



IHS Nigeria Plc.

**Interim Financial Statements for the quarter
ended 31 July 2013**

IHS Nigeria Plc.

Quarterly report and financial statements

For the quarter ended 31 July 2013

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IHS Nigeria Plc.

Quarterly reports and financial statements

For the quarter ended 31 July 2013

Corporate Information

Company Registration No.	R.C 407609	
Registered Office	19 Bishop Aboyade Cole Street Victoria Island Lagos	
Board of Directors	Bashir Ahmad el Rufai Issam Darwish William Saad Olugbenga Onakomaiya Mark Jennings Segun Akintemi Bryce Fort Tarun Brahma	Chairman Chief Executive Director Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Auditors	PricewaterhouseCoopers Chartered Accountants Plot 252E Muri Okunola Street Victoria Island, Lagos.	
Banker	Stanbic IBTC Bank Plc.	
Company Secretary	Jimoh Umoru 19 Bishop Aboyade Cole Street Victoria Island, Lagos	
Solicitor	Aluko & Oyebode 35 Moloney Street Marina Lagos	
Registrars	United Securities Limited Marina House, 10 Amodu Ojikutu Street Off Saka Tinubu Victoria Island, Lagos	

IHS Nigeria Plc.

Statement of directors responsibilities
For the quarter ended 31 July 2013

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:

- (a) 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;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. 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.



Segun Akintemi

FRC/2013/CIBN/00000004769

22 November 2013



Olugbenga Onakomaiya

FRC/2013/CIPMN/00000004768

IHS Nigeria Plc.
Statement of financial position
For the quarter ended 31 July 2013

	Note	Group		Company	
		31-Jul-13	30-Apr-13	31-Jul-13	30-Apr-13
		N'000		N'000	
Assets					
Non-current assets					
Property, plant and equipment	4	47,838,665	41,554,098	47,829,328	41,544,912
Intangible assets	5	23,426	24,564	1,929	2,999
Long term investment	6	4,731	4,731	144,319	144,319
Prepaid land rent	7	2,811,943	2,915,182	2,811,943	2,915,182
Deferred tax asset	15	2,579,740	2,272,258	2,579,740	2,272,258
Due from related parties	30	-	-	5,689	3,364
		53,258,505	46,770,833	53,372,948	46,883,034
Current assets					
Inventory and work in progress	8	696,491	683,352	545,016	540,835
Trade and other receivables	9	8,039,274	5,447,465	7,011,621	4,578,369
Prepaid land rent	7	425,095	425,095	425,095	425,095
Due from related parties	30	1,025,864	806,630	1,046,255	827,019
Cash at bank and cash in hand	10	3,358,696	1,047,476	3,296,569	986,346
		13,545,420	8,410,018	12,324,556	7,357,664
Total assets		66,803,925	55,180,851	65,697,504	54,240,698
Liabilities					
Current liabilities					
Taxation	16	84,203	80,910	33,991	31,064
Trade and other payables	13	12,574,815	15,725,545	11,868,807	15,186,542
Short term borrowings	11	867,635	17,089,823	867,635	17,089,823
Due to related parties	30	16,414	7,858	2,958	2,958
		13,543,067	32,904,136	12,773,391	32,310,387
Non-current liabilities					
Redeemable convertible preference capital	12	19,201,017	19,201,017	19,201,017	19,201,017
Long term borrowings	11	26,423,174	245,827	26,423,174	245,827
Due to related parties	30	6,458,670	2,173,264	6,464,360	2,173,264
Decommissioning and site restoration provision	14	54,162	54,162	54,162	54,162
		52,137,023	21,674,270	52,142,713	21,674,270
Total liabilities		65,680,090	54,578,406	64,916,104	53,984,657
Capital and reserves					
Ordinary share capital	17	2,200,000	2,200,000	2,200,000	2,200,000
Share premium	17	6,069,652	6,069,652	6,069,652	6,069,652
Retained earnings	18	(10,965,229)	(11,101,237)	(11,506,095)	(11,645,779)
Other capital reserves	19	3,667,444	3,281,753	4,017,843	3,632,168
Equity attributable to owners of the parent		971,867	450,168	781,400	256,041
Non-controlling interest	20	151,968	152,277	-	-
Total equity		1,123,835	602,445	781,400	256,041
Net equity and liabilities		66,803,925	55,180,851	65,697,504	54,240,698

The notes on pages 8 to 29 are an integral part of these financial statements.

The financial statements on pages 4 to 29 were approved and authorised for issue by the board of directors on 22 November 2013 and were signed on its behalf by

Segun Akintemi

Non-Executive Director

FRC/2013/CIBN/00000004769

Olugbenga Onakomaiya

Executive Director

FRC/2013/CIPMN/00000004768

Amaebi Fiderikumo

Chief Financial Officer

FRC/2012/ICAN/00000000500

IHS Nigeria Plc
Statement of comprehensive income
For the quarter ended 31 July 2013

	Note	Group		Company	
		31-Jul-13 N'000	31-Jul-12 N'000	31-Jul-13 N'000	31-Jul-12 N'000
Revenue	21	3,919,704	3,878,999	4,917,881	3,328,903
Cost of sales	22	(2,034,188)	(2,870,855)	(3,059,699)	(2,376,874)
Gross profit		1,885,516	1,008,144	1,858,182	952,029
Administrative expenses	23	(1,161,926)	(1,469,185)	(1,143,118)	(1,043,185)
Other income	24	25,358	21,768	10,067	7,024
Exceptional impairment of receivables	25	(137,327)	-	(137,327)	-
Operating profit/(loss)		611,621	(439,273)	587,804	(84,132)
Finance income	26	7,009	82,628	24,838	99,995
Finance cost	27	(787,138)	(580,539)	(777,513)	(591,362)
Loss before taxation		(168,508)	(937,184)	(164,871)	(575,499)
Taxation	16	304,192	380,786	304,555	381,068
Loss for the period		135,684	(556,398)	139,684	(194,431)
Attributable to:					
Owners of the parent	18	136,008	(542,331)	139,684	(194,431)
Non controlling interests	20	(324)	(14,067)	-	-
Loss for the period		135,684	(556,398)	139,684	(194,431)
Other comprehensive income					
Available for sale reserve		-	(32)	-	(32)
Foreign exchange translation reserve	31	(390,875)	-	-	-
Actuarial gains/ (losses)		-	-	-	-
Tax (charge) / credit on other comprehensive income		-	-	-	-
		31	(390,907)	-	(32)
Other comprehensive income/ (expense) for the year					
Attributable to:					
Owners of the parent	19	16	(253,538)	-	(32)
Non controlling interests	20	15	(137,369)	-	-
Other comprehensive expense for the year		31	(390,907)	-	(32)
Total comprehensive income for the year		135,715	(947,305)	139,684	(194,463)
Attributable to:					
Owners of the parent		136,024	(795,869)	139,684	(194,463)
Non controlling interests		(309)	(151,436)	-	-
Total comprehensive income for the year		135,715	(947,305)	139,684	(194,463)
Basic EPS (kobo)	33	3	(13)	3	(4)

The results shown above relate to continuing and discontinued operations.

The notes on pages 8 to 29 are an integral part of these financial statements.

IHS Nigeria Plc
Statement of changes in equity
For the quarter ended 30 April 2013

Group	Attributable to owners of the parent						Non-controlling interest N'000	Total equity N'000
	Note	Share capital N'000	Share premium N'000	Other capital reserves N'000	Retained earnings N'000	Total N'000		
Balance at 1 May 2012		2,200,000	6,069,652	3,308,339	(4,515,558)	7,062,433	352,741	7,415,174
(Loss) / profit for the year	18	-	-	-	(542,331)	(542,331)	(14,067)	(556,398)
Acquisition of subsidiary	20	-	-	-	-	-	2,841	2,841
Other comprehensive income for the year	19	-	-	(253,538)	-	(253,538)	(137,369)	(390,907)
Balance at 31 July 2012		2,200,000	6,069,652	3,054,801	(5,057,889)	6,266,564	204,146	6,470,710
Balance at 1 May 2013		2,200,000	6,069,652	3,281,753	(11,101,237)	450,168	152,277	602,445
(Loss) / profit for the year	18	-	-	-	136,008	136,008	(324)	135,684
Other comprehensive income for the year	19	-	-	385,691	-	385,691	15	385,706
Balance at 31 July 2013		2,200,000	6,069,652	3,667,444	(10,965,229)	971,867	151,968	1,123,835
Company								
				Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total equity N'000
Balance at 1 May 2012				2,200,000	6,069,652	3,461,792	(4,914,220)	6,817,224
(Loss) / profit for the year	18			-	-	(32)	(194,431)	(194,463)
Other comprehensive income for the year				-	-	-	-	-
Transaction with owners	19			-	-	-	-	-
Balance at 31 July 2012				2,200,000	6,069,652	3,461,760	(5,108,651)	6,622,761
Balance at 1 May 2013				2,200,000	6,069,652	3,632,168	(11,645,779)	256,041
(Loss) / profit for the year	18			-	-	-	139,684	139,684
Transaction with owners	19			-	-	385,675	-	385,675
Balance at 31 July 2013				2,200,000	6,069,652	4,017,843	(11,506,095)	781,400

The notes on pages 8 to 29 are an integral part of these financial statements.

IHS Nigeria Plc

Statement of cash flows

For the quarter ended 31 July 2013

		Group		Company	
	Note	31-Jul-13 N'000	31-Jul-12 N'000	31-Jul-13 N'000	31-Jul-12 N'000
Cash flows from operating activities					
Cash generated from operations	28	(4,197,226)	715,192	(4,181,207)	905,629
Gratuity paid		-	(1,161)	-	(1,161)
Income taxes paid		-	(52,486)	-	-
Net cash flows from operating activities		(4,197,226)	661,545	(4,181,207)	904,468
Cash flows from investing activities					
Purchase of property, plant and equipment		(73,000)	(22,859)	(71,810)	(17,204)
Construction of plant and equipment		(7,266,208)	(6,467,781)	(7,266,208)	(6,467,781)
Payment for prepaid land rent		(5,000)	(13,500)	(5,000)	(13,500)
Purchase of additional investment in subsidiary		-	-	-	(2,957)
Subsidiary undertaking - NCI		-	2,841	-	-
Interest income received		7,009	82,628	7,009	82,558
Net cash provided by investing activities		(7,337,199)	(6,395,812)	(7,336,009)	(6,418,884)
Cash flows from financing activities					
Interest paid		(292,994)	(559,384)	(342,018)	(559,384)
Loan receipts - third party		28,770,757	-	28,770,757	-
Loan receipts - related party		4,642,594	-	4,657,909	-
Loan repayment - related party		-	-	15,504	331,984
Loan related costs		(3,108,850)	-	(3,108,850)	-
Loan repaid		(16,850,930)	(8,543)	(16,850,930)	(8,543)
Net cash provided by financing activities		13,160,577	(567,927)	13,142,372	(235,942)
Net increase in cash and cash equivalents		1,626,152	(6,302,194)	1,625,157	(5,750,359)
Foreign exchange losses on cash and cash equivalents		2	(40,130)	-	-
Cash and cash equivalents at 1 May		864,907	6,729,511	803,777	5,562,789
Cash and cash equivalent at 31 July	10	2,491,061	387,187	2,428,934	(187,570)

The notes on pages 8 to 29 are an integral part of these financial statements.

IHS Nigeria Plc

Notes to the financial statements

For the quarter ended 31 July 2013

1 General information

These financial statements are the financial statements of IHS Nigeria Plc. and its subsidiaries (hereafter referred to as 'the Group' or "IHS"). IHS Nigeria Plc. was incorporated in Nigeria under the Companies and Allied Matters Act as a public limited liability company, began operations in 2001. The company's shares are listed on the Nigerian Stock Exchange (NSE). The company is domiciled in Nigeria and the address of its registered office is:

19 Bishop Aboyade Cole Street
Victoria Island
Lagos

IHS is principally involved in providing infrastructures for the Nigerian telecommunications industry.

IHS Nigeria Plc. is controlled by IHS Holding Limited (ultimate parent), the holder of all the redeemable, convertible preference shares in Nigeria. IHS Holding has the right to appoint 5 out of the 8 board members, controls the day to day activities and major financial decisions of IHS Nigeria Plc.

The group is comprised of IHS Nigeria Plc. (the ultimate parent), PCT Sudan and PCT South Sudan (51% controlling interest in each) and wholly owned IHS Mauritius. The company disposed its interest in IHS Ghana, Infratech Dubai group during the year ended 30th April 2013.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

In prior years, the company prepared its financial statements in accordance with Nigerian Generally Accepted Accounting Principles (NGAAP) under the Statement of Accounting Standards (SAS) as defined by the Nigerian Accounting Standard Board (NASB).

In 2010, the Federal Executive Council approved the adoption of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) in Nigeria. Public listed entities are to apply these standards effective for years beginning on or after January 1, 2012. Accordingly, these are the company's first annual consolidated financial statements prepared in accordance with IFRS as issued by the IASB. In these financial statements, the term "Nigerian GAAP" refers to Nigerian statement of accounting standards before the adoption of IFRS.

These financial statements have been prepared in accordance with IFRS and IFRIC interpretations. IFRS 1, First-time adoption of International Financial Reporting Standards has been applied. IHS Nigeria Plc. has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at 1 May 2011 throughout all periods presented, as if these policies had always been in effect.

The financial statements have been prepared under the historical cost convention except where applicable standards require otherwise.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, significant accounting policies and the notes.

These financial statements have been authorised for issue on the 22nd of November 2013 by the board of directors, who are empowered to amend it after the issue.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The directors believe that the underlying assumptions are appropriate and that the group's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.1.1 Going concern

After making enquiries, the directors have a reasonable expectations that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.1.2 Changes in accounting policies and disclosures

(a) Standards, amendments and interpretations issued but not yet effective

The following standards have been issued and are relevant to group in later periods:

IFRS 9: Financial Instruments (effective for periods beginning on or after 1 January 2015)

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those at amortised cost. The determination is made at the initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of profit or loss, unless this creates accounting mismatch. The group is yet to assess IFRS 9's full impact and intends to adopt the standard no later than the accounting period beginning on or after 1 January 2015.

IAS 19 'Employee benefits', was amended in June 2011 (effective for periods beginning on or after 1 January 2013). The impact on the group was to recognise actuarial loss immediately.

IFRS 10: Consolidated financial statements (effective for periods beginning on or after 1 January 2013). The standard built on the existing principles of identifying the concept of control as the determining factor in whether an investee company should be included with the consolidated financial statements of group. When adopted, IHS Holding Limited has been identified as the parent of IHS Nigeria Plc. on this basis.

IFRS 12: Disclosure of interests in other entities (effective for periods beginning on or after 1 January 2013). The impact of this standard is the additional disclosures (in terms of restrictions, nature and reasons for loss of control) in respect of the subsidiaries

IFRS 13: Fair value measurement (effective for periods beginning on or after 1 January 2013)

The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It only provides guidance on how fair value should be applied where its use is already required or permitted by other standards within the IFRSs.

Annual improvements to IFRS 2009-2011 Cycle-various standards (effective for periods beginning on or after 1 January 2013)

A number of new amendments to standards that are effective for annual periods beginning on or after 1 January 2013 have not been applied by the group in preparing this financial statement. None of these will have material impact on the group and separate financial statements of IHS Nigeria Plc.

There are no other IFRSs and interpretations that are not yet effective that would be expected to have a material impact on the group.

2.2 Consolidation

(a) Subsidiaries

The consolidated financial statements incorporate the financial statements of IHS Nigeria Plc. and its subsidiaries made up to 30 April each year. Control is achieved where the I H S Nigeria Plc., has the power to govern the financial and operating policies of an investee (the subsidiary) by having more than 50% shareholding of such entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the power to govern the financial and operating policies etc.

Subsidiaries are all entities (including structured entities) over the company has power over, is exposed to or has rights to variable returns from its involvement in with such entities and has the ability to use those powers to affect the amount of its returns from them. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are accounted for at cost in the separate financial statements of IHS Nigeria Plc. In the consolidated financial statements, subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the present ownership instrument's proportionate share of the recognised amounts of acquiree's identifiable net assets for components that are present and entitle their holders to a proportionate share of net assets in the events of liquidation. All other components of non-controlling interests are measured at fair

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in statement of comprehensive income.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in the statement of comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in statement of comprehensive income.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of comprehensive income.

(d) Common control transactions

The group applies predecessor values method in accounting for business combination under common control. The financial statements are prepared using predecessor book values, i.e. the book values of the net assets of the acquiree company in the consolidated accounts of IHS group before the transaction, without any step up to fair value. The difference between any consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to equity. This is recorded in retained earnings. No additional goodwill is created by the transaction.

In the separate financial statements of IHS Nigeria Plc. (the company) investment in subsidiaries is recognised at cost and dividend

The group assesses at the end of each reporting period whether there is objective evidence that an investment is impaired. An investment is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment and has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit and loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit

2.3 Segment reporting

The chief operating decision-maker has been identified as the group executive directors (strategic steering committee-STC) of IHS Nigeria Plc. The operating segments have been identified based on the information reviewed by the strategic steering committee for the purpose of allocating resources and assessing performance. From the geographical perspective, STC reviews group performance from the businesses in Nigeria, Sudan and Mauritius.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('The Naira'). The consolidated financial statements are presented in 'Naira' (N), which is the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses)/gains - net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income . When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

These are mainly leasehold land, base stations, office complex, office equipment and other that are used by IHS in its towers managed and collocation services, or for administrative purposes. The assets are carried at historical cost less accumulated depreciation and accumulated impairment losses. All other property, plant and equipment are stated at historical cost or valuation less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of the replaced cost is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Freehold land is not depreciated. Depreciation/amortisation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Rate (%)
Base station towers	4
Base station equipment (shelter)	10
Base station equipment (battery)	10
Base station equipment (generator)	33.3
Office complex	2.5
Furniture & fittings & office equipment	33.3
Motor vehicles	25

Assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income for the period.

2.6 Intangible assets*(a) Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(b) Pre-paid long term rent

Amount paid in respect of long term rent capitalised and amortised over the period of the rent. Subsequent cost in enhancing the performance of the rented complexes and building are capitalised and amortised over the period of rent.

(c) Computer software

Costs associated with maintaining computer software programmes are recognised as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as asset in a subsequent period.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready for use – are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and the sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

2.9 Financial assets

2.9.1 Classification

The group classifies its financial assets in the following categories: loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of them within 12 months of the end of the reporting period.

2.9.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'available for sale' category are presented in the statement of other comprehensive income in the period in which they arise. Dividend income from available for sale financial asset is recognised in the statement of comprehensive income as part of other income when the group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are recycled to retained earnings as 'gains and losses from investment securities'.

2.9.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9.4 Impairment of financial assets

(a) Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the customer will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The group first assesses whether objective evidence of impairment exists.

(b) Loans and receivables

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

(c) Assets classified as available for sale

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For loans and receivables, the group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also an evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the separate consolidated statement of comprehensive income. Impairment losses recognised in the separate consolidated statement of comprehensive income on equity instruments are not reversed through the separate consolidated statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the separate consolidated statement of comprehensive income.

2.10 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost comprises direct materials costs and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. If the carrying value exceeds net realizable amount, a write down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist. In other instances where the net realisable value of an inventory item is not readily determinable, management assesses the age and the risk of obsolescence of such items in determining net realisable value of such item using an appropriate age/obsolescence factor model.

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The group reviews trade receivables at least annually and when there is any indication that the receivables might be impaired. The group has estimated the recoverable amount using models that require assumptions about future cash flows, cash flow dates and discount rates.

2.12 Research and development

Research and development expenditure is charged against profits in the year in which it is incurred, unless it meets the criteria for capitalisation set out in IAS 38 'Intangible assets'. In which case, the development component is capitalised and subsequently amortised over the period when the future economic benefits attributable to it will accrue to the entity.

2.13 Cash, cash equivalents and bank overdrafts

Cash, cash equivalents and bank overdrafts includes cash at bank and in hand plus short-term deposits less overdrafts. Short-term deposits have a maturity of less than three months from the date of acquisition. Bank overdrafts are repayable on demand and form an integral part of the group's cash management and are shown in current liabilities. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

2.14 Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis through the statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of comprehensive income.

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Provisions, contingent liabilities and contingent assets

Provision are recognised when the group has a present legal or constructive obligation as a result of past event, and it is probable that the group will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs recognised when the group has a detailed formal plan for the restructuring that has been communicated to the affected parties. Provisions are not recognised for future operating losses. The group discloses contingent liability where it is a possible obligation that arises from past events and whose occurrence or non-occurrence is contingent on one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The group also makes disclosure about possible assets 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.

Provisions are measured at the present value of the expenditures expected to be incurred to settle the obligation, using the pre-tax discount rate that reflects the current assessment of the time value of money and the risks specific to the obligation. The increase in provision due to the passage of time is recognised as interest expense.

2.18 Current and deferred income tax

The tax for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted under the Companies Income Tax Act at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Education tax is computed at 2% of the assessable profits.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax liabilities on a net basis.

2.19 Employee benefits

(a) Gratuity Scheme

The group operates a gratuity scheme whereby at the time of leaving the service or retirement from the company, an employee is paid gratuity. The gratuity is being accounted using the projected unit credit method that considers the rate of inflation, the degree of salary increases of employees, the retirement age among other factors. The gratuity expense under this method is expensed annually as additional staff cost to make for the gratuity liability. Employees who have completed 5 years of service but less than 10 years of service are paid 1 month of salary of each completed year of service, employees who have completed 10 years or more are paid 1.25 months of salary for each of the completed years of service.

From January 2013, the group restructured the scheme such that IHS Nigeria Plc. will provide 5% of individual staff basic salary per month as gratuity allocation for staff; the amount shall be remitted to an appointed fund manager who will manage the funds on behalf of the staff until such staff leaves the company in the event of resignation, termination of appointment or death.

The entitlement of a member of staff as at date of exit will be an equivalent of the monthly contributions made by the company to the fund manager plus whatever interest has accrued over the period as a result of investment. Consequently, payment of staff entitlement will be done by the fund manager on the company's instruction, in the event of exit by any member of staff through resignation, termination of appointment or death.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service costs and the net interest cost/income are recognised in the statement of comprehensive income in respect of the reporting period.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the statement of comprehensive income.

(b) Defined Contribution scheme

The company operates a defined contribution plan which is funded by contributions from the company and the employees which is funded through payroll being 7.5% of the qualifying emoluments respectively. The amount contributed by the company is recognised as employee benefit expenses is charged to the statement of comprehensive income. The company has no further payment obligation once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

2.20 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and sales related taxes but including interest receivable on sales on extended credit and income from the provision of technical services and agreements. Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

(a) Sale of telecommunication support services

The group provides services in respect of telecommunication towers ranging from infrastructure deployment, managed services, infrastructure sharing and leasing (collocation). For sale of managed services and sharing and leasing services, revenue is recognised in the accounting period in which the services are rendered by reference to the stage of completion based on the terms of each contract.

(b) Interest income

Interest income is recognised using the effective interest income method as set out in IAS 39.

(c) Revenue from construction contracts

The group provides the service of constructing the telecommunication towers and related equipment for some of its customers. Revenue is recognised on construction contract when the outcome can be measured reliably. The outcome of a construction contract is deemed to be reliably measured where the group can estimate the contract price and total cost to complete and it is probable that the revenue will flow to the group. Actual or potential losses on contracts are written off as soon as they crystallise. The group recognises profit on contracts based on percentage of completion. The percentage of completion is determined by reference to the proportion cost incurred to date bears to the estimated total contract costs.

(d) Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2.21 Contract to construct specialised equipment

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the

The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are presented as work in progress within inventory and work in progress on the statement of financial position unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as trade accrual within trade and other receivables. Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as trade accrual within trade

Progress billings not yet paid by customers and retentions by customers are included within trade and other receivables. Advances received are included within trade and other payables.

2.22 Lease*Operating lease*

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance lease

The group leases motor vehicles. Leases of motor vehicles where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.23 Decommissioning and site restoration obligation

The group makes provision for the future cost of decommissioning of its telecommunication towers on the leasehold land . These costs are expected to be incurred within 5 to 15 years depending on the term of the leasehold. The group estimates this provision using existing technology at current prices as quoted by decommissioning experts, escalated at the relevant inflation factor. The inflated decommissioning provision is subsequently discounted to present value using the group's current borrowing rates. The timing of each decommissioning will depend on whether or not the lessor intends to renew the rent.

A corresponding amount is recognised as part of the cost of leasehold land in property, plant and equipment This is subsequently amortised as part of the leasehold land. Other than the unwinding discount on the provision, any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding item of property, plant and equipment.

2.24 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders. In respect of interim dividends these are recognised once paid.

2.25 Exceptional items

Exceptional items are disclosed separately in the statement of comprehensive income where it is necessary to do so to provide further understanding of the financial performance of the group . They are material items of income and expenses that have been shown separately due to the significance of their nature or amount.

2.26 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Critical accounting estimates and judgements

The preparation of financial statements requires management to make certain judgements, accounting estimates and assumptions that affect the amounts reported to the assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The nature of the estimation means that actual outcomes could differ from those estimates. The key source of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities are discussed below.

Recoverability of assets carrying amount

The group assesses its property plant and equipment for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date. Such indicators include changes in the group's business plans, changes in diesel prices, evidence of physical damage and technological changes and impacts of obsolescence.

If there rapid changes in technology of the existing telecommunication infrastructure the group may need to recognize significant impairment charges. The assessment for impairment entails comparing the carrying value of the cash-generating unit with its recoverable amount, that is, the higher of the value in use and fair value less costs to sell. Value in use is usually determined on the basis of discounted estimated future net cash flows. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future prices of telecommunication towers equipment, the effects of inflation on operating expenses, discount rates, etc.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Such estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Decommissioning and site restoration obligation

Provisions are made for decommissioning and site restoration costs for the telecommunication towers constructed on the company's leased land. These estimates are based on current construction requirements, technology, price levels and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in government legislation, prices when the obligation crystallises.

Deferred taxation

The company and its subsidiaries are subject to income taxes within the Nigerian and the countries where the subsidiaries are domiciled which does not require much judgement in terms of provision for income taxes but a certain level of judgement is required for recognition of the deferred tax assets. Management is required to assess the ability of the company to generate future taxable economic earnings that will utilise the deferred tax assets. Assumptions over the generation of future taxable profits depends on management's estimates of future cash flows. The estimates are based on the future cash flow from operations taking into consideration the rental income for collocation, growth in tenancy rates, maintenance income and the likely diesel variations.

Impairment of trade receivables

The group reviews trade receivables at least annually and when there is any indication that the receivables might be impaired. The group has estimated the recoverable amount using models that require assumptions about future cash flows, cash flow dates and discount rates.

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.6. The assumptions adopted used in the computation of the value in use are considered reasonable to the circumstance of each subsidiary.

4 Property, Plant & Equipment (PPE)

Group	Land	BTS tower	Office complex	Furniture fittings & office equipment	Motor vehicle	Work in progress	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 May 2013	920,147	41,276,151	572,387	470,072	570,566	3,696,829	47,506,152
Additions	-	-	-	4,880	107,720	7,266,208	7,378,808
Disposal /write-offs/impairments	-	-	-	-	-	-	-
Disposals arising from discontinued operations	-	-	-	-	-	-	-
Reclassifications	-	1,639,571	-	-	-	(1,639,571)	-
Exchange difference	-	-	-	2	-	-	2
At 31 July 2013	920,147	42,915,722	572,387	474,954	678,286	9,323,466	54,884,962
Accumulated depreciation							
At 1 May 2013	-	5,378,458	37,184	269,407	267,005	-	5,952,054
Charge for the year	-	1,045,059	3,578	16,720	28,886	-	1,094,243
Disposal /write-offs/impairments	-	-	-	-	-	-	-
Disposals arising from discontinued operations	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-
At 31 July 2013	-	6,423,517	40,762	286,127	295,891	-	7,046,296
Net book amount at 31 July 2013	920,147	36,492,205	531,625	188,827	382,395	9,323,466	47,838,665
Cost							
At 1 May 2012	918,147	27,596,396	572,387	333,106	475,196	1,006,602	30,901,834
Additions	2,000	11,571,952	-	221,883	215,740	5,486,463	17,498,038
Disposal /write-offs/impairments	-	(688,433)	-	-	(30,819)	-	(719,252)
Disposals arising from discontinued operations	-	-	-	(57,587)	(72,723)	-	(130,310)
Reclassifications	-	2,796,236	-	-	-	(2,796,236)	-
Exchange difference	-	-	-	(27,330)	(16,828)	-	(44,158)
At 30 April 2013	920,147	41,276,151	572,387	470,072	570,566	3,696,829	47,506,152
Accumulated depreciation							
At 1 May 2012	-	2,609,531	22,568	283,773	190,255	-	3,106,127
Charge for the year	-	2,955,886	14,310	52,450	142,142	-	3,164,788
Reclassifications	-	-	-	-	-	-	-
Disposal/write offs/impairments	-	(179,863)	-	-	(25,530)	-	(205,393)
Disposals arising from discontinued operations	-	-	-	(47,585)	(28,458)	-	(76,043)
Exchange difference	-	(7,096)	306	(19,231)	(11,404)	-	(37,425)
At 30 April 2013	-	5,378,458	37,184	269,407	267,005	-	5,952,054
Net book amount at 30 April 2013	920,147	35,897,693	535,203	200,665	303,561	3,696,829	41,554,098

Company				Furniture fittings & office equipment	Motor vehicle	Work in progress	Total
Cost	Land N'000	BTS tower equipment N'000	Office complex N'000	N'000	N'000	N'000	N'000
At 1 May 2013	920,147	41,276,134	572,387	438,132	564,901	3,696,811	47,468,512
Additions	-	-	-	3,690	107,720	7,266,208	7,377,618
Disposal /write-offs/impairments	-	-	-	-	-	-	-
Reclassifications	-	1,639,571	-	-	-	(1,639,571)	-
At 31 July 2013	920,147	42,915,705	572,387	441,822	672,621	9,323,448	54,846,130
Accumulated Depreciation							
At 1 May 2013	-	5,378,460	37,184	244,427	263,530	-	5,923,600
Charge for the year	-	1,045,059	3,578	15,857	28,707	-	1,093,201
Disposal/write offs/impairments	-	-	-	-	-	-	-
At 31 July 2013	-	6,423,519	40,762	260,284	292,237	-	7,016,801
Net book amount at 31 July 2013	920,147	36,492,186	531,625	181,538	380,384	9,323,448	47,829,328
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 May 2012	918,147	27,596,379	572,387	225,001	388,277	1,006,584	30,706,775
Additions	2,000	11,571,952	-	213,131	199,652	5,486,463	17,473,198
Disposal /write-offs/impairments	-	(688,433)	-	-	(23,028)	-	(711,461)
Reclassifications	-	2,796,236	-	-	-	(2,796,236)	-
At 30 April 2013	920,147	41,276,134	572,387	438,132	564,901	3,696,811	47,468,512
Accumulated Depreciation							
At 1 May 2012	-	2,603,309	22,874	200,881	162,215	-	2,989,278
Charge for the year	-	2,955,014	14,310	43,546	124,343	-	3,137,213
Disposal/write offs/impairments	-	(179,863)	-	-	(23,028)	-	(202,891)
At 30 April 2013	-	5,378,460	37,184	244,427	263,530	-	5,923,600
Net book amount at 30 April 2013	920,147	35,897,674	535,203	193,705	301,371	3,696,811	41,544,912

Analysis of additions to property, plant and equipment

	Group	Company
	31-Jul-13 N'000	30-Apr-13 N'000
Additions through cash-others	73,000	11,952,051
Additions through cash-construction work in progress	7,266,208	5,486,463
Additions through increase in decommissioning	-	15,524
Additions through finance lease	39,600	44,000
Total	7,378,808	17,498,038

5 Intangible assets

	Group			Company	
Cost	Goodwill N'000	Softwares N'000	Total N'000	Softwares N'000	Total N'000
At 1 May 2013	2,318,436	39,568	2,358,004	38,652	38,652
Additions	-	-	-	-	-
Disposal /write-offs/impairments	-	-	-	-	-
Disposals arising from discontinued operations	-	-	-	-	-
Reclassifications	-	-	-	-	-
Exchange difference	-	-	-	-	-
At 31 July 2013	2,318,436	39,568	2,358,004	38,652	38,652
Accumulated amortisation/impairment					
At 1 May 2013	2,297,160	36,280	2,333,440	35,653	35,653
Charge for the year	-	1,139	1,139	1,070	1,070
Reclassifications	-	-	-	-	-
Disposal/write offs/impairments	-	-	-	-	-
Disposals arising from discontinued operations	-	-	-	-	-
Exchange difference	-	-	-	-	-
At 31 July 2013	2,297,160	37,419	2,334,579	36,723	36,723
Net book amount at 31 July 2013	21,276	2,150	23,426	1,929	1,929

Cost

At 1 May 2012

Additions

Disposal /write-offs/impairments

Disposals arising from discontinued operations

Reclassifications

Exchange difference

At 30 April 2013

Accumulated amortisation/impairment

At 1 May 2012

Charge for the year

Reclassifications

Disposal/write offs/impairments

Disposals arising from discontinued operations

Exchange difference

At 30 April 2013

Net book amount at 2013

Goodwill

Goodwill recognised on acquisition of Investments

Goodwill carried forward (30 April 2012)

Impairment in value of goodwill (30 April 2013)

Goodwill carried forward (30 April 2013)

Impairment in value of goodwill (31 July 2013)

Goodwill carried forward (31 July 2013)

Group			Company	
Goodwill	Softwares	Total	Softwares	Total
N'000	N'000	N'000	N'000	N'000
2,318,436	39,300	2,357,736	37,246	37,246
-	1,499	1,499	1,406	1,406
-	(634)	(634)	-	-
-	-	-	-	-
-	(597)	(597)	-	-
2,318,436	39,568	2,358,004	38,652	38,652
1,587,706	21,029	1,608,735	21,598	21,598
-	14,501	14,501	14,055	14,055
-	-	-	-	-
709,454	-	709,454	-	-
-	(286)	(286)	-	-
-	1,037	1,037	-	-
2,297,160	36,280	2,333,440	35,653	35,653
21,276	3,288	24,564	2,999	2,999

PCT Sudan	Infratech FZC	Total
N'000	N'000	N'000
1,332,565	985,871	2,318,436
730,730	-	730,730
(709,454)	-	(709,454)
21,276	-	21,276
-	-	-
21,276	-	21,276

6 Long term investments (available for sale)

Investment in subsidiaries

Balance at beginning of period

Additions

Fair value net gain/(loss)

Impairments

Disposal

Balance at end of period

Marketable securities

Balance at beginning of period

Additions

Fair value net gain/(loss)

Impairments

Disposal

Balance at end of period

Long term investments

Analysis of investment in subsidiaries

Power and Communications Technologies Limited

PCT, South Sudan

Infratech FZC

IHS Ghana Limited

IHS Mauritius Limited

Analysis of marketable securities

Access Bank Plc.

First Inland Bank Plc.

Bank PHB Plc.

Eco Bank Plc.

First Bank Plc.

FCMB

Group		Company	
31-Jul-13	30-Apr-13	31-Jul-13	30-Apr-13
N'000	N'000	N'000	N'000
-	-	139,588	1,696,481
-	-	-	2,957
-	-	-	-
-	-	-	(770,869)
-	-	-	(788,981)
-	-	139,588	139,588
4,731	20,070	4,731	20,070
-	-	-	-
-	(32)	-	(32)
-	(15,307)	-	(15,307)
-	-	-	-
4,731	4,731	4,731	4,731
4,731	4,731	144,319	144,319
-	-	135,067	135,067
-	-	2,957	2,957
-	-	-	-
-	-	-	-
-	-	1,564	1,564
-	-	139,588	139,588
3,412	3,412	3,412	3,412
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,319	1,319	1,319	1,319
4,731	4,731	4,731	4,731

Power and Communications Technologies Limited, Sudan - IHS Nigeria Plc. acquired 51% stake in Power and Communications Technologies Limited, Sudan on 12 November 2008.

Infratech FZC group - IHS Nigeria Plc. acquired 50% shareholding in January 2009. Additional 50% stake was acquired in September 2011. IHS Nigeria Plc. sold its 100% ownership in October 2012.

IHS Ghana Limited - IHS Nigeria Plc. acquired 100% shareholding in May 2010. IHS Nigeria Plc. sold its 100% ownership in October 2012.

IHS Mauritius Limited - IHS Nigeria Plc. has 100% shareholding. IHS Mauritius Limited was incorporated in August 2010.

PCT South Sudan - IHS Nigeria Plc. has 51% shareholding. PCT South Sudan commenced operations in May 2012.

7 Prepaid land rent

	Group		Company	
	31-Jul-13	30-Apr-13	31-Jul-13	30-Apr-13
	N'000	N'000	N'000	N'000
At 1 May	3,340,277	1,244,286	3,340,277	1,244,286
Additions	5,000	2,341,827	5,000	2,341,827
Amortisation	(108,239)	(245,836)	(108,239)	(245,836)
At 31 July 2013	<u>3,237,038</u>	<u>3,340,277</u>	<u>3,237,038</u>	<u>3,340,277</u>
Current portion - long term prepaid rent	425,095	425,095	425,095	425,095
Non-current portion - long term prepaid rent	<u>2,811,943</u>	<u>2,915,182</u>	<u>2,811,943</u>	<u>2,915,182</u>
	<u>3,237,038</u>	<u>3,340,277</u>	<u>3,237,038</u>	<u>3,340,277</u>

8 Inventory and work in progress

	Group		Company	
	31-Jul-13	30-Apr-13	31-Jul-13	30-Apr-13
	N'000	N'000	N'000	N'000
Stock of materials	609,505	605,324	609,522	605,341
Less: write down	(64,506)	(64,506)	(64,506)	(64,506)
Work in progress	<u>544,999</u>	<u>540,818</u>	<u>545,016</u>	<u>540,835</u>
	<u>151,492</u>	<u>142,534</u>	<u>-</u>	<u>-</u>
	<u>696,491</u>	<u>683,352</u>	<u>545,016</u>	<u>540,835</u>

* Work in progress comprise mainly of BTS tower equipment still under construction on behalf of third parties.

9 Trade and other receivables

Trade receivables	7,728,989	5,870,489	7,121,938	5,313,256
Less: impairment provisions	(3,052,956)	(2,915,628)	(3,037,430)	(2,900,103)
Prepayment and deferred expense	4,676,033	2,954,861	4,084,508	2,413,153
Other receivables	397,876	467,223	363,271	430,076
	<u>2,965,365</u>	<u>2,025,381</u>	<u>2,563,842</u>	<u>1,735,140</u>
	<u>8,039,274</u>	<u>5,447,465</u>	<u>7,011,621</u>	<u>4,578,369</u>

All trade and other receivables are due within the twelve(12) months from the accounting year end.

10 Cash at bank and cash in hand

Cash at bank and cash in hand	<u>3,358,696</u>	<u>1,047,476</u>	<u>3,296,569</u>	<u>986,346</u>
For the purposes of the statement of cash flow, cash and cash equivalent include bank overdraft				
Cash and cash equivalent balance	3,358,696	1,047,476	3,296,569	986,346
Overdrafts (Note 11)	(867,635)	(182,569)	(867,635)	(182,569)
Cash and cash equivalent balance	<u>2,491,061</u>	<u>864,907</u>	<u>2,428,934</u>	<u>803,777</u>

11 Borrowings

Current				
Overdraft from bank	867,635	182,569	867,635	182,569
Portion of long term borrowings due within 1 year	-	16,907,254	-	16,907,254
	<u>867,635</u>	<u>17,089,823</u>	<u>867,635</u>	<u>17,089,823</u>
Non-current				
Bank loan	26,153,099	-	26,153,099	-
Finance lease	270,075	245,827	270,075	245,827
	<u>26,423,174</u>	<u>245,827</u>	<u>26,423,174</u>	<u>245,827</u>
Total borrowing	<u>27,290,809</u>	<u>17,335,650</u>	<u>27,290,809</u>	<u>17,335,650</u>

Borrowings from International Finance Corporation,(IFC)Industrial & Commercial Bank of China,(ICBC), Stanbic IBTC Bank, Investec Asset Management (PTY) Limited, Ecobank, and AFREXIM are denominated in Naira and USD and are secured under an existing Composite Security Deed over all the fixed and floating assets of the company. The borrowings average interest rates were 17% (2013: 19.07%) and 6.78% (2013: 7.91%) for the Naira and USD borrowings respectively

The borrowings as at 30 April 2013 were from Stanbic IBTC Bank, Skye Bank Plc., Investec Asset Management (PTY) Limited, Standard Bank Group and AFREXIM. They were denominated in Naira and USD. The borrowings were repaid in full in May 2013 and the average interest rates were 19.46% (2012: 19.07%) and 7.88% (2012: 7.91%) for the Naira and USD borrowings respectively.

	Group		Company	
	31-Jul-13	30-Apr-13	31-Jul-13	30-Apr-13
	N'000	N'000	N'000	N'000
11 Borrowings (continued)				
Bank loan				
Balance at beginning of period	16,907,254	16,699,862	16,907,254	16,699,862
Additions to loans	28,770,757	-	28,770,757	-
Interest charge	694,622	2,251,569	694,622	2,251,569
Principal repayment	(16,835,578)	-	(16,835,578)	-
Interest paid	(275,106)	(2,048,711)	(275,106)	(2,048,711)
Transaction costs	(3,108,850)	-	(3,108,850)	-
Revaluation gains/losses	-	4,534	-	4,534
Closing balance	<u>26,153,099</u>	<u>16,907,254</u>	<u>26,153,099</u>	<u>16,907,254</u>
Finance lease				
Balance at beginning of period	245,827	131,416	245,827	131,416
Additions to loans	39,600	151,575	39,600	151,575
Interest charge	17,888	42,077	17,888	42,077
Principal repayment	(15,352)	(34,577)	(15,352)	(34,577)
Interest paid	(17,888)	(44,664)	(17,888)	(44,664)
Closing balance	<u>270,075</u>	<u>245,827</u>	<u>270,075</u>	<u>245,827</u>
12 Redeemable convertible preference capital				
Balance at beginning of period	19,201,017	17,718,799	19,201,017	17,718,799
Issued during the year	-	-	-	-
Transactions costs	-	-	-	-
Interest charge for the period	-	1,470,798	-	1,470,798
Foreign exchange (gain)/loss on instrument	-	11,420	-	11,420
Balance at end of period	<u>19,201,017</u>	<u>19,201,017</u>	<u>19,201,017</u>	<u>19,201,017</u>
13 Trade and other payables				
Trade payables	8,062,263	12,621,300	7,818,370	12,446,162
Accruals and other liabilities	1,708,669	1,070,827	1,700,617	1,062,523
VAT payable	976,683	862,571	902,691	801,724
Deferred revenue	<u>1,827,200</u>	<u>1,170,847</u>	<u>1,447,129</u>	<u>876,133</u>
	<u>12,574,815</u>	<u>15,725,545</u>	<u>11,868,807</u>	<u>15,186,542</u>
14 Decommissioning and site restoration provision				
Decommissioning and site restoration provision	<u>54,162</u>	<u>54,162</u>	<u>54,162</u>	<u>54,162</u>
The movement in the decommissioning provision during the years is as follows.				
Balance at beginning of period	54,162	29,339	54,162	29,339
Unwinding of interest	-	9,299	-	9,299
Additions / other changes in estimates	-	15,524	-	15,524
Balance at end of period	<u>54,162</u>	<u>54,162</u>	<u>54,162</u>	<u>54,162</u>
15 Deferred tax				
Deferred tax asset	3,318,741	3,355,825	3,318,742	3,355,825
Deferred tax liability	<u>(739,001)</u>	<u>(1,083,567)</u>	<u>(739,002)</u>	<u>(1,083,567)</u>
Net deferred tax asset	<u>2,579,740</u>	<u>2,272,258</u>	<u>2,579,740</u>	<u>2,272,258</u>
16 Taxation				
Balance at beginning of period	80,910	192,495	31,064	26,745
Charged to profit or loss accounts - continued operations	363	5,474	2,926	4,319
Charged to profit or loss accounts - discontinued operations	-	4,178	-	-
Paid during the period	-	(62,566)	-	-
Disposal - discontinued operations	-	(19,271)	-	-
Exchange translation	<u>2,930</u>	<u>(39,400)</u>	<u>-</u>	<u>-</u>
Balance at end of period	<u>84,203</u>	<u>80,910</u>	<u>33,991</u>	<u>31,064</u>
	31-Jul-13	31-Jul-12	31-Jul-13	31-Jul-12
	N'000	N'000	N'000	N'000
Companies income tax	363	282	-	-
Education tax	<u>2,926</u>	<u>-</u>	<u>2,926</u>	<u>-</u>
Total current taxes on income	3,289	282	2,926	-
Deferred taxes	<u>(307,481)</u>	<u>(381,068)</u>	<u>(307,481)</u>	<u>(381,068)</u>
Total current tax on income statements	(304,192)	(380,786)	(304,555)	(381,068)
Deferred taxes on other comprehensive income	-	-	-	-
Total taxes	<u>(304,192)</u>	<u>(380,786)</u>	<u>(304,555)</u>	<u>(381,068)</u>

The company's collocation business was granted pioneer status with effect from 1 June 2011. Therefore, profits from this line of business will not be taxable until 31 May 2016.

		Group		Company			
		31-Jul-13	30-Apr-13	31-Jul-13	30-Apr-13		
		N'000	N'000	N'000	N'000		
17	Share capital and premium						
	Share capital						
	Authorised:						
	4,647,735,688 ordinary shares of 50 kobo each	2,323,868	2,323,868	2,323,868	2,323,868		
	Share capital	2,200,000	2,200,000	2,200,000	2,200,000		
	Share premium	6,069,652	6,069,652	6,069,652	6,069,652		
	Share premium is a non-distributable reserve for recording additional paid in capital in excess of the nominal value.						
18	Retained earnings						
	Balance at beginning of period	(11,101,237)	(4,515,558)	(11,645,779)	(4,914,221)		
	Arising on acquisition of additional interest in subsidiary	-	-	-	-		
	Transfer from OCI	-	-	-	-		
	Transfer from profit and loss	136,008	(6,585,679)	139,684	(6,731,558)		
	Balance at end of period	(10,965,229)	(11,101,237)	(11,506,095)	(11,645,779)		
19	Other capital reserves						
	Group	Available for sale reserve	Equity conversion reserve	Related party fair value gain	Foreign exchange translation reserve	Actuarial gain/(loss) reserve	Other capital reserve
		N'000	N'000	N'000	N'000		N'000
	At 1 May 2012	(9,223)	3,483,603	-	(153,453)	(12,588)	3,308,339
	Transfer from other comprehensive income	(32)	-	170,408	(196,962)	-	(26,586)
	At 30 April 2013	(9,255)	3,483,603	170,408	(350,415)	(12,588)	3,281,753
	At 1 May 2013	(9,255)	3,483,603	170,408	(350,415)	(12,588)	3,281,753
	Transfer from other comprehensive income	-	-	385,675	16	-	385,691
	At 31 July 2013	(9,255)	3,483,603	556,083	(350,399)	(12,588)	3,667,444
	Company	Available for sale reserve	Equity conversion reserve	Related party fair value gain	Foreign exchange translation reserve	Actuarial gain/(loss) reserve	Other capital reserve
		N'000	N'000	N'000	N'000		N'000
	At 1 May 2012	(9,223)	3,483,603	-	-	(12,588)	3,461,792
	Transfer from other comprehensive income	(32)	-	170,408	-	-	170,376
	Transfer to retained earnings	-	-	-	-	-	-
	Tax charge	-	-	-	-	-	-
	Reversal of tax charge	-	-	-	-	-	-
	At 30 April 2013	(9,255)	3,483,603	170,408	-	(12,588)	3,632,168
	At 1 May 2013	(9,255)	3,483,603	170,408	-	(12,588)	3,632,168
	Transfer from other comprehensive income	-	-	385,675	-	-	385,675
	Transfer to retained earnings	-	-	-	-	-	-
	Tax charge	-	-	-	-	-	-
	Reversal of tax charge	-	-	-	-	-	-
	At 31 July 2013	(9,255)	3,483,603	556,083	-	(12,588)	4,017,843
				Group			
				31-Jul-13		30-Apr-13	
				N'000		N'000	
20	Non-controlling interest						
	Balance at beginning of period					152,277	352,741
	Disposal of Infratech Dubai group					-	-
	Transfer from profit and loss					(324)	(14,067)
	Share of translation difference					15	(189,238)
	Arising on incorporation of new subsidiary					-	2,841
	Balance at end of period					151,968	152,277
				31-Jul-13		31-Jul-12	
				N'000		N'000	
21	Revenue						
	Collocation	3,056,631		2,042,029		3,056,630	
	Managed services	696,473		1,715,502		517,592	
	Deployment	37,915		121,468		-	
	Managed service with license to lease	128,685		-		128,685	
		3,919,704		3,878,999		4,917,881	
						3,328,903	

IHS Nigeria Plc

Notes to the financial statements

For the quarter ended 31 July 2013

	Group		Company	
	31-Jul-13	31-Jul-12	31-Jul-13	31-Jul-12
	N'000	N'000	N'000	N'000
22 Cost of sales				
Collocation	1,340,676	1,213,418	1,340,676	1,213,115
Managed services	511,029	1,552,399	363,202	302,885
Deployment	41,745	105,038	109	256
Managed service with license to lease	140,738	-	140,738	-
	<u>2,034,188</u>	<u>2,870,855</u>	<u>3,059,699</u>	<u>2,376,874</u>
23 Administrative expenses				
Administrative expense is further broken down into				
Depreciation and amortisation (Notes 4 and 5)	1,095,373	723,590	1,094,263	711,203
Impairment	16,829	9,595	16,829	9,595
Director's emoluments (Note 31)	4,368	4,950	4,368	4,950
Staff cost (Note 32)	88,082	97,639	85,462	77,401
Other staff benefits	11,397	26,165	11,275	12,996
MTSA	48,136	121,141	43,326	64,035
Audit fees	13,964	14,225	12,500	11,250
Diesel	4,940	7,426	4,940	5,303
Rent	22,181	54,284	20,860	19,112
Professional fees	6,732	127,998	2,630	22,054
Listing fees	1,617	1,429	1,617	1,429
Repairs and maintenance	12,005	26,564	10,972	11,903
Travel expenses	23,745	129,320	22,552	23,750
Bank Charges	41,380	26,294	41,304	24,370
Foreign exchange (gain)/loss	(243,285)	54,880	(243,285)	21,857
Other expenses	14,462	422,702	13,505	21,977
Discontinued operations	-	-	-	-
	<u>1,161,926</u>	<u>1,469,185</u>	<u>1,143,118</u>	<u>1,043,185</u>
24 Other income				
Dividend income	-	-	-	-
Insurance claim received	5,817	-	5,817	-
Profit/(Loss) on sale of assets	-	60	-	60
Other income	19,541	21,708	4,250	6,964
	<u>25,358</u>	<u>21,768</u>	<u>10,067</u>	<u>7,024</u>
25 Exceptional impairment of receivables				
Intercellular Nigeria Plc.	124,117	-	124,117	-
Mobitel Nigeria Limited	13,210	-	13,210	-
Starcomms Nigeria Plc.	-	-	-	-
Loan and other receivable from subsidiary	-	-	-	-
	<u>137,327</u>	<u>-</u>	<u>137,327</u>	<u>-</u>
26 Finance income				
Interest income - deposits	7,009	82,628	7,009	82,558
Interest income - related party	-	-	17,829	17,437
	<u>7,009</u>	<u>82,628</u>	<u>24,838</u>	<u>99,995</u>
27 Finance cost				
Interest expense - bank loan	694,622	551,546	694,622	551,948
Interest expense - finance lease	17,888	-	17,888	-
Interest expense - overdraft	49,024	27,752	49,024	27,752
Interest expense - related party	28,487	-	18,862	10,823
Interest expense - decommissioning liability	-	1,241	-	1,241
Loan facility fee	(2,883)	-	(2,883)	(402)
Interest charge on redeemable convertible preference capital	-	-	-	-
	<u>787,138</u>	<u>580,539</u>	<u>-</u>	<u>591,362</u>

	Group		Company	
	31-Jul-13	31-Jul-12	31-Jul-13	31-Jul-12
	N'000	N'000	N'000	N'000
28 Cash generated from operations				
Reconciliation:				
Loss before taxation-continuing operations	(168,508)	(937,184)	(164,871)	(575,499)
Adjustments:				
Depreciation of property, plant and equipment	1,094,243	723,590	1,093,201	706,459
Amortisation of intangible assets	1,139	5,233	1,070	3,431
Amortisation of prepaid land rent	108,239	49,596	108,239	49,596
(Profit)/loss on sale of assets	-	-	-	-
(Profit)/loss on sale of investments	-	-	-	-
Provision for gratuity	-	-	-	6,614
Finance costs	740,997	580,539	780,396	591,764
Foreign exchange (gain)/loss	31	(403,035)	-	4,287
Interest and other income accrued	(7,009)	(82,628)	(24,838)	(99,995)
Impairments in trade receivables	137,327	-	137,327	-
Impairments in goodwill/investments	-	(1,747)	-	(1,747)
Decommissioning liability provision	-	-	-	-
Operating profit before working capital changes	<u>1,906,458</u>	<u>(65,637)</u>	<u>1,930,524</u>	<u>684,909</u>
Changes in working capital				
(Increase)/decrease in inventory and WIP	(13,139)	257,785	(4,181)	117,162
(Increase)/decrease in debtors and prepayments	(2,729,137)	(203,703)	(2,570,579)	(307,919)
(Increase)/decrease in due from related parties	(219,234)	43,399	(219,236)	(279,466)
(Increase)/decrease in restricted cash balance	-	160,553	-	160,553
Increase/(decrease) in trade and other payables	(3,150,730)	522,795	(3,317,735)	523,754
Increase/(decrease) in due to related parties	8,556	-	-	6,636
Net increase/(decrease) in working capital	<u>(6,103,684)</u>	<u>780,828</u>	<u>(6,111,731)</u>	<u>220,720</u>
Cash generated from operations	<u>(4,197,226)</u>	<u>715,192</u>	<u>(4,181,207)</u>	<u>905,629</u>
29 Staff cost				
Salaries and wages	225,767	258,827	191,250	176,156
Leave allowance	20,303	18,771	20,258	16,962
13th month pay	14,693	14,939	14,693	13,034
Pension contribution - employer	17,003	20,273	11,887	10,487
Other benefits	8,484	13,684	8,309	11,076
	<u>286,250</u>	<u>326,494</u>	<u>246,397</u>	<u>227,715</u>
Staff cost was classified as:				
Cost of sales	198,168	228,855	160,935	150,314
Administrative expense	88,082	97,639	85,462	77,401
	<u>286,250</u>	<u>326,494</u>	<u>246,397</u>	<u>227,715</u>
30 Related party transactions				
Amount due from:				
Non-current				
IHS Mauritius Limited	-	-	4,392	-
Power and Communication Technology Limited	-	-	1,297	3,364
	<u>-</u>	<u>-</u>	<u>5,689</u>	<u>3,364</u>
Current				
IHS Holding Limited	1,011,668	792,434	926,394	708,387
IHS Mauritius-Cameroun Limited	7,225	7,225	-	-
IHS Mauritius-Cote d'Ivoire Limited	6,971	6,971	-	-
Power and Communication Technology Limited	-	-	12,961	12,321
PCT South Sudan	-	-	8,069	8,068
IHS Mauritius Limited	-	-	98,831	98,243
	<u>1,025,864</u>	<u>806,630</u>	<u>1,046,255</u>	<u>827,019</u>

30 Related party transactions (continued)	Group	30-Apr-13	Company	30-Apr-13
	31-Jul-13	N'000	31-Jul-13	N'000
Amount due to:				
Current:				
IHS Holding Limited	16,414	7,858	-	-
PCT South Sudan		-	2,958	2,958
	<u>16,414</u>	<u>7,858</u>	<u>2,958</u>	<u>2,958</u>
Non current:				
IHS Holding Limited	6,458,670	2,173,264	6,464,360	2,173,264
	<u>6,458,670</u>	<u>2,173,264</u>	<u>6,464,360</u>	<u>2,173,264</u>

UBC Services Inc. - Has control over the financial and operating activities of IHS Nigeria Plc. UBC Services Inc. has 53% shareholding in IHS Nigeria Plc.

IHS Holding Limited - Has control over the financial and operating activities of IHS Nigeria Plc. Owner of convertible, redeemable preference shares issued in Nigeria.

Power and Communications Technologies Limited (PCT), Sudan - A subsidiary of IHS Nigeria Plc. IHS Nigeria Plc. has 51% shareholding in PCT, Sudan.

Infratech FZC group - A disposed subsidiary of IHS Nigeria Plc. IHS Nigeria Plc. acquired 50% shareholding in January 2009. Additional 50% stake was acquired in September 2011. IHS Nigeria Plc. sold its 100% ownership in October 2012. The group is made of Infratech Dubai and Infratech Ghana Limited.

IHS Ghana Limited - A disposed subsidiary of IHS Nigeria Plc. IHS Nigeria Plc. acquired 100% shareholding in May 2010. IHS Nigeria Plc. sold its 100% ownership in October 2012.

IHS Mauritius Limited - A subsidiary of IHS Nigeria Plc. IHS Nigeria Plc. has 100% shareholding in IHS Mauritius Limited.

PCT South Sudan - A subsidiary of IHS Nigeria Plc. IHS Nigeria Plc. has 51% shareholding in PCT South Sudan.

IHS Mauritius-Cameroun Limited - 100% subsidiary of IHS Holding Limited.

IHS Mauritius-Cote d'Ivoire Limited - 100% subsidiary of IHS Holding Limited.

Shabakkat Cellular Limited - Owned 50% stake in Infratech FZC group until acquisition by IHS Nigeria Plc. in September 2011.

IPT Holdings - Owns 49% of PCT Sudan and PCT South Sudan.

31 Events after reporting date

There are no post balance sheet events which could have had material effect on the financial position of the group as at 31 July 2013 and profit attributable to equity holders on that date.

32 Contingent liabilities and capital commitments

There were no contingent liabilities and/or capital commitments as at 31 July 2013

33 Earnings per share

	Group	31-Jul-12	Company	31-Jul-12
	31-Jul-13		31-Jul-13	
The calculation of the basic loss per share is based on the following data:				
<i>Losses</i>	<u>135,684</u>	<u>(556,398)</u>	<u>139,684</u>	<u>(194,431)</u>
Losses for the purpose of basic loss per share being net loss attributable to equity holders of the company.				
<i>Number of Shares</i>	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>
Number of ordinary shares for the purpose of basic loss per share				
Loss per 50k share (kobo) - basic	<u>3</u>	<u>(13)</u>	<u>3</u>	<u>(4)</u>

IHS Nigeria Plc
Quarter reports and financial statements
For the quarter ended 31 July 2013

STATEMENT OF COMPREHENSIVE INCOME	GROUP		
	31-Jul-13	31-Jul-12	Change
	N'million	N'million	%
Revenue	3,920	3,879	1%
Cost of sales	(2,034)	(2,871)	-29%
Administrative expense	(1,162)	(1,469)	-21%
Finance income	7	83	-92%
Finance expense	(787)	(581)	36%
Other Income	25	22	16%
Exceptional write down of receivables	(137)	-	100%
Profit/Loss Before Tax	(169)	(937)	-82%
Taxation	304	381	-20%
Profit/Loss After Tax	136	(556)	-124%
Other Comprehensive Income	0	(391)	-100%
Total Comprehensive Income	136	(947)	-114%
Profit/Loss After Tax Attr. To Noncontrolling Int	(0)	(14)	-98%
Profit/Loss After Tax Owners of the Company	136	(542)	-125%
Total Comp. Inc.Attr. to Non-Controlling Interest	(0)	(151)	-100%
Attributable to Owners of the Company	136	(796)	-117%
Basis Earnings per Share	3.08	(12.65)	-124%

	COMPANY		
	31-Jul-13	31-Jul-12	Change
	N'million	N'million	%
	4,918	3,329	48%
	(3,060)	(2,377)	29%
	(1,143)	(1,043)	10%
	25	100	-75%
	(778)	(591)	31%
	10	7	43%
	(137)	-	100%
	(165)	(575)	-71%
	305	381	-20%
	140	(194)	-172%
	-	(0)	-100%
	140	(194)	-172%
	-	-	0%
	140	(194)	-172%
	-	-	0%
	140	(194)	-172%
	3.17	(4.42)	-172%

STATEMENT OF FINANCIAL POSITION	GROUP		
	31-Jul-13	30-Apr-13	Change
	N'million	N'million	%
Property, plant and equipment	47,839	41,554	15%
Intangible assets	23	25	-5%
Long term investment	5	5	0%
Prepaid land rent	2,812	2,915	-4%
Deferred tax asset	2,580	2,272	0%
Due from related parties	-	-	0%
Total Non Current Assets	53,259	46,771	14%
Inventory and work in progress	696	683	2%
Trade and other receivables	8,039	5,447	48%
Prepaid land rent	425	425	0%
Due from related parties	1,026	807	27%
Cash and cash equivalents	3,359	1,047	221%
Total Current Assets	13,545	8,410	61%
Taxation	84	81	4%
Trade and other payables	12,575	15,726	-20%
Short term borrowings	868	17,090	0%
Due to related parties	16	8	109%
Total Current Liabilities	13,543	32,904	-59%
Redeemable convertible preference capital	19,201	19,201	0%
Long term borrowings	26,423	246	10649%
Due to related parties	6,459	2,173	197%
Decommissioning and site provision	54	54	0%
Total Non-Current Liabilities	52,137	21,674	141%
Working Capital	2	(24,494)	-100%
Net Assets	1,124	602	87%
Non Controlling Interest	152	152	0%
Attributable to Owners of the Company	972	450	116%

	COMPANY		
	31-Jul-13	30-Apr-12	Change
	N'million	N'million	%
Property, plant and equipment	47,829	41,545	15%
Intangible assets	2	3	-36%
Long term investment	144	144	0%
Prepaid land rent	2,812	2,915	-4%
Deferred tax asset	2,580	2,272	0%
Due from related parties	6	3	0%
Total Non Current Assets	53,373	46,883	14%
Inventory and work in progress	545	541	1%
Trade and other receivables	7,012	4,578	53%
Prepaid land rent	425	425	0%
Due from related parties	1,046	827	27%
Cash and cash equivalents	3,297	986	234%
Total Current Assets	12,325	7,358	68%
Taxation	34	31	9%
Trade and other payables	11,869	15,187	-22%
Short term borrowings	868	17,090	0%
Due to related parties	3	3	0%
Total Current Liabilities	12,773	32,310	-60%
Redeemable convertible preference capital	19,201	19,201	0%
Long term borrowings	26,423	246	10649%
Due to related parties	6,464	2,173	197%
Decommissioning and site provision	54	54	0%
Total Non-Current Liabilities	52,143	21,674	141%
Working Capital	(449)	(24,953)	-98%
Net Assets	781	256	205%
Non Controlling Interest	-	-	
Attributable to Owners of the Company	781	256	205%

STATEMENT OF CHANGES IN EQUITY	Share capital	Share premium	Other capital reserves	Retained earnings	Total	Non-controlling interest	Total equity
	N'million	N'million	N'million	N'million	N'million	N'million	N'million
GROUP							
At 1 May 2012	2,200	6,070	3,308	(4,516)	7,062	353	7,415
Changes in Equity:							
(Loss) / profit for the year	-	-	-	(542)	(542)	(14)	(556)
Acquisition of subsidiary	-	-	-	-	-	3	3
Other comprehensive income for the year	-	-	(254)	-	(254)	(137)	(391)
Balance as at 31 July 2012	2,200	6,070	3,055	(5,058)	6,267	204	6,471
Balance as at 1 May 2013	2,200	6,070	3,282	(11,101)	450	152	602
Changes in Equity Current year:							
(Loss) / profit for the year	-	-	-	136	136	(0)	136
Acquisition of subsidiary	-	-	-	-	-	-	-
Disposal of subsidiary (Note)	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	386	-	386	0	386
Balance as at 31 January 2013	2,200	6,070	3,667	(10,965)	972	152	1,124
COMPANY							
At 1 May 2012	2,200	6,070	3,462	(4,914)	6,817	-	6,817
Changes in Equity:							
(Loss) / profit for the year	-	-	(0)	(194)	(194)	-	(194)
Other comprehensive income for the year	-	-	-	-	-	-	-
Transaction with owners	-	-	-	-	-	-	-
Balance as at 31 July 2012	2,200	6,070	3,462	(5,109)	6,623	-	6,623
Balance as at 1 May 2013	2,200	6,070	3,632	(11,646)	256	-	256
(Loss) / profit for the year	-	-	-	140	140	-	140
Other comprehensive income for the year	-	-	-	-	-	-	-
Transaction with owners	-	-	386	-	386	-	386
Balance as at 31 January 2013	2,200	6,070	4,018	(11,506)	781	-	781

STATEMENT OF CASH FLOW	GROUP		
	31-Jul-13	31-Jul-12	Change
	N'million	N'million	%
Operating Cash Flow before Changes Working Capital Changes	1,906	(119)	-1698%
Changes in working capital	(6,104)	781	-882%
Cash Flow from Operating Activities	(4,197)	662	-734%
Cash Flow from Investing Activities	(7,337)	(6,396)	15%
Cash Flow from Financing Activities	13,161	(568)	-2417%
Net Increase/Decrease Cash and Cash Equivalent	1,626	(6,302)	-126%
Cash and Cash Equivalent Beginning of the Year	865	6,730	-87%
Foreign exchange losses on cash and cash equivalents	0	(40)	-100%
Cash and Cash Equivalent End of the Year	2,491	387	543%
Cash at bank and in hand	3,359	1,172	187%
Bank Overdrafts	(868)	(785)	100%
	2,491	387	543%
CORPORATE ACTION			
Proposed Bonus	0		
Proposed Dividend	0		
Closure Date	NA		
Date of Payment	NA		
AGM Date			
AGM Venue			

	COMPANY		
	31-Jul-13	31-Jul-12	Change
	N'million	N'million	%
	1,931	684	182%
	(6,112)	221	-2869%
	(4,181)	904	
	(7,336)	(6,419)	14%
	13,142	(236)	-5670%
	1,625	(5,750)	-128%
	804	5,563	-86%
	-	-	#DIV/0!
	2,429	(188)	-1395%
	3,297	720	358%
	(868)	(908)	100%
	2,429	(188)	-1395%