cash equivalent	1,227,668	488,967	1,227,668	488,967
Staff salary advance	105	435	105	435
	1,483,444	933,805	1,483,444	933,805
Financial liabilities				
Trade payable	304,290	142,606	304,290	142,606
Royalties	589,044	519,387	589,044	519,387
Sundry creditors	134,693	70,669	134,693	70,669
Unclaimed dividend	185,315	175,776	185,315	175,776
	1,213,342	908,438	1,213,342	908,438

The 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 N'000	2024 N'000
29. Key management compensation		
Compensation of the key management personnel of the company - executive and senior management.		
Short-term employee benefits	99,230	84,924
Post employment benefit	9,195	7,451
	<u>108,425</u>	<u>92,375</u>

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.

29.1 Information regarding Directors emoluments:

Directors' emoluments comprise:

Fees	4,056	3,541
Others	60,691	50,858
Pension contribution	4,634	3,734
	<u>69,381</u>	<u>58,133</u>
Chairman	<u>3,924</u>	<u>2,542</u>
Highest paid Director	<u>24,188</u>	<u>22,188</u>

29.2 The number of Directors excluding the Chairman with gross emoluments within the following bands are:

In Naira	Number	Number
Less than - 3,000,000	2	4
3,000,001 - 3,500,000	1	1
3,500,001 - 5,000,000	2	-
5,000,001 - 7,500,000	-	-
7,500,001 - 9,000,000	-	-
9,000,001 - 15,000,000	2	2
15,000,001 and above	1	1
	<u>8</u>	<u>8</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 Number	2024 Number
29.3 Information relating to employees		
The average number of persons employed in the financial year and the staff cost were as follows:		
Management (Directors)	3	3
Publishing and distribution	35	18
Sales and marketing	89	101
Administration	54	54
	<u>181</u>	<u>176</u>

The number of employees in Nigeria with gross emoluments within the bands stated were:

In Naira			
800,001 - 900,000	2	2	
900,001 - 1,000,000	3	9	
1,000,001 - 1,100,000	7	36	
1,100,001 - 1,200,000	33	29	
1,200,001 - 1,300,000	23	0	
1,300,001 - 1,400,000	46	52	
1,400,001 - 1,500,000	12	3	
1,500,001 - 2,000,000	17	18	
2,000,001 - 3,500,000	28	17	
3,500,001 - 5,500,000	4	5	
Above 5,500,000	6	5	
	<u>181</u>	<u>176</u>	

30. 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 of Trade and other payables and borrowings. The main purpose of these financial liabilities is to finance and to 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 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

30.1. 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:

30.1.1 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 2025, the Company had 127 customers (31 Mar 2024: 52 customers) that owed the Company more than N1,000,000 each and accounted for approximately 31% (31 Mar 2024: 26%) of all receivables owing. There were 6 customers (31 Mar 2024: 4 customers) with balances greater than N10,000,000 accounting for just over 13% (31 Mar 2024: 15%) 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 19. The company 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

	Trade receivables-Days past due						Total N'000
	Current N'000	1-180 days N'000	181-360 days N'000	361-720 days N'000	721-1080 days N'000	>1080 days N'000	
31 March 2025							
Expected credit loss rate	0.05%	0.48%	1.96%	4.99%	31.22%	100.00%	
Gross carrying	-	147,816	23,834	43,825	74,059	576,228	865,762
Expected credit loss	-	705	466	2,185	23,118	576,228	602,702
31 March 2024							
Expected credit loss rate	4.93%	5.07%	5.15%	5.89%	8.27%	100.00%	
Gross carrying amount	-	65,424	39,251	56,655	318,043	404,705	884,078
Expected credit loss	-	3,318	2,020	3,337	26,294	404,705	439,675

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

	2025 N'000	2024 N'000
At 1 April	439,675	818,127
Write off of provision for bad and doubtful debt	-	(817,924)
Provision for expected credit loss (Note 19.3)	163,028	439,472
At 31 March	602,703	439,675

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 short term deposits and staff loans. 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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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.

30.1.2. Cash and cash equivalents

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 2025 and 31 March 2024 is the carrying amounts as illustrated in Note 19.

30.2 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:

30.2.1 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.

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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:

	2025 N'000	2024 N'000
Liabilities		
Currency of USA (USD)	-	-
Currency of Britain (GBP)	-	-
	<u> </u>	<u> </u>
Assets		
Currency of USA (USD)	24,807	14,094
Currency of Britain (GBP)	2,596	2,597
	<u> </u>	<u> </u>

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

	On Demand N'000	Less than 1 year N'000	1-5 years N'000	Total N'000
At 31 March 2025				
Financial assets				
Trade and other receivable*	-	-	255,671	255,671
Cash and cash equivalent	1,227,668	-	-	1,227,668
	<u>1,227,668</u>	<u>-</u>	<u>255,671</u>	<u>1,483,339</u>
Financial liabilities				
Trade and other payable*	-	1,359,649	-	1,359,649
	<u>-</u>	<u>1,359,649</u>	<u>-</u>	<u>1,359,649</u>
At 31 March 2024	N'000	N'000	N'000	N'000
Financial assets				
Trade and other receivable*	-	-	444,404	1,671,953
Cash and cash equivalent	488,967	-	-	488,967
	<u>488,967</u>	<u>-</u>	<u>444,404</u>	<u>2,160,920</u>
Financial liabilities				
Trade and other payable*	-	1,003,636	-	1,003,636
Interest bearing loans and borrowings	-	-	-	-
	<u>-</u>	<u>1,003,636</u>	<u>-</u>	<u>1,003,636</u>

* This trade and other receivables excludes withholding tax in note 19.

**This trade and other payables includes trade payable, unclaimed dividends, royalties and sundry creditors in note 25.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

31. 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:

	2025 N'000	2024 N'000
Trade and other payables (Note 25)	(1,359,649)	(1,003,636)
Less: cash equivalents (Note 20)	<u>1,227,668</u>	<u>488,967</u>
Net debt	<u>(131,981)</u>	<u>(514,669)</u>
Equity	<u>4,083,197</u>	<u>3,608,219</u>
Capital and Net debt	<u>3,951,215</u>	<u>3,093,550</u>
Debt to equity ratio	<u>-3%</u>	<u>-17%</u>

32. Capital commitment

As at 31 March 2025 the Company had no capital commitment for goods-in-transit.

33. 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.

	Book Publishing	
	2025 N'000	2024 N'000
Segment statement of comprehensive income		
Revenue (External customer)	5,182,891	4,084,481
Finance income	11,342	9,641
Cost of publishing recognised as expense	(2,651,402)	(1,962,162)
Other income	170,961	55,780
Operating expense	(1,935,065)	(1,897,359)
Finance cost	<u>(30,514)</u>	<u>(13,451)</u>
Profit before taxation	748,213	276,932
Taxation	<u>(273,234)</u>	<u>(249,327)</u>
Profit after taxation	<u>474,979</u>	<u>27,604</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Book Publishing	
	2025	2024
	N'000	N'000
Segment statement of financial position		
Total non-current assets	1,173,879	1,074,842
Current assets	<u>4,734,354</u>	<u>3,787,937</u>
Total assets	<u>5,908,233</u>	<u>4,862,779</u>
Ordinary share capital	385,725	385,725
Share premium	1,940,214	1,940,214
Other capital reserve	67,703	67,703
Retained earnings	1,689,555	1,214,577
Current liabilities	<u>1,825,036</u>	<u>1,254,560</u>
Total equity and liabilities	<u>5,908,233</u>	<u>4,862,779</u>

All revenue are earned locally in Nigeria across different states based on the location of the customers. Except for Universal Basic Education Commission (UBEC) and Borno State Universal Basic Education Board, all other customers have sales below 10% of the total revenue of the Company. All Non-current assets are located in Nigeria.

34. Non-Audit Services

There was no non-audit services rendered by the external auditor in the course of the year.

35. Litigation and claims

The Company is presently involved in suits as at 31 March 2025. The claims against the Company from the suits amount to N1.56 million (31 March 2024: N1.56 million) as of reporting date.

The Company has been advised by its legal counsel that it is 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, (Mr. Bayo Alabidun - FRC/2022/PRO/ICSAN/002/563803 of Citipoint Legal Practitioners), that they have a good defense against the actions and there is no likelihood of any loss arising there from.

36. Events after the reporting date

There are no significant events after the reporting date which could have a material effect on the state of affairs of the Company as at 31 March 2025 that have not been adequately provided for or disclosed in the financial statements.

37. Comparative figures

Where necessary comparative figures have been reclassified to ensure proper disclosure and uniformity in the current year's presentation. This reclassification have no net impact on these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

Other National Disclosures

LEARN AFRICA PLC

VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

	2025 N'000	%	2024 N'000	%
Revenue	5,182,891		4,084,481	
Brought in goods & services:				
- Local	(3,889,497)		(3,209,241)	
- Imported	<u>-</u>		<u>-</u>	
Other income	<u>1,293,394</u> <u>182,302</u>		<u>875,240</u> <u>65,421</u>	
Value added	<u><u>1,475,696</u></u>		<u><u>940,662</u></u>	
Applied as follows:				
To pay employees:				
Salaries and labour related expenses	556,565	38	532,087	57
To government:				
Income tax	309,152	21	124,444	13
To providers of capital:				
Finance cost	30,514	2	29,860	3
To provide for replacement of assets and expansion of business:				
Depreciation of property, plant and equipment	116,187	8	89,913	10
Depreciation of right of use assets	30,624	2	20,876	2
Amortisation of intangible asset	11,822	1	7,403	-
Deferred tax	(54,146)	(4)	124,883	13
Retained in the business	<u>474,978</u>	<u>32</u>	<u>11,195</u>	<u>1</u>
	<u><u>1,475,696</u></u>	<u><u>100</u></u>	<u><u>940,662</u></u>	<u><u>99</u></u>

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 for the future creation of more wealth.

LEARN AFRICA PLC

FINANCIAL SUMMARY

31 MARCH	2025	2024	2023	2022	2021
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Property, plant and equipment	543,441	543,160	466,547	365,161	220,851
Investment properties	376,000	345,000	305,000	290,000	322,667
Intangible assets	12,907	11,997	-	3,995	12,190
Right of use assets	29,413	16,713	18,953	6,683	14,018
Net current assets	2,909,318	2,533,377	2,716,529	2,620,793	2,438,586
Deferred taxation	212,118	157,972	282,855	228,013	220,469
Net assets	<u>4,083,197</u>	<u>3,608,219</u>	<u>3,789,884</u>	<u>3,514,646</u>	<u>3,228,781</u>
Shareholder's funds					
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
Revenue reserve	1,689,555	1,214,577	1,396,242	1,121,004	835,139
Shareholder's fund	<u>4,083,197</u>	<u>3,608,219</u>	<u>3,789,884</u>	<u>3,514,646</u>	<u>3,228,781</u>
Statement of comprehensive income					
Revenue	<u>5,182,891</u>	<u>4,084,481</u>	<u>3,472,592</u>	<u>3,698,162</u>	<u>2,390,000</u>
Profit before taxation	748,212	260,522	606,735	574,236	282,088
Taxation	(273,234)	(249,327)	(177,203)	(172,654)	(121,006)
Profit after taxation	<u>474,978</u>	<u>11,195</u>	<u>429,532</u>	<u>401,582</u>	<u>161,082</u>
Dividend declared	-	(192,860)	(154,294)	(115,718)	(38,573)
Per share data (kobo)					
Basic earnings	0.62	0.01	0.56	0.52	0.21
Net assets	5.29	4.68	4.91	4.56	4.19

Basic earnings per share are based on profit for the year divided by the number of ordinary shares issued and fully paid at the end of each financial year.

Net assets per share are based on net assets divided by the number of ordinary shares issued and fully paid at the end of each financial year.