

AFRICA PRUDENTIAL REGISTRARS PLC
FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2016

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AFRICA PRUDENTIAL REGISTRARS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2016

	Note	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
Registrars fee income	1A	145,188	170,067	919,579
Net investment income	1B	<u>252,274</u>	<u>387,821</u>	<u>1,623,703</u>
		397,463	557,888	2,543,282
Other income	1C	3,222	4,887	32,334
Impairment loss on financial assets	2	-	-	(52,869)
Personnel expenses	3	(63,671)	(66,960)	(324,231)
Other operating expenses	4	(92,373)	(89,607)	(532,321)
Depreciation and amortization	9&10	<u>(9,609)</u>	<u>(8,329)</u>	<u>(36,834)</u>
Profit before tax		235,031	397,879	1,629,361
Income tax expense	16	<u>(43,047)</u>	<u>(24,675)</u>	<u>(181,424)</u>
Profit for the period		<u>191,984</u>	<u>373,204</u>	<u>1,447,937</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	-	-	(24,430)
Fair value loss on unquoted equity				<u>(334,621)</u>
Total comprehensive income for the period		<u>191,984</u>	<u>373,204</u>	<u>1,088,886</u>
Basic earnings per share	20	<u>10</u>	<u>19</u>	<u>72</u>


The notes on pages 1 to 20 form part of these financial statements.

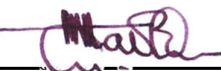
AFRICA PRUDENTIAL REGISTRARS PLC


STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
Assets				
Cash and cash equivalents	5	7,466,137	4,231,435	8,182,146
Financial assets (Available For Sale)	6A	3,299,523	3,658,574	3,299,523
Financial assets (held to maturity)	6B	2,726,015	10,098,320	5,325,647
Trade and other receivables	8	285,913	294,590	173,512
Inventory	11	16,131	33,733	16,131
Other assets	7	115,174	60,802	77,946
Property, plant and equipment	9	157,969	160,341	157,001
Intangible asset	10	11,123	13,352	11,534
Goodwill	12	397,493	468,000	397,493
Deferred tax	16B	51,168	56,853	51,168
Total assets		14,526,646	19,076,000	17,692,101
Liabilities				
Customers' deposits	13	9,098,259	13,478,491	12,541,134
Creditors and accruals	14	576,859	410,312	534,470
Taxation	16	84,576	287,911	41,529
Total liabilities		9,759,694	14,176,714	13,117,133
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	3,804,685	3,577,968	3,612,701
Other reserves	19	(662,179)	(303,128)	(662,179)
Total equity		4,766,952	4,899,286	4,574,968
Total equity and liabilities		14,526,646	19,076,000	17,692,101

The financial statements were approved by the Board of Directors on 2016 and signed on its behalf by:


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


Peter Asnade } **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 2016

	Notes	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
Cash flows from operating activities				
Profit after tax		191,984	373,204	1,447,937
Adjustments to reconcile net cash provided:				
Depreciation and amortization	9&10	9,609	8,329	36,834
Impairment loss on financial asset	2	-	-	52,869
Income tax expense	16	43,047	24,675	181,424
Assets written off		-	-	26,521
		<u>244,640</u>	<u>406,208</u>	<u>1,745,585</u>
Changes in assets and liabilities:				
(Increase)/decrease in inventory		-	(11,510)	(10,453)
(Increase)/decrease other assets		(37,228)	(62,074)	(31,234)
(Increase)/decrease in debtors		(112,401)	(129,566)	(1,393)
Increase/(decrease) in Customer deposits		(3,442,875)	(259,707)	(1,206,403)
Increase/(decrease) in creditors and accruals		42,389	39,739	163,898
Net cash from/(used in)operations		<u>(3,305,475)</u>	<u>(16,910)</u>	<u>660,000</u>
Tax paid	15B	-	-	(397,447)
Net cash (used in)/generated from operating activities		<u>(3,305,475)</u>	<u>(16,910)</u>	<u>262,553</u>
Cash flows from investing activities				
Purchase of property, plant & equipment	9	(9,615)	(25,071)	(45,631)
Disposal/ (acquisition) of financial assets		2,599,632	(1,734,125)	2,996,782
Software development project			(1,787)	-
Acquisition of intangible asset	10	(551)	(421)	(1,307)
Net cash used in investing activities		<u>2,589,466</u>	<u>(1,761,404)</u>	<u>2,949,844</u>
Cash flow from financing activities				
Dividend paid (final & interim)		-	-	(1,040,000)
Net cash flow (used in)/from financing activities		<u>-</u>	<u>-</u>	<u>(1,040,000)</u>
Net increase/(decrease) in cash and cash equivalents		(716,009)	(1,778,314)	2,172,397
Cash and cash equivalents at 1 January		<u>8,182,146</u>	<u>6,009,749</u>	<u>6,009,749</u>
Cash and cash equivalents	5	<u><u>7,466,137</u></u>	<u><u>4,231,435</u></u>	<u><u>8,182,146</u></u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2016

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
1 Revenue			
Registrars Fees Income (note 1A)	145,188	170,067	919,579
Net investment income (note 1B)	252,274	387,821	1,623,703
Other income (note 1C)	3,222	4,887	32,334
	<u>400,684</u>	<u>562,775</u>	<u>2,575,616</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. Periodic 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-16 N'000	Mar-15 N'000	Dec-15 N'000
Interest income			
Interest on term deposit	151,905	64,716	526,910
interest on treasury bills	20,404	244,884	778,775
interest on bonds	79,965	78,221	318,018
	<u>252,274</u>	<u>387,821</u>	<u>1,623,703</u>

1C Other income

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

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
Dividend Income earned on available for sale financial assets	-	-	7,170
Write back of provision no longer required	-	-	-
Others (aggregate of immaterial items)	3,222	4,887	25,164
	<u>3,222</u>	<u>4,887</u>	<u>32,334</u>

2 Impairment charges

(Write back)/Impairment loss on trade receivables			(17,638)
Impairment loss on goodwill	-	-	70,507
Net impairment loss on trade receivables	<u>-</u>	<u>-</u>	<u>52,869</u>

3 Personnel expenses

Wages and salaries	47,511	44,470	208,202
Contributions to defined contribution plans	1,136	1,751	7,434
Medical expenses	1,889	1,331	6,854
Performance bonus	12,396	19,408	96,424
Other employee benefits	739	-	5,317
	<u>63,671</u>	<u>66,960</u>	<u>324,231</u>

4 Other operating expenses

Consultancy fees	30,595	26,753	124,090
AGM/EGM expenses	13,426	18,750	42,569
Asset written off	-	-	26,521
Directors fees and other emoluments	4,413	8,146	64,310
Audit fees	2,625	-	10,000
Training	460	3,060	8,548
Premises and equipment costs	11,859	8,455	39,127
Corporate Social responsibility	8,146	7,817	5,125
Advert and business promotion	3,823	1,948	7,395
Internet and communication	7,018	5,303	22,305
Travel expenses	1,280	2,959	15,711
Legal and professional expenses	580	36	5,505
Fund management expense	-	-	79,330
General administrative expenses	8,148	6,380	81,785
	<u>92,373</u>	<u>89,607</u>	<u>532,321</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2016

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
5 Cash and cash equivalents			
Cash in hand	70	70	6
Current account with banks	478,615	839,674	1,407,933
Short term deposits	6,987,452	3,391,691	6,774,207
	<u>7,466,137</u>	<u>4,231,435</u>	<u>8,182,146</u>

5A

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
Maturity profile of short term deposits			
At call	116,234	630,029	3,188,708
0 - 30 days	-	207,596	-
30 - 60 days	3,265,575	1,894,453	2,949,078
60 - 90 days	3,605,643	659,613	636,421
	<u>6,987,452</u>	<u>3,391,691</u>	<u>6,774,207</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

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
6A Available for Sale			
Quoted equity	89,756	114,186	89,756
Unquoted equities	3,209,767	3,544,388	3,209,767
	<u>3,299,523</u>	<u>3,658,574</u>	<u>3,299,523</u>

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
6B Held to maturity			
Edo State Government Bond 2017	1,071,220	1,089,168	1,041,243
Bayelsa State Government Bond 2017	522,719	830,198	509,750
Local Contractor Bond 2016	1,132,076	1,084,581	1,095,057
Treasury Bills	-	7,094,373	2,679,597
	<u>2,726,015</u>	<u>10,098,320</u>	<u>5,325,647</u>

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

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
7 Other Assets			
Prepayments	76,738	59,326	46,651
Cash advance	1,155	1,476	270
Software development cost	37,281	-	31,025
Prepayments	<u>115,174</u>	<u>60,802</u>	<u>77,946</u>

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
8 Trade and other receivables			
Trade debtors	238,050	294,012	126,440
Withholding tax receivable	31,262	42,396	24,813
Staff Loans	39,760	44,825	45,418
	309,072	381,233	196,671
Allowances for doubtful accounts (note 8A)	(23,159)	(86,643)	(23,159)
	<u>285,913</u>	<u>294,590</u>	<u>173,512</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.

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
8A Reconciliation of impairment allowance			
At 1 January	23,159	86,643	86,643
Bad debts written off	-	-	(45,846)
(Decrease)/Increase in allowance for the period	-	-	(17,638)
At 31 December	<u>23,159</u>	<u>86,643</u>	<u>23,159</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2016

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 2016	87,034	76,258	53,351	95,974	312,617
Additions	362	2,865	4,867	1,521	9,615
Balance at 31 March 2016	<u>87,396</u>	<u>79,123</u>	<u>58,218</u>	<u>97,495</u>	<u>322,232</u>
Accumulated depreciation					
Balance as at 1 January 2016	7,439	52,826	36,567	58,784	155,616
Depreciation charge for the period	546	2,429	2,128	3,544	8,647
Elimination on disposal					-
Balance as at 31 March 2016	<u>7,985</u>	<u>55,255</u>	<u>38,695</u>	<u>62,328</u>	<u>164,263</u>
Carrying amount					
At 31 March 2016	<u>79,411</u>	<u>23,868</u>	<u>19,523</u>	<u>35,168</u>	<u>157,969</u>
At 31 December 2015	<u>79,595</u>	<u>23,432</u>	<u>16,784</u>	<u>37,190</u>	<u>157,001</u>

	2016 N'000	2015 N'000
10 Intangible asset		
Cost		
At 1 January	35,519	34,212
Additions during the period	551	1,307
At 31 March	<u>36,070</u>	<u>35,519</u>
Accumulated amortization		
At 1 January	23,985	20,406
Amortization during the period	962	3,579
At 31 March	<u>24,947</u>	<u>23,985</u>
Net carrying amount		
At 31 March 2016	<u>11,123</u>	<u>11,534</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2016

	Mar-16	Mar-15	Dec-15
	N'000	N'000	N'000
11 Inventory			
Client stationery	16,131	33,733	16,131
Computer consumables/obsolete stock (written off)/back	-	-	-
	<u>16,131</u>	<u>33,733</u>	<u>16,131</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 lossess 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. The recoverable amount was determined to be lower than the value in use, leading to an impairment charge of N70.5 million for the 2015

	Mar-16	Mar-15	Dec-15
	N'000	N'000	N'000
Carrying value of goodwill			
At 1 January	397,493	468,000	468,000
Accumulated impairment lossess			(70,507)
	<u>397,493</u>	<u>468,000</u>	<u>397,493</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2016

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

	Mar-16	Mar-15	Dec-15
	N'000	N'000	N'000
Public offers	4,567	3,558	1,730
Return money- public offer	512,695	544,174	516,516
Money return-debentures	-	293	293
Brokerage: ordinary shares	175,975	178,178	187,736
Dividend: ordinary shares	8,365,686	12,691,337	11,782,757
Interest: debentures	29,942	31,915	32,871
Realisation: ordinary shares	-	21	21
Bond Interest	-	9,603	1,466
Redemption preference shares	3,002	3,396	3,396
Redemption debentures	6,392	16,016	14,348
	<u>9,098,259</u>	<u>13,478,491</u>	<u>12,541,134</u>

14 **Creditors and accruals**

Accounts payable	437,431	188,095	437,442
Accrued expenses	139,428	222,217	97,028
	<u>576,859</u>	<u>410,312</u>	<u>534,470</u>

15 **Post-employment benefits**

Defined contribution plan	Mar-16	Mar-15	Dec-15
	N'000	N'000	N'000
Provision for the period	1,136	1,751	7,434
Release to PFAs	(1,136)	(1,751)	(7,434)
	<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 2016

16 Income Taxes

Income tax expense for the period comprises current and deferred taxes

	Mar-16 N'000	Mar-15 N'000	Dec-15 N'000
16A Current income tax			
Income tax	40,162	22,432	164,062
Education tax	2,885	1,495	11,867
IT tax	-	748	-
	<u>43,047</u>	<u>24,675</u>	<u>175,929</u>
Deferred tax charge		-	5,495
Income tax expense	<u>43,047</u>	<u>24,675</u>	<u>181,424</u>
16B Deferred Tax asset			
At 1 January	(51,168)	(56,853)	(56,853)
Used up by UAC Registrars	-	-	190
charge/ (write back) to profit or loss			5,495
	<u>(51,168)</u>	<u>(56,853)</u>	<u>(51,168)</u>
Total income tax expense recognised in the current period relating to continuing operations	<u>43,047</u>	<u>(32,178)</u>	<u>181,424</u>
At 1 January	41,529	263,236	263,236
Charge for the period	43,047	24,675	175,929
Withholding Tax Credit Utilised During the period	-	-	(57,539)
Payment in the period			(238,097)
Tax paid on interim dividend	-	-	(102,000)
	<u>84,576</u>	<u>287,911</u>	<u>41,529</u>

16C Reconciliation of effective to statutory tax rate

	2016		2015	
	N'000	%	N'000	%
Profit before tax	235,031	100	1,629,361	100
Company income tax	40,162	17	164,062	10
IT tax	-	-	-	-
Education tax	2,885	1	11,867	1
Effective Tax Rate	<u>278,078</u>	<u>18</u>	<u>1,805,290</u>	<u>11</u>
Adjustments:				
Education tax	(2,885)	-1	(11,867)	-1
Information technology tax			-	
Effect of permanent differences	37,696	13	371,580	20
Statutory Tax Rate	<u>312,889</u>	<u>30</u>	<u>2,165,003</u>	<u>30</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2016

	Mar-16 N'000	Mar-15 N'000	Dec-15 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 1 January & 31 December	<u>624,446</u>	<u>624,446</u>	<u>624,446</u>
18 Retained Earnings			
At 1 January	3,612,701	3,204,764	3,204,764
Arising on acquisition of subsidiary	-	-	(700,000)
Dividend paid during the period	-	-	(340,000)
Transfer from statement of profit or loss	191,984	373,204	1,447,937
	<u>3,804,685</u>	<u>3,577,968</u>	<u>3,612,701</u>
19 Other Reserves			
At 1 January	(662,179)	(303,128)	(303,128)
Fair value gains/(losses) on Quoted Equity	-	-	(24,430)
Fair value loss on Unquoted Equity	-	-	(334,621)
At end of period	<u>(662,179)</u>	<u>(303,128)</u>	<u>(662,179)</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)	191,984	373,204	1,447,937
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>10</u>	<u>19</u>	<u>72</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