

**AFRICA PRUDENTIAL REGISTRARS PLC
FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2017**

Contents

Page

Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Cash Flows	3
Statement of Changes in Equity	4
Notes to the Financial Statements	5

AFRICA PRUDENTIAL REGISTRARS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2017

	Note	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
Registrars fee income	1A	214,751	145,188	994,394
Net investment income	1B	<u>426,795</u>	<u>252,273</u>	<u>1,424,109</u>
		641,546	397,461	2,418,503
Other income	1C	6,028	3,222	29,214
Impairment loss on goodwill	2	(25,000)	-	(147,460)
Personnel expenses	3	(76,670)	(65,314)	(353,413)
Other operating expenses	4	(130,418)	(90,732)	(455,492)
Depreciation and amortization	9&10	<u>(13,159)</u>	<u>(9,609)</u>	<u>(45,416)</u>
Profit before tax		402,327	235,028	1,445,936
Income tax expense	16	<u>(24,647)</u>	<u>(43,047)</u>	<u>(426,763)</u>
Profit for the period		<u>377,680</u>	<u>191,981</u>	<u>1,019,173</u>
Other Comprehensive Income, net of income tax				
<i>Items that will not be reclassified subsequently to profit or loss:</i>		<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Fair value loss on quoted equity	19	-	-	29,741
Fair value loss on unquoted equity				<u>(213,108)</u>
Total comprehensive income for the period		<u>377,680</u>	<u>191,981</u>	<u>835,806</u>
Basic earnings per share	20	<u>19</u>	<u>10</u>	<u>51</u>

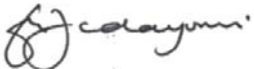
The notes on pages 1 to 11 form part of these financial statements.

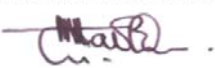
AFRICA PRUDENTIAL REGISTRARS PLC


STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
Assets				
Cash and cash equivalents	5	3,173,509	7,466,137	4,666,989
Financial assets (Available For Sale)	6A	3,166,510	3,299,523	3,116,156
Financial assets (held to maturity)	6B	8,559,928	2,726,015	8,136,794
Trade and other receivables	8	324,859	285,913	313,771
Inventory	11	15,710	16,131	15,710
Other assets	7	231,319	115,174	96,760
Property, plant and equipment	9	193,950	157,969	202,269
Intangible asset	10	18,094	11,123	17,242
Goodwill	12	230,989	397,493	255,989
Deferred tax	16B	-	51,168	-
Total assets		15,914,868	14,526,646	16,821,680
Liabilities				
Customers' deposits	13	10,923,569	9,098,262	11,742,697
Creditors and accruals	14	492,020	576,859	382,031
Taxation	16C	169,503	84,576	144,856
Deferred tax liabilities	16	1,322	-	1,322
Total liabilities		11,586,414	9,759,697	12,270,906
Shareholders' equity				
Share capital	17	1,000,000	1,000,000	1,000,000
Share premium	17a	624,446	624,446	624,446
Retained earnings	18	3,549,554	3,804,682	3,771,874
Other reserves	19	(845,546)	(662,179)	(845,546)
Total equity		4,328,454	4,766,949	4,550,774
Total equity and liabilities		15,914,868	14,526,646	16,821,680

The financial statements were approved by the Board of Directors on 20th April 2017 and signed on its behalf by:


 _____ }
Chief Mrs Eniola Fadayomi (OFR) } **Chairman**
 FRC/2013/IODN/00000002718 }


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Peter Ashade } **Managing Director**
 FRC/2013/ICAN/00000002719 }


 _____ }
Olufemi Adenuga } **Chief Financial Officer**
 FRC/2013/ICAN/00000002720 }

AFRICA PRUDENTIAL REGISTRARS PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2017

	Notes	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
Cash flows from operating activities				
Profit after tax		377,680	191,981	1,019,173
Adjustments to reconcile net cash provided:				
Depreciation	9	11,743	9,609	41,252
Amortization	10	1,416	-	4,164
Impairment loss on goodwill	2	25,000	-	147,460
Income tax expense	16	24,647	43,047	426,763
Withholding tax credit utilized	16C	-	-	(16,182)
Assets written off		-	-	2,291
		<u>440,486</u>	<u>244,637</u>	<u>1,624,921</u>
Changes in assets and liabilities:				
(Increase)/decrease in inventory		0	-	421
(Increase)/decrease other assets		(134,559)	(37,228)	(18,814)
(Increase)/decrease in trade and other receivables		(11,088)	(112,401)	(127,805)
Increase/(decrease) in Customer deposits		(819,128)	(3,442,876)	(798,438)
Increase/(decrease) in creditors and accruals		109,989	42,389	(170,848)
		<u>(414,300)</u>	<u>(3,305,479)</u>	<u>509,437</u>
Net cash from/(used in)operations				
Tax paid	15B	-	-	(254,764)
Net cash (used in)/generated from operating activities		<u>(414,300)</u>	<u>(3,305,479)</u>	<u>254,673</u>
Cash flows from investing activities				
Purchase of property, plant & equipment	9	(3,424)	(9,615)	(88,811)
Acquisition of financial assets		(473,488)	2,599,633	(2,811,147)
Acquisition of intangible asset	10	(2,268)	(547)	(9,872)
		<u>(479,180)</u>	<u>2,589,470</u>	<u>(2,909,830)</u>
Net cash used in investing activities				
Cash flow from financing activities				
Dividend paid		(600,000)	-	(860,000)
Net cash flow (used in)/from financing activities		<u>(600,000)</u>	<u>-</u>	<u>(860,000)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(1,493,480)</u>	<u>(716,009)</u>	<u>(3,515,157)</u>
Cash and cash equivalents at 1 January		<u>4,666,989</u>	<u>8,182,146</u>	<u>8,182,146</u>
Cash and cash equivalents	5	<u><u>3,173,509</u></u>	<u><u>7,466,137</u></u>	<u><u>4,666,989</u></u>

AFRICA PRUDENTIAL REGISTRARS PLC
STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2017

31 March 2017

	Other reserves N'000	Share premium N'000	Share capital N'000	Retained earnings N'000	Total equity N'000
At 1 January	(845,546)	624,446	1,000,000	3,771,874	4,550,774
Profit for the year	-	-	-	377,680	377,680
Other comprehensive income	-	-	-	-	-
Dividend paid (2016 Final)	-	-	-	(600,000)	(600,000)
At 31 March	(845,546)	624,446	1,000,000	3,549,554	4,328,454

31 December 2016

	Other reserves N'000	Share premium N'000	Share capital N'000	Retained earnings N'000	Total equity N'000
At 1 January	(662,179)	624,446	1,000,000	3,612,701	4,574,968
Profit for the year	-	-	-	1,019,173	1,019,173
Other comprehensive income	(183,367)	-	-	-	(183,367)
Dividend paid (2015 Final)	-	-	-	(860,000)	(860,000)
At 31 December	(845,546)	624,446	1,000,000	3,771,874	4,550,774

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2017

	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
1 Revenue			
Registrars Fees Income (note 1A)	214,751	145,188	994,394
Net investment income (note 1B)	426,795	252,273	1,424,109
Other income (note 1C)	6,028	3,222	29,214
	<u>647,574</u>	<u>400,683</u>	<u>2,447,717</u>

1A Registrars Fees Income

Fees and commission income comprises fixed periodic administration fees, transaction processing fees, fees for managing corporate actions, fees for professional and IT services and fees earned on the administration of client funds which is value added tax inclusive. Administration fees are recognised evenly over the service period. Transaction based fees are recognised at the time of processing the related transactions. Revenues from corporate actions are recognised in line with the stage of completion and fees in relation to administration of client funds are recognised as they accrue.

1B Net investment income

Net investment income includes investment income from held to maturity investments such as treasury bills, term deposits, commercial paper, bankers acceptance and bonds.

	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
Interest income			
Interest on term deposit	93,988	151,905	493,347
interest on treasury bills	265,521	20,403	629,237
interest on bonds	67,286	79,965	301,525
	<u>426,795</u>	<u>252,273</u>	<u>1,424,109</u>

1C Other income

This comprises of income earned from investment in available for sale financial assets, search fees, photocopies, and disposal of fixed assets

	Mar-17 N'000	Mar-17 N'000	Dec-16 N'000
Dividend Income earned on available for sale financial assets	-	-	14,340
Write back of provision no longer required	-	-	4,120
Others (aggregate of immaterial items)	6,028	3,222	10,754
	<u>6,028</u>	<u>3,222</u>	<u>29,214</u>

2 Impairment charges

Impairment loss/ (Write back) on trade receivables			5,956
Impairment loss on goodwill	25,000	-	141,504
Net impairment loss on trade receivables	<u>25,000</u>		<u>147,460</u>

3 Personnel expenses

Wages and salaries	55,042	49,154	214,232
Contributions to defined contribution plans	1,698	1,136	8,155
Medical expenses	1,467	1,889	10,881
Performance bonus	18,293	12,396	71,800
Other employee benefits	170	739	48,345
	<u>76,670</u>	<u>65,314</u>	<u>353,413</u>

4 Other operating expenses

Consultancy fees	33,667	30,595	141,989
AGM/EGM expenses	16,260	13,427	42,837
Asset written off	-	-	269
Directors fees and other emoluments	20,048	4,413	53,423
Audit fees	2,625	2,625	10,000
Training	1,220	460	4,249
Rent, rates and utilities	9,107	6,423	36,832
Repairs and maintenance	9,969	6,009	28,738
Donations	-	-	32,587
Corporate Social responsibility	7,501	8,147	
Advert and business promotion	3,121	3,823	14,849
Annual dues and subscription	792	2,006	7,178
Insurance	1,421	1,290	4,092
Bank charges	1,261	556	8,236
Internet and communication	9,223	5,921	25,374
Travel expenses	1,928	1,280	6,089
Legal and professional expenses	2,225	580	12,469
Other expenses	10,048	3,177	26,281
	<u>130,418</u>	<u>90,732</u>	<u>455,492</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2017

5	Cash and cash equivalents	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
	Cash in hand	140	70	70
	Current account with banks	889,125	478,615	564,029
	Short term deposits	2,284,244	6,987,452	4,102,890
		<u>3,173,509</u>	<u>7,466,137</u>	<u>4,666,989</u>

5A

Maturity profile of short term deposits	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
At call	499,970	116,234	1,222,723
0 - 30 days	-	-	-
30 - 60 days	1,169,274	3,265,575	2,235,167
60 - 90 days	615,000	3,605,643	645,000
	<u>2,284,244</u>	<u>6,987,452</u>	<u>4,102,890</u>

Cash and short term deposit in the statement of financial position comprise cash at bank and in hand and short term deposit with an original maturity of three months or less. The fair value of cash and cash equivalents equates their carrying amount.

6 Financial assets

6A Available for Sale	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
Quoted equity	169,851	89,756	119,497
Unquoted equities	2,996,659	3,209,767	2,996,659
	<u>3,166,510</u>	<u>3,299,523</u>	<u>3,116,156</u>

6B Held to maturity	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
Edo State Government Bond 2017	1,050,802	1,071,220	1,021,952
Bayelsa State Government Bond 2017	315,953	522,719	351,994
Local Contractor Bond 2016	1,075,847	1,132,076	1,047,393
Treasury Bills	6,117,326	-	5,715,455
	<u>8,559,928</u>	<u>2,726,015</u>	<u>8,136,794</u>

State Government Bonds of Edo and Bayelsa, Local contractor bonds and Treasury bills are held to maturity and accounted for at amortised cost.

7 Other Assets	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
Prepayments	163,907	76,738	43,319
Cash advance	5,527	1,155	1,422
Software development cost	61,885	37,281	52,019
Prepayments	<u>231,319</u>	<u>115,174</u>	<u>96,760</u>

8 Trade and other receivables	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
Trade debtors	223,502	238,050	226,133
Withholding tax receivable	84,590	31,262	66,397
Staff Loans	27,472	39,760	31,946
	335,564	309,072	324,476
Allowances for doubtful accounts (note 8A)	(10,705)	(23,159)	(10,705)
	<u>324,859</u>	<u>285,913</u>	<u>313,771</u>

Trade receivables are recognized and carried at original invoiced amount less an allowance for any uncollectable amount. An estimate of doubtful debt is made when collection of the full amount is no longer probable.

8A Reconciliation of impairment allowance	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
At 1 January	10,705	23,159	23,159
Bad debts written off	-	-	(18,410)
(Decrease)/Increase in allowance for the period	-	-	5,956
At 31 December	<u>10,705</u>	<u>23,159</u>	<u>10,705</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2017

9 Property, plant and equipment

	Building N'000	Computer equipment N'000	Motor vehicles N'000	Furniture fittings & equipments N'000	Total N'000
Cost					
Balance at 1 January 2017	97,892	89,310	70,478	139,318	396,998
Additions	(0)	1,462	0	1,962	3,424
Balance at 31 March 2017	<u>97,892</u>	<u>90,772</u>	<u>70,478</u>	<u>141,280</u>	<u>400,422</u>
Accumulated depreciation					
Balance as at 1 January 2017	9,661	63,673	46,330	75,065	194,729
Depreciation charge for the period	611	2,775	2,717	5,640	11,743
Elimination on disposal					-
Balance as at 31 March 2017	<u>10,272</u>	<u>66,448</u>	<u>49,047</u>	<u>80,705</u>	<u>206,472</u>
Carrying amount					
At 31 March 2017	<u>87,620</u>	<u>24,324</u>	<u>21,431</u>	<u>60,575</u>	<u>193,950</u>
At 31 December 2016	<u>88,231</u>	<u>25,637</u>	<u>24,148</u>	<u>64,253</u>	<u>202,269</u>

	2017 N'000	2016 N'000
10 Intangible asset		
Cost		
At 1 January	45,391	35,519
Additions during the period	<u>2,268</u>	<u>9,872</u>
At 31 March	<u>47,659</u>	<u>45,391</u>
Accumulated amortization		
At 1 January	28,149	23,985
Amortization during the period	<u>1,416</u>	<u>4,164</u>
At 31 March	<u>29,565</u>	<u>28,149</u>
Net carrying amount		
At 31 MARCH 2017	<u>18,094</u>	<u>17,242</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2017

	Mar-17	Mar-16	Dec-16
	N'000	N'000	N'000
11 Inventory			
Client stationery	<u>15,710</u>	<u>16,131</u>	<u>15,710</u>

12 Goodwill arising from business combination

Goodwill arising on the acquisition of UAC Registrars is carried at cost as established at the date of acquisition of the business (30 May, 2013) less accumulated impairment losses if any. In 2014, the company commenced the liquidation of the subsidiary to consolidate its operations. The liquidation process was concluded in October, 2015.

Goodwill on acquisition of the subsidiary is however still being carried in the books and tested for impairment annually as required by the standard. For the purpose of testing for impairment, goodwill was allocated to identifiable cash generating units on acquisition of the subsidiary and transferred to the company on liquidation. The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 20% per annum.

	Mar-17	Mar-16	Dec-16
	N'000	N'000	N'000
Carrying value of goodwill			
At 1 January	255,989	397,493	397,493
Impairment losses for the period	<u>(25,000)</u>	<u>-</u>	<u>(141,504)</u>
	<u>230,989</u>	<u>397,493</u>	<u>255,989</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2017

13 This represents dividend, return monies and other interests received from clients but yet to be claimed as follows:

	Mar-17	Mar-16	Dec-16
	N'000	N'000	N'000
Public offers	4,029	4,567	4,557
Return money- public offer	462,705	512,695	462,723
Brokerage: ordinary shares	178,659	175,975	178,658
Dividend: ordinary shares	10,238,840	8,365,689	11,057,423
Interest: debentures	29,942	29,942	31,189
Bond Interest	-	-	1
Redemption preference shares	3,002	3,002	3,002
Redemption debentures	6,392	6,392	5,144
	<u>10,923,569</u>	<u>9,098,262</u>	<u>11,742,697</u>

14 Creditors and accruals

Accounts payable	415,700	437,431	305,849
Accrued expenses	76,320	139,428	76,182
	<u>492,020</u>	<u>576,859</u>	<u>382,031</u>

15 Post-employment benefits

	Mar-17	Mar-16	Dec-16
	N'000	N'000	N'000
Defined contribution plan			
Provision for the period	1,698	1,136	8,155
Release to PFAs	<u>-1,698</u>	<u>-1,136</u>	<u>-8,155</u>
	<u>-</u>	<u>-</u>	<u>-</u>

The staff pension provision is a defined contribution scheme where the employees and the company each contributes a minimum of 18% of total emolument to the pension scheme as required by the Pension Reform Act 2014. The company's contribution to the scheme is charged to the statement of profit and loss and other comprehensive income.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2017

16 Income Taxes

Income tax expense for the period comprises current and deferred taxes

	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
16A Current income tax			
Income tax	23,107	40,162	133,678
Education tax	1,540	2,885	11,178
Under-provision in prior years	-	-	229,522
Prior period IT tax recovered	-	-	(105)
	<u>24,647</u>	<u>43,047</u>	<u>374,273</u>
Deferred tax charge		-	52,490
Income tax expense	<u>24,647</u>	<u>43,047</u>	<u>426,763</u>
16B Deferred Tax liability			
At 1 January	1,322	(51,168)	(51,168)
Charge to profit or loss	-	-	52,490
Deferred tax liability/(asset)	<u>1,322</u>	<u>(51,168)</u>	<u>1,322</u>
16C At 1 January	144,856	41,529	41,529
Charge for the period	24,647	43,047	374,273
Withholding Tax Credit Utilised During the period	-	-	(16,182)
Payment in the period	-	-	(254,764)
	<u>169,503</u>	<u>84,576</u>	<u>144,856</u>

16C Reconciliation of effective to statutory tax rate

	2017		2016	
	N'000	%	N'000	%
Profit before tax	402,327	100	1,445,936	100
Company income tax	23,107	6	133,678	9
IT tax	-	-	(105)	-
Education tax	1,540	-	11,178	1
Effective Tax Rate	<u>426,974</u>	<u>6</u>	<u>1,590,687</u>	<u>10</u>
Adjustments:				
Information technology tax			105	
Education tax	(1,540)	-	(11,178)	(1)
Effect of permanent differences	96,527	24	300,103	21
Statutory Tax Rate	<u>521,961</u>	<u>30</u>	<u>1,879,717</u>	<u>30</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2017

	Mar-17 N'000	Mar-16 N'000	Dec-16 N'000
17 Share capital:			
<i>Authorised:</i>			
Two billion ordinary shares of 50k each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<i>Issued and fully paid:</i>			
Two billion ordinary shares of 50k each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
17a Share premium			
At end of period	<u>624,446</u>	<u>624,446</u>	<u>624,446</u>
18 Retained Earnings			
At 1 January	3,771,874	3,612,701	3,612,701
Dividend paid (2015 final)	-	-	(860,000)
Dividend paid (2016 final)	(600,000)	-	-
Transfer from statement of profit or loss	<u>377,680</u>	<u>191,981</u>	<u>1,019,173</u>
	<u>3,549,554</u>	<u>3,804,682</u>	<u>3,771,874</u>
19 Other Reserves			
At 1 January	(845,546)	(662,179)	(662,179)
Fair value gains/(losses) on Quoted Equity	-	-	29,741
Fair value loss on Unquoted Equity	<u>-</u>	<u>-</u>	<u>(213,108)</u>
At end of period	<u>(845,546)</u>	<u>(662,179)</u>	<u>(845,546)</u>
Other reserves represent the cumulative gains and losses arising on revaluation of available for sale asset that have been recognized in other comprehensive income			
20 Basic earnings per ordinary share			
Profit attributable to shareholders (N'000)	377,680	191,981	1,019,173
Number of ordinary share in issue ('000)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Earnings per share (kobo)	<u>19</u>	<u>10</u>	<u>51</u>

Basic Earnings Per Share is calculated by dividing the profit or loss attributable to ordinary shares of the company by the weighted average number of ordinary shares outstanding during the period.

There have been no transactions between the reporting date and the date of completion of these financial statements which will require restatement of the earnings per share calculation