

UNIVERSITY PRESS PLC

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THIRD QUARTER ENDED 31ST DECEMBER 2017

| | Notes | Apr -Dec 2017 N'000 | Oct-Dec 2017 N'000 | Apr -Dec 2016 N'000 | Oct-Dec 2016 N'000 |
|---|-------|---------------------------|--------------------------|---------------------------|--------------------------|
| Revenue | 1 | 1,715,007 | 312,584 | 1,505,386 | 231,749 |
| Cost of sales | | <u>(683,273)</u> | <u>(109,550)</u> | <u>(558,047)</u> | <u>(37,901)</u> |
| Gross profit | | 1,031,734 | 203,034 | 947,339 | 193,848 |
| Other operating income | 2 | 6,340 | 1,264 | 2,059 | 1,525 |
| Marketing and distribution expenses | | (316,799) | (101,502) | (314,698) | (125,718) |
| Administrative expenses | | <u>(381,742)</u> | <u>(130,014)</u> | <u>(392,134)</u> | <u>(154,429)</u> |
| Profit(Loss) from continuing operations | | 339,533 | -27,218 | 242,566 | -84,774 |
| Finance Income | 2 | <u>21,584</u> | <u>5,490</u> | <u>15,615</u> | <u>9,483</u> |
| Profit before taxation | | 361,117 | -21,728 | 258,181 | -75,291 |
| Taxation Expense | 3 | <u>(143,575)</u> | | <u>(81,895)</u> | <u>-</u> |
| Profit(Loss) after tax from continuing operations | | 217,542 | -21,728 | 176,286 | -75,291 |
| Total Comprehensive income(loss) attributable to owners of the entity | | <u>217,542</u> | <u>-21,728</u> | <u>176,286</u> | <u>-75,291</u> |
| Basic earnings per 50k share | | <u>50.43k</u> | <u>(0.05k)</u> | <u>40.86k</u> | <u>(17.45k)</u> |
| Dilluted earnings per 50k share | | <u>50.43k</u> | <u>(0.05k)</u> | <u>40.86k</u> | <u>(17.45k)</u> |




UNIVERSITY PRESS PLC

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

| | | March | |
|--|------------|------------------|---------------------|
| | | N'000 | 2017 N'000 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | Notes 5 | 1,051,999 | 1,110,875 |
| Investment Property | 4 | 259,600 | 259,600 |
| Retirement benefits | | 70,187 | 70,187 |
| | | <u>1,381,786</u> | <u>1,440,662</u> |
| Current assets | | | |
| Inventories and work-in-progress | 6 | 1,256,673 | 1,251,911 |
| Trade receivables | 7 | 341,486 | 108,924 |
| Other receivables and prepayments | 8 | 67,212 | 56,915 |
| Cash and cash equivalents | 16 | 445,608 | 660,087 |
| Total current assets | | <u>2,110,979</u> | <u>2,077,837</u> |
| Total assets | | <u>3,492,765</u> | <u>3,518,499</u> |
| Equity and Liabilities | | | |
| Current liabilities | | | |
| Trade payables | 9 | 153,015 | 420,132 |
| Other payables and accruals | 10 | 356,076 | 384,720 |
| Unclaimed dividends | | 127,018 | 127,018 |
| Current income tax liability | 3 | 143,575 | 47,949 |
| | | <u>779,684</u> | <u>979,819</u> |
| Non-Current liabilities | | | |
| Deferred taxation | | <u>66,535</u> | <u>66,535</u> |
| Total Liabilities | | <u>846,219</u> | <u>1,046,354</u> |
| Net Assets | | <u>2,646,546</u> | <u>2,472,145.00</u> |
| Equity attributable to owners of the entity | | | |
| Share capital | 11 | 215,705 | 215,705 |
| Share premium | 12 | 149,397 | 149,397 |
| Capital reserve | 13 | 1,442 | 1,442 |
| Revaluation reserves | 14 | 772,448 | 772,448 |

| | | | |
|---|----|------------------|------------------|
| Reserve on Actuarial valuation of gratuity | | 30,666 | 30,666 |
| Revenue reserve | 15 | 1,476,888 | 1,302,487 |
| | | 2,646,546 | 2,472,145 |

The financial statements and notes on pages 6 to 14 were approved by the Board of Directors on 26 January and approved on its behalf by:

- i) Dr Lalekan Are
FRC/2013/IODN/00000003565 ) Chairman
- ii) Mr S. Kolawole
FRC/2013/ICSAN/00000003248 ) Managing Director
- iii) Mr G.A. Adebayo
FRC/2013/ICAN/00000003250 ) Executive Director(Finance)

UNIVERSITY PRESS PLC

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

| | Share Capital N'000 | Share Premium N'000 | Capital Reserve N'000 | Revaluation reserve on property plant and equipment N'000 | Revenue Reserve N'000 | Reserve on actuarial valuation of gratuity N'000 | Total Equity N'000 |
|-----------------------------------|---------------------------|---------------------------|-----------------------------|---|-----------------------------|--|--------------------------|
| Balance at 1 April 2017 | 215,705 | 149,397 | 1,442 | 772,448 | 1,302,487 | 30,666 | 2,472,145 |
| Profit for the period | - | - | - | - | 217,542 | - | 217,542 |
| Other comprehensive income | | | | | | | |
| Total comprehensive income | 215,705 | 149,397 | 1,442 | 772,448 | 1,520,029 | 30,666 | 2,689,687 |
| Transactions with owners: | | | | | | | |
| Dividend paid | - | - | - | - | (43,141) | - | (43,141) |
| Balance at 31 Decemberber 2017 | 215,705 | 149,397 | 1,442 | 772,448 | 1,476,888 | 30,666 | 2,646,546 |

UNIVERSITY PRESS PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

| | Share Capital N'000 | Share Premium N'000 | Capital Reserve N'000 | Property, plant and equipment revaluation Reserve N'000 | Revenue Reserve N'000 | Reserve on actuarial valuation of gratuity N'000 | Total Equity N'000 |
|---|---------------------------|---------------------------|-----------------------------|--|-----------------------------|--|--------------------------|
| Balance at 1 April 2016 | 215,705 | 149,397 | 1,442 | 971,621 | 1,006,466 | 15,174 | 2,359,805 |
| Comprehensive income for the year: | | | | | | | |
| Profit for the year | - | - | - | - | 118,418 | - | 118,418 |
| Other comprehensive income | | | | | | | |
| Acturial loss on defined benefit plan | - | - | - | - | - | 15,492 | 15,492 |
| Valuation surplus on property | - | - | - | (199,173) | 199,173 | - | - |
| Total comprehensive income | - | - | - | (199,173) | 317,591 | 15,492 | 133,910 |
| Transactions with owners: | | | | | | | |
| Increase in authorised share capital expenses | - | - | - | - | - | - | - |
| Dividend paid | - | - | - | - | (21,570) | - | (21,570) |
| Balance at 31 March 2017 | 215,705 | 149,397 | 1,442 | 772,448 | 1,302,487 | 30,666 | 2,472,145 |

UNIVERSITY PRESS PLC

STATEMENT OF CASH FLOWS

FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

| | | 2017 | | 2016 | |
|---|-------|-----------------|-----------------------|-----------------|-----------------------|
| | Notes | N'000 | N'000 | N'000 | N'000 |
| Cash flow from operating activities | | | | | |
| Cash received from customers | | 1,635,369 | | 1,492,638 | |
| Payments to suppliers and employees | | (1,772,843) | | (1,252,414) | |
| Output VAT | | (157) | | (36) | |
| Tax paid | 3 | <u>(48,348)</u> | | <u>(23,219)</u> | |
| Net cash provided by operating activities | | | (185,979) | | 216,969 |
| Cash flow from investing activities: | | | | | |
| Interest received | 2 | 21,578 | | 15,610 | |
| Dividend | 2 | 6 | | 5 | |
| Proceeds from sale of property, plant and equipment | | 2,490 | | 1,002 | |
| Purchase of property, plant and equipment | 5 | <u>(9,433)</u> | | <u>(5,900)</u> | |
| Net cash used in investing activities | | | 14,641 | | 10,717 |
| Cash flow from financing activities: | | | | | |
| Dividend paid | 16 | (43,141) | | (21,571) | |
| Net cash used in financing activities | | | <u>(43,141)</u> | | <u>(21,571)</u> |
| Net (decrease)/increase in cash and cash equivalents | | | (214,479) | | 206,115 |
| Cash and cash equivalents at the beginning of the financial year | | | | | |
| | | | 660,087 | | 414,474 |
| Cash and cash equivalents at the end of the period | | | | | |
| | 17 | | <u>445,608</u> | | <u>620,589</u> |

UNIVERSITY PRESS PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Revenue

1 Revenue is derived from sales of printed books in Nigeria.

Analysis by zone

| | 2017 N'000 | 2016 N'000 |
|---------------|------------------|------------------|
| Western Zone | 783,383 | 625,219 |
| Eastern Zone | 412,065 | 369,192 |
| Northern Zone | 519,559 | 510,975 |
| Total | 1,715,007 | 1,505,386 |

2.(a) Other operating income

(a)

| | 31 December 2017 N'000 | 31 December 2016 N'000 |
|---|------------------------------|------------------------------|
| Profit on disposal of property, plant and equipment | 2,244 | 865 |
| Other income | 1,045 | 717 |
| Rental income | 3,051 | 477 |
| | <u>6,340</u> | <u>2,059</u> |

Finance income

(b)

| | | |
|-------------------|---------------|---------------|
| Interest received | 21,578 | 15,610 |
| Dividend income | 6 | 5 |
| | <u>21,584</u> | <u>15,615</u> |

3. Taxation

Per income statement

| | | |
|-------------------------------------|----------------|---------------|
| Income tax on profit for the period | 100,752 | 76,162 |
| Education tax | 7,583 | 5,733 |
| | <u>108,335</u> | |
| - Underprovision - Income tax | 25,849 | - |
| - Education tax | 9,391 | - |
| | <u>143,575</u> | <u>81,895</u> |

Per statement of financial position:

| | 31 December N'000 | 31 March 2017 N'000 |
|------------------------------|----------------------|------------------------|
| Opening balance - Income tax | 43,163 | 20,114 |
| - Education tax | 4,786 | 3,105 |

| | | |
|----------------------------------|----------------|---------------|
| Payments during the year | | |
| - Income tax | (43,537) | (20,114) |
| - Education tax | (4,811) | (3,105) |
| - Capital gain tax | | |
| Charge for the period | | |
| - Income tax | 100,752 | 43,163 |
| - Education tax | 7,583 | 4,786 |
| - Underprovision | | |
| - Income tax | 26,248 | — |
| - Education tax | 9,391 | |
| Balance at the end of the period | <u>143,575</u> | <u>47,949</u> |

- (b) Income tax expense is the aggregate of the charge to the income statement in respect of current income tax, education tax and deferred tax.
- (c) The amount provided as Income Tax on the profit for the year has been computed on the basis of the income tax rate of 30% in accordance with CAP C21 LFN, 2004 (as amended).

4 Investment Property

| <u>Cost/Valuation</u> | Land N'000 | Buildings N'000 | Total N'000 |
|-----------------------|---------------|--------------------|----------------|
| At 1 April 2017 | | | |
| Investment Property | 130,838 | 128,762 | 259,600 |
| | 130,838 | 128,762 | 259,600 |

5 Property, plant and equipment

| <u>Cost/Valuation</u> | Land N'000 | Buildings N'000 | Computer Equipment N'000 | Printing and other Equipment N'000 | Furniture and Fittings N'000 | Motor vehicles N'000 | Total N'000 |
|---------------------------------|---------------|--------------------|--------------------------------|--|------------------------------------|----------------------------|----------------|
| At 1 April 2017 | 421,634 | 498,716 | 101,772 | 129,618 | 40,791 | 627,901 | 1,820,432 |
| Additions | - | | 8,282 | 157 | 994 | | 9,433 |
| Disposals | - | | (1,801) | (1,043) | (45) | (13,186) | (16,075) |
| At 31 December, 2017 | 421,634 | 498,716 | 108,253 | 128,732 | 41,740 | 614,715 | 1,813,790 |
| <u>Accumulated depreciation</u> | | | | | | | |
| At 1 April 2017 | | 59,732 | 88,352 | 87,012 | 32,291 | 444,962 | 712,349 |
| Charge for the period | - | 7,421 | 5,692 | 7,597 | 2,603 | 42,203 | 65,516 |
| On disposals | - | | (1,800) | (1,043) | (45) | (13,186) | (16,074) |
| At 31 December, 2017 | | 67,153 | 92,244 | 93,566 | 34,849 | 473,979 | 761,791 |
| <u>Net book values at</u> | | | | | | | |
| At 31 December, 2017 | 421,634 | 431,563 | 16,009 | 35,166 | 6,891 | 140,736 | 1,051,999 |

5b Property, plant and equipment

| <u>Cost/Valuation</u> | Land N'000 | Buildings N'000 | Computer equipment N'000 | Printing and other office equipment N'000 | Furniture and fittings N'000 | Motor vehicles N'000 | Total N'000 |
|--------------------------|---------------|--------------------|--------------------------------|--|------------------------------------|----------------------------|----------------|
| At 1 April 2016 | 572,050 | 607,900 | 90,204 | 127,909 | 41,050 | 599,140 | 2,038,253 |
| Additions | - | - | 12,631 | 2,680 | 39 | 89,124 | 104,474 |
| Transfer to investment | (130,838) | (128,762) | - | - | - | - | (259,600) |
| Reclassifications (Note) | (19,578) | 19,578 | - | - | - | - | - |
| Disposals | - | - | (1,063) | (971) | (298) | (60,363) | (62,695) |
| At 31 March 2017 | 421,634 | 498,716 | 101,772 | 129,618 | 40,791 | 627,901 | 1,820,432 |

Accumulated depreciation

| | | | | | | | |
|----------------------------|----------|---------------|---------------|---------------|---------------|----------------|----------------|
| At 1 April 2016 | - | 47,182 | 82,327 | 76,882 | 28,785 | 437,969 | 673,145 |
| Charge for the year | - | 9,895 | 6,949 | 11,012 | 3,804 | 67,266 | 98,926 |
| On disposals | - | - | (1,063) | (882) | (297) | (60,272) | (62,514) |
| At 31 March 2017 | - | 57,077 | 88,213 | 87,012 | 32,292 | 444,963 | 709,557 |
| <u>Carrying values at:</u> | | | | | | | |
| 31 March 2017 | N421,634 | N441,639 | N13,559 | N42,606 | N8,499 | N182,938 | N1,110,875 |
| 31 March 2016 | N572,050 | N560,718 | N7,877 | N51,027 | N12,265 | N161,171 | N1,365,108 |

- (a) Land and building were professionally valued by Messrs Jide Taiwo & Co (Estate Surveyors and Valuers) as at March 2013 on the basis of their open market value. The total revised value of the properties was N260,000,000 resulting in the revaluation surplus of N245,760,864 and this has been credited to the property, plant and equipment revaluation account as at 31 March 2013, net of capital gain tax of N24,576,000 and which increased the balance on property, plant and equipment revaluation surplus to N879,300,000.
- (b) Land and buildings were professionally valued by Messrs Jide Taiwo & Co (Estate Surveyors and Valuers) as at 31 March 2016 on the basis of their open market values. The total revised value of the properties was N1,179,949,574 resulting in a surplus on revaluation of N145,937,896 was credited to the property, plant and equipment revaluation surplus account as at 31 March 2016, and which increased the balance on property, plant and equipment revaluation reserve account to N986,214,046 before deferred capital gain tax of N14,593,789
- (c) There was no restriction on title and no item of property, plant and equipment was pledged as securities for any payable.
- (d) There were no contractual commitments for acquisition of property, plant and equipment.

| | | '31 December 31 March | |
|-------------|---|------------------------------|------------------|
| | | 2017 | 2017 |
| | | N'000 | N'000 |
| 6 | <u>Inventories and work-in-progress</u> | | |
| (a) | Books | 1,264,670 | 1,254,158 |
| | Provision for obsolete inventories (Note 6(b)) | (97,857) | (97,857) |
| | | 1,166,813 | 1,156,301 |
| | Papers (Note 6(c)) | 33,273 | 57,077 |
| | Work-in-progress | 53,264 | 37,352 |
| | Consumables | 3,323 | 1,181 |
| | | 1,256,673 | 1,251,911 |
| (b) | <u>Provision for obsolete inventories</u> | | |
| | | N'000 | N'000 |
| | Balance at the beginning of the period | 97,857 | 69,863 |
| | Provision for the period | - | 27,994 |
| | Balance at the end of the period | 97,857 | 97,857 |
| (c) | <u>Papers</u> | | |
| | Papers | 34,506 | 58,310 |
| | Provision for obsolete inventories | (1,233) | (1,233) |
| | | 33,273 | 57,077 |
| 7(a) | <u>Trade receivables</u> | | |
| | | N'000 | N'000 |
| (a) | Trade receivables | 353,740 | 121,178 |
| | Allowance for impairment of receivables (Note 7(b)) | (12,254) | (12,254) |
| | | 341,486 | 108,924 |
| | <u>Provision for impairment</u> | 341,486 | |
| | The movement in provision for impairment is as follows: | N'000 | N'000 |
| (b) | Balance at the beginning of the period | 12,254 | 14,574 |
| | Provision for the period | - | (2,320) |
| | Balance at the end of the period | 12,254 | 12,254 |
| 8 | <u>Other receivables and prepayments</u> | | |
| | | N'000 | N'000 |
| (a) | Prepayments | 27,885 | 12,574 |
| | Sundry receivables (Note 8(b)) | 39,327 | 44,341 |
| | | 67,212 | 56,915 |
| (b) | <u>Sundry receivables</u> | | |
| | These comprise: | N'000 | N'000 |
| | Recoverable workshop expenses | 15,233 | 11,294 |
| | WHT recoverable | 7,847 | 7,847 |
| | WHT received | 215 | 214 |
| | Other receivables | 35,037 | 43,991 |
| | | 58,332 | 63,346 |
| | Provision for impairment (Note 8(c)) | (19,005) | (19,005) |

| | | |
|---|--------|--------|
| Balance at the end of the year (Note 8(a)) | 39,327 | 44,341 |
|---|--------|--------|

(c) **Provision for impairment**

| | | |
|---|--------------|--------------|
| The movement in provision for impairment is as follows: | N'000 | N'000 |
| Balance at the beginning of the year | 19,005 | 17,001 |
| Provision for the year | 0 | 2,004 |
| Balance at the end of the year | 19,005 | 19,005 |

| | N'000 | N'000 |
|--|------------------|------------------|
| | 31 December | 31 March |
| | 2017 | 2017 |
| 9 <u>Trade payables</u> | | |
| Trade payables | 153,015 | 420,132 |
| | <hr/> | <hr/> |
| 10 <u>Other payables and accruals</u> | | |
| (a) | | |
| Deposit for special publications | 25,932 | 29,104 |
| Other suppliers | 17,432 | 101,010 |
| Staff pension fund (note 9(b)) | - | 3,910 |
| Royalty payable(note 9(c)) | 192,991 | 185,447 |
| Staff incentive | 3,393 | 11,703 |
| Withholding tax payable | 24,963 | 315 |
| Provision for audit fees | 4,641 | 4,497 |
| Corporate social responsibility | 948 | 948 |
| Other payables | 85,776 | 47,786 |
| | <u>356,076</u> | <u>384,720</u> |
| (b) | | |
| <u>Staff Pension Fund</u> | | |
| Balance at the beginning | 3,910 | 4,205 |
| Charge for the period | 36,108 | 46,789 |
| Payments during the period | <u>(40,018)</u> | <u>(47,084)</u> |
| Balance at the end of the year (Note 10(a)) | <u>-</u> | <u>3,910</u> |
| | <hr/> | <hr/> |
| Contribution to staff pension fund is payable to Pension Fund Custodian/Administrator. | | |
| (c) | | |
| <u>Royalty</u> | | |
| Opening balance | 185,447 | 184,159 |
| Charge for the period | 144,956 | 141,973 |
| Payments | <u>(137,412)</u> | <u>(140,685)</u> |
| Balance at the end of the period | <u>192,991</u> | <u>185,447</u> |

| | | | | | |
|-------|--|-------------|-----------|--------------------|-----------------|
| 11 | Share capital | | | | |
| (a) | Authorised: | | | | |
| | | 31 December | 2017 | 31 March | 2017 |
| | | Number | Value | Number | Value |
| | | '000 | ₦'000 | '000 | ₦'000 |
| | Ordinary shares of 50 kobo each | 2,000,000 | 1,000,000 | 500,000 | 250,000 |
| (b) | Issued and fully paid | | | | |
| | Balance at the beginning and end of the year | 431,410 | 215,705 | 431,410 | 215,705 |
| | | | | 31 December | 31 March |
| 12. | Share premium | | | 2017 | 2017 |
| | | | | ₦'000 | ₦'000 |
| | Balance at the beginning of the year | | | 149,397 | 149,397 |
| | Balance at the end of the period | | | 149,397 | 149,397 |
| 13 | Capital reserve | | | | |
| (a). | Balance at the beginning and end of the year | | | 1,442 | 1,442 |
| (b) | This represents 40% of profits retained on cessation of the Nigerian Branch of Oxford University Press. The amount is not remittable but is to be spent in Nigeria. | | | | |
| | Property, plant and equipment revaluation reserve | | | | |
| 14 | The movement in revaluation reserve is as follows: | | | | |
| | Balance at the beginning of the year | | | 772,448 | 971,621 |
| | Transfer to revenue reserve(note 14(a)) | | | - | (199,173) |
| | Balance at the end of the year | | | 772,448 | 772,448 |
| | Revenue reserve | | | ₦'000 | ₦'000 |
| 15(a) | Balance at the beginning of the year | | | 1,302,487 | 1,006,466 |
| | Dividend declared and paid | | | (43,141) | (21,570) |
| | Transfer from revaluation reserve(note 14) | | | 1,259,346 | 984,896 |
| | Profit for the period | | | 217,542 | 118,418 |
| | Balance at the end of the year | | | 1,476,888 | 1,302,487 |
| | | | | 31 December | 31 March |
| | | | | 2017 | 2017 |
| 16 | Dividend paid | | | | |
| | Amount declared | | | 43,141 | 21,570 |
| | Payment | | | (43,141) | (21,570) |
| | Withholding tax payable in October 2017 | | | 0 | 0 |
| | Cash and Cash Equivalents | | | | |
| 17 | For the purpose of the statement of cashflows, cash comprises cash at bank and in hand and short term deposits. Cash at the end of the period as shown in the cashflow is reconciled to the related items in the statement of financial position as follows: | | | | |
| | | | | 31 December | 31 March |
| | | | | 2017 | 2017 |
| | | | | ₦'000 | ₦'000 |
| | Cash at bank and in hand | | | 285,223 | 304,737 |
| | Short term deposits | | | 160,385 | 355,350 |
| | | | | 445,608 | 660,087 |

Capital commitments

18 There were no commitments for capital expenditure at the statement of financial position date (December 2017 : Nil).

Related party transactions

18 Related parties include the Board of Directors, the Managing Director, close family members and companies which are controlled by these individuals.

Post balance sheet events

19 No events or transactions have occurred since 31 December 2017 which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or results of operations at 31 December 2017

Comparative figures

20 Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year in accordance with International Accounting Standard (IAS)1.