



**AFRICA PRUDENTIAL PLC
FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPT 2017**

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AFRICA PRUDENTIAL PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPT 2017

	Note	3 Months Ended Sep-17 N'000	9 months Ended Sep-17 N'000	3 Months Ended Sep-16 N'000	9 months Ended Sep-16 N'000	Year Ended Dec-16 N'000
Registrars fee income	1A	195,593	659,860	213,470	626,274	994,394
Net investment income	1B	607,922	1,611,161	366,333	902,074	1,424,109
		803,515	2,271,021	579,803	1,528,348	2,418,503
Other income	1C	11,548	35,433	8,055	21,186	29,214
Impairment loss on goodwill	2	(37,500)	(100,000)	(50,745)	(50,745)	(147,460)
Personnel expenses	3	(102,294)	(292,984)	(84,983)	(225,305)	(353,413)
Other operating expenses	4	(157,015)	(424,667)	(120,415)	(315,829)	(455,492)
Depreciation and amortization	10	(16,320)	(36,079)	(12,004)	(32,457)	(45,416)
Profit before tax		501,934	1,452,724	319,711	925,198	1,445,936
Income tax expense	16	(57,595)	(144,100)	(28,683)	(102,657)	(426,763)
Profit for the period		444,339	1,308,624	291,028	822,541	1,019,173
Other Comprehensive Income, net of income tax						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
			-			-
			-			-
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Fair value loss on quoted equity	19	(3,517)	112,054	-	-	29,741
Fair value loss on unquoted equity			-		-	(213,108)
Total comprehensive income for the period		440,822	1,420,678	291,028	822,541	835,806
Basic earnings per share	20	22	65	15	41	51

The notes on pages 1 to 10 form part of these financial statements.

AFRICA PRUDENTIAL PLC

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPT 2017

	Note	Sep-17 N'000	Dec-16 N'000
Assets			
Cash and cash equivalents	5	4,047,392	4,666,989
Financial assets (Available For Sale)	6a	3,278,564	3,116,156
Financial assets (held to maturity)	6b	8,815,463	8,136,794
Trade and other receivables	7	202,486	313,771
Inventory	8	16,578	15,710
Other assets	9	140,586	96,760
Property, plant and equipment	10	188,659	202,269
Intangible asset	11	75,557	17,242
Goodwill	12	155,989	255,989
Deferred tax	16b	-	-
Total assets		16,921,274	16,821,680
Liabilities			
Customers' deposits	13	10,186,894	11,742,697
Creditors and accruals	14	1,251,583	382,031
Taxation	16c	110,023	144,856
Deferred tax liabilities	16	1,322	1,322
Total liabilities		11,549,822	12,270,906
Shareholders' equity			
Share capital	17	1,000,000	1,000,000
Share premium	17a	624,446	624,446
Retained earnings	18	4,480,498	3,771,874
Other reserves	19	(733,492)	(845,546)
Total equity		5,371,452	4,550,774
Total equity and liabilities		16,921,274	16,821,680

The financial statements were approved by the Board of Directors on October 19, 2017 and signed on its behalf by:



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



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



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

AFRICA PRUDENTIAL PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPT 2017

	Notes	Sep-17 N'000	Dec-16 N'000
Cash flows from operating activities			
Profit after tax		1,308,624	1,019,173
Adjustments to reconcile net cash provided:			
Depreciation	10	30,586	41,252
Amortization	11	5,494	4,164
Impairment loss on goodwill	2	100,000	147,460
Income tax expense	16	144,100	426,763
Withholding tax credit utilized	16c	(40,438)	(16,182)
Assets written off		-	2,291
		<u>1,548,366</u>	<u>1,624,921</u>
Changes in assets and liabilities:			
(Increase)/decrease in inventory		(868)	421
(Increase)/decrease other assets		(43,826)	(18,814)
(Increase)/decrease in trade and other receivables		111,285	(127,805)
Increase/(decrease) in Customer deposits		(1,443,749)	(798,438)
Increase/(decrease) in creditors and accruals		<u>869,552</u>	<u>(170,848)</u>
Net cash from/(used in)operations		1,040,760	509,437
Tax paid	16c	<u>(138,495)</u>	<u>(254,764)</u>
Net cash (used in)/generated from operating activities		<u>902,265</u>	<u>254,673</u>
Cash flows from investing activities			
Purchase of property, plant & equipment	10	(16,976)	(88,811)
Acquisition of financial assets		(841,077)	(2,811,147)
Acquisition of intangible asset	11	<u>(63,809)</u>	<u>(9,872)</u>
Net cash used in investing activities		<u>(921,862)</u>	<u>(2,909,830)</u>
Cash flow from financing activities			
Dividend paid	18	<u>(600,000)</u>	<u>(860,000)</u>
Net cash flow (used in)/from financing activities		<u>(600,000)</u>	<u>(860,000)</u>
Net increase/(decrease) in cash and cash equivalents		(619,597)	(3,515,157)
Cash and cash equivalents at 1 January		<u>4,666,989</u>	<u>8,182,146</u>
Cash and cash equivalents	5	<u>4,047,392</u>	<u>4,666,989</u>

AFRICA PRUDENTIAL PLC
STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPT 2017

	Other Reserves N'000	Share Premium N'000	Share capital N'000	Retained earnings N'000	Total equity N'000
Balance as at 1st January 2017	(845,546)	624,446	1,000,000	3,771,874	4,550,774
Profit for the period	-	-	-	1,308,624	1,308,624
Other comprehensive income for the period, net of income tax	112,054	-	-	-	112,054
Dividend paid (2016 Final)	-	-	-	(600,000)	(600,000)
Balance, as at 30 Sept 2017	(733,492)	624,446	1,000,000	4,480,498	5,371,452

	Other Reserves N'000	Share Premium N'000	Share capital N'000	Retained earnings N'000	Total equity N'000
Balance as at 1 January 2016	(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 for the year	(183,367)	-	-	-	(183,367)
Dividend paid (2015 Final)	-	-	-	(860,000)	(860,000)
Balance as at 31 December 2016	(845,546)	624,446	1,000,000	3,771,874	4,550,774

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPT 2017

	3 Months Ended Sep-17 N'000	9 months Ended Sep-17 N'000	3 Months Ended Sep-16 N'000	9 months Ended Sep-16 N'000	Year Ended Dec-16 N'000
1 Revenue					
Registrars Fees Income (note 1A)	195,593	659,860	213,470	626,274	994,394
Net investment income (note 1B)	607,922	1,611,161	366,333	902,074	1,424,109
Other income (note 1C)	11,548	35,433	8,055	21,186	29,214
	815,063	2,306,454	587,858	1,549,534	2,447,717
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.					
	3 Months Ended Sep-17 N'000	9 months Ended Sep-17 N'000	3 Months Ended Sep-16 N'000	9 months Ended Sep-16 N'000	Year Ended Dec-16 N'000
Interest income					
Interest on term deposit	215,611	435,563	136,259	420,679	493,347
interest on treasury bills	354,714	1,023,637	170,821	261,810	629,237
interest on bonds	37,597	151,961	59,253	219,585	301,525
	607,922	1,611,161	366,333	902,074	1,424,109
1C Other income					
This comprises of income earned from investment in available for sale financial assets, search fees, photocopies, and disposal of fixed assets					
	3 Months Ended Sep-17 N'000	9 months Ended Sep-17 N'000	3 Months Ended Sep-16 N'000	9 months Ended Sep-16 N'000	Year Ended Dec-16 N'000
Dividend Income earned on available for sale financial assets	4,780	18,816	4,717	14,277	14,340
Write back of provision no longer required	-	-	-	-	4,120
Others (aggregate of immaterial items)	6,768	16,617	3,338	6,909	10,754
	11,548	35,433	8,055	21,186	29,214
2 Impairment charges					
Impairment loss/ (Write back) on trade receivables					5,956
Impairment loss on goodwill	37,500	100,000	50,745	50,745	141,504
Net impairment loss on trade receivables	37,500	100,000	50,745	50,745	147,460
3 Personnel expenses					
Wages and salaries	63,849	175,291	66,917	173,094	214,232
Contributions to defined contribution plans	3,011	6,345	1,909	4,768	8,155
Medical expenses	5,010	8,848	2,851	7,616	10,881
Performance bonus	28,690	100,591	13,306	38,291	71,800
Other employee benefits	1,734	1,909	-	1,536	48,345
	102,294	292,984	84,983	225,305	353,413
4 Other operating expenses					
Consultancy fees	33,287	104,472	37,664	96,091	141,989
AGM/EGM expenses	21,416	53,945	10,853	33,906	42,837
Asset written off	-	-	-	-	269
Directors fees and other emoluments	16,897	39,453	11,491	29,455	53,423
Audit fees	2,625	7,875	2,625	7,875	10,000
Training	796	3,921	2,861	3,804	4,249
Rent, rates and utilities	8,043	25,610	7,059	23,395	36,832
Repairs and maintenance	6,731	25,227	6,360	19,450	28,738
Donations	-	-	-	-	32,587
Corporate Social responsibility	9,989	28,919	5,874	27,566	
Advert and business promotion	-	17,289	4,179	9,819	14,849
Annual dues and subscription	6,663	11,722	2,340	6,493	7,178
Insurance	1,060	3,322	1,072	3,309	4,092
Bank charges	2,406	6,530	4,881	6,604	8,236
Internet and communication	10,890	30,209	8,743	25,218	25,374
Travel expenses	1,241	8,012	852	4,248	6,089
Legal and professional expenses	2,048	5,531	5,990	7,037	12,469
Other expenses	32,923	52,630	7,571	11,559	26,281
	157,015	424,667	120,415	315,829	455,492

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPT 2017

5 Cash and cash equivalents	Sep-17 N'000	Dec-16 N'000
Cash in hand	140	70
Current account with banks	396,245	564,029
Short term deposits	3,651,007	4,102,890
	<u>4,047,392</u>	<u>4,666,989</u>

5A	Sep-17 N'000	Dec-16 N'000
Maturity profile of short term deposits		
At call	23,702	1,222,723
0 - 30 days	94,828	-
30 - 60 days	2,917,477	2,235,167
60 - 90 days	615,000	645,000
	<u>3,651,007</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	Sep-17 N'000	Dec-16 N'000
6a Available for Sale		
Quoted equity	281,905	119,497
Unquoted equities	2,996,659	2,996,659
	<u>3,278,564</u>	<u>3,116,156</u>

6b Held to maturity	Sep-17 N'000	Dec-16 N'000
Edo State Government Bond 2017	1,039,979	1,021,952
Bayelsa State Government Bond 2017	260,742	351,994
Local Contractor Bond 2016	-	1,047,393
Treasury Bills	7,514,742	5,715,455
	<u>8,815,463</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 Trade and other receivables	Sep-17 N'000	Dec-16 N'000
Trade debtors	111,259	226,133
Withholding tax receivable	84,629	66,397
Staff Loans & advances	17,303	31,946
	213,191	324,476
Allowances for doubtful accounts (note 8A)	(10,705)	(10,705)
	<u>202,486</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.

7a Reconciliation of impairment allowance	Sep-17 N'000	Dec-16 N'000
At 1 January	10,705	23,159
Bad debts written off	-	(18,410)
(Decrease)/Increase in allowance for the period	-	5,956
At period end	<u>10,705</u>	<u>10,705</u>

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPT 2017

	Sep-17 N'000	Dec-16 N'000
8 Inventory		
Client stationery	<u>16,578</u>	<u>15,710</u>
9 Other Assets	N'000	N'000
Prepayments	139,859	43,319
Cash advance	727	1,422
Software development cost	-	52,019
Prepayments	<u>140,586</u>	<u>96,760</u>

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPT 2017

10 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	-	5,560	-	11,416	16,976
Balance as at 30 September 2017	<u>97,892</u>	<u>94,870</u>	<u>70,478</u>	<u>150,734</u>	<u>413,974</u>
Accumulated depreciation					
Balance as at 1 January 2017	9,661	63,673	46,330	75,065	194,729
Depreciation charge for the period	1,836	7,994	6,205	14,551	30,586
Balance as at 30 September 2017	<u>11,497</u>	<u>71,667</u>	<u>52,535</u>	<u>89,616</u>	<u>225,315</u>
Carrying amount					
Balance as at 30 September 2017	<u>86,395</u>	<u>23,203</u>	<u>17,943</u>	<u>61,118</u>	<u>188,659</u>
Balance as 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
11 Intangible asset		
Cost		
Balance at 1 January 2017	45,391	35,519
Additions during the period	63,809	9,872
Balance for the period	<u>109,200</u>	<u>45,391</u>
Accumulated amortization		
At 1 January	28,149	23,985
Amortization during the period	5,494	4,164
Balance for the period	<u>33,643</u>	<u>28,149</u>
Net carrying amount		
Balance for the period	<u>75,557</u>	<u>17,242</u>

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPT 2017

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.

Carrying value of goodwill	Sep-17 N'000	Dec-16 N'000
At 1 January	255,989	397,493
Impairment losses for the period	<u>(100,000)</u>	<u>(141,504)</u>
	<u>155,989</u>	<u>255,989</u>

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPT 2017

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

	Sep-17	Dec-16
	N'000	N'000
Public offers	3,906	4,557
Dividend-Ordinary shares	<u>10,182,988</u>	<u>11,738,140</u>
	<u>10,186,894</u>	<u>11,742,697</u>

14 Creditors and accruals

Accounts payable	1,204,079	305,849
Accrued expenses	<u>47,504</u>	<u>76,182</u>
	<u>1,251,583</u>	<u>382,031</u>

15 Post-employment benefits

	Sep-17	Dec-16
	N'000	N'000
Defined contribution plan		
Provision for the period	6,345	8,155
Release to PFAs	<u>-6,345</u>	<u>-8,155</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.

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPT 2017

16 Income Taxes

Income tax expense for the period comprises current and deferred taxes

	Sep-17 N'000	Sep-16 N'000	Dec-16 N'000
16a Current income tax			
Income tax	83,138	96,241	133,678
Education tax	5,543	6,416	11,178
IT tax recovered			(105)
Under-provision in prior years	55,419	-	229,522
	144,100	102,657	374,273
Deferred tax charge		-	52,490
Income tax expense	144,100	102,657	426,763
16b Deferred Tax liability			
At 1 January	1,322	(51,168)	(51,168)
Charge to profit or loss	-	-	52,490
Deferred tax liability/(asset)	1,322	(51,168)	1,322
16c At 1 January	144,856	41,529	41,529
Charge for the period	144,100	102,657	374,273
Withholding Tax Credit Utilised During the period	(40,438)	(41,528)	(16,182)
Payment in the period	(138,495)	-	(254,764)
	110,023	102,658	144,856

16d Reconciliation of effective to statutory tax rate

	2017		2016	
	N'000	%	N'000	%
Profit before tax	1,452,724	100	1,445,936	100
IT tax recovered			(105)	-
Company income tax	83,138	6	133,678	9
Education tax	5,543	0	11,178	1
Under-provision in prior year	55,419	4	-	
Effective Tax Rate	1,596,824	10	1,590,687	10
Adjustments:				
Information technology tax	-		105	
Education tax	(5,543)	0	(11,178)	-1
Effect of permanent differences	297,260	20	300,103	21
Statutory Tax Rate	1,888,541	30	1,879,717	30

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPT 2017

	Sep-17 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>
<i>Issued and fully paid:</i>		
Two billion ordinary shares of 50k each	<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>
18 Retained Earnings		
At 1 January	3,771,874	3,612,701
Dividend paid (2015 final)	-	(860,000)
Dividend paid (2016 final)	(600,000)	-
Transfer from statement of profit or loss	<u>1,308,624</u>	<u>1,019,173</u>
	<u>4,480,498</u>	<u>3,771,874</u>
19 Other Reserves		
At 1 January	(845,546)	(662,179)
Fair value gains/(losses) on Quoted Equity	112,054	29,741
Fair value (losses)/gains on Unquoted Equity	<u>(213,108)</u>	<u>(213,108)</u>
At end of period	<u>(733,492)</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)	1,308,624	1,019,173
Number of ordinary share in issue ('000)	<u>2,000,000</u>	<u>2,000,000</u>
Earnings per share (kobo)	<u>65</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