



**AFRICA PRUDENTIAL PLC
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2018**

Contents	Page
Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of cash flows	5
Statement of changes in equity	6
Notes to the financial statement	7

AFRICA PRUDENTIAL PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME PERIOD ENDED 31 MARCH 2018

	Note	31-Mar-18 N'000	Company 31-Mar-17 N'000	31-Dec-17 N'000
Registrars fee income	1	223,550	214,751	935,434
Net investment income	1b	734,254	426,795	2,380,382
Gross earnings		957,803	641,546	3,315,816
Other income	2	47,972	6,028	49,196
Impairment loss on goodwill	3	(24,700)	(25,000)	(157,296)
Personnel expenses	4	(112,443)	(76,670)	(327,144)
Other operating expenses	5	(122,144)	(130,418)	(630,849)
Depreciation and amortization	12&13	(18,567)	(13,159)	(52,126)
Finance charges	6	(186,245)	-	(130,703)
Profit before tax		541,676	402,327	2,066,894
Income tax expense	18a	(80,778)	(24,647)	(352,116)
Profit after tax		460,898	377,680	1,714,778
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	23	43,455		169,335
Fair value gain/(loss) on unquoted equity	23	-		1,104,598
Other comprehensive income, net of income tax		43,455		1,273,933
Total comprehensive income		504,352	377,680	2,988,711
Basic earnings per share (kobo)	24	23	19	86

AFRICA PRUDENTIAL PLC

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2018

	Note	Company	
		31-Mar-18 N'000	31-Dec-17 N'000
Assets			
Cash and cash equivalents	7	10,596,880	9,192,490
Financial assets (Available For Sale)	8a	4,483,898	4,440,443
Financial assets (held to maturity)	8b	6,515,882	7,554,522
Trade and other receivables	9	258,564	257,107
Inventory	10	16,578	16,578
Other assets	11	391,281	72,070
Property, plant and equipment	12	238,018	223,683
Intangible asset	13	81,390	77,921
Goodwill	14	73,993	98,693
		22,656,484	21,933,507
Liabilities			
Customers' deposits	15	10,355,188	10,792,264
Creditors and accruals	16	238,067	330,913
Taxation	18c	287,460	224,407
Deferred tax liability	18b	34,110	34,110
		10,914,825	11,381,694
Current liabilities			
Loan	19	5,097,821	3,612,328
		16,012,646	14,994,022
Shareholders' equity			
Share capital	20	1,000,000	1,000,000
Share premium	21	624,446	624,446
Retained earnings	22	4,547,550	4,886,652
Other reserves	23	471,842	428,387
		6,643,838	6,939,485
Total equity and liabilities			
		22,656,484	21,933,507

The financial statements were approved by the Board of Directors on 18th April 2018 and signed on its behalf by:



Chief (Mrs) Eniola Fadayomi FIOD MFR
Chairman
FRC/2013/IODN/00000002718



Peter Ashade
Managing Director
FRC/2013/ICAN/00000002719



Olufemi Adenuga
FRC/2013/ICAN/00000002720

AFRICA PRUDENTIAL PLC

STATEMENT OF CASH FLOWS FOR PERIOD ENDED

	Note	Company	
		31-Mar-18 N'000	31-Dec-17 N'000
Cash flows from operating activities			
Profit after tax		460,898	1,714,778
Adjustments to reconcile net cash provided:			
Depreciation	12	12,966	42,143
Amortization	13	5,601	9,983
Impairment loss on Goodwill	3	24,700	157,296
Income tax expense	18	80,778	352,116
Withholding tax credit utilized	18c	-	(40,438)
		<u>584,943</u>	<u>2,235,878</u>
Changes in assets and liabilities:			
(Increase)/decrease in inventory		-	(868)
(Increase)/decrease in other assets		(319,212)	24,689
(Increase)/decrease in trade and other receivables		(1,457)	56,663
Decrease in customer deposits		(437,076)	(950,432)
Increase/(Decrease) in creditors and accruals		1,392,646	3,561,210
Net cash from operations		<u>1,219,844</u>	<u>4,927,140</u>
Tax paid	18c	(17,725)	(199,339)
Net cash (used in)/ generated from operating activities		<u>1,202,119</u>	<u>4,727,801</u>
Cash flows from investing activities			
Purchase of property, plant & equipment	12	(27,300)	(63,557)
Acquisition of financial assets		-	(1,694,035)
Disposal of financial assets		1,038,641	2,225,953
Acquisition of intangible asset	13	(9,070)	(70,662)
Net cash from/ (used in) investing activities		<u>1,002,271</u>	<u>397,699</u>
Cash flow from financing activities			
Dividend paid (final)	22	(800,000)	(600,000)
Net cash flow used in financing activities		<u>(800,000)</u>	<u>(600,000)</u>
Net increase/(decrease) in cash and cash equivalents		1,404,390	4,525,501
Cash and cash equivalents at 1 January		<u>9,192,490</u>	<u>4,666,989</u>
Cash and cash equivalents for the period	7	<u>10,596,880</u>	<u>9,192,490</u>

AFRICA PRUDENTIAL PLC
STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2018

31 MARCH 2018

	Other Reserves N'000	Share Premium N'000	Share capital N'000	Retained earnings N'000	Total equity N'000
Balance, beginning of the year	428,387	624,446	1,000,000	4,886,652	6,939,485
Profit for the period	-	-	-	460,898	460,898
Other comprehensive income for the period	43,455	-	-	-	43,455
Dividend paid (2017 Final)	-	-	-	(800,000)	(800,000)
Balance for the period	471,842	624,446	1,000,000	4,547,550	6,643,837

31 DECEMBER 2017

	Other Reserves N'000	Share Premium N'000	Share capital N'000	Retained earnings N'000	Total equity N'000
Balance, beginning of the year	(845,546)	624,446	1,000,000	3,771,874	4,550,774
Profit for the period	-	-	-	1,714,778	1,714,778
Other comprehensive income for the period	1,273,933	-	-	-	1,273,933
Dividend paid (2016 Final)	-	-	-	(600,000)	(600,000)
Balance for the period	428,387	624,446	1,000,000	4,886,652	6,939,485

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2018

	31-Mar-18 N'000	Company 31-Mar-17 N'000	31-Dec-17 N'000
1 Revenue			
Fees Income (note 1A)	223,550	214,751	935,434
Net investment income (note 1B)	734,254	426,795	2,380,382
	957,803	641,546	3,315,816
1a Fees Income			
Fees and commission income comprises fixed periodic administration fees, retainership fee, 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.			
	31-Mar-18 N'000	31-Mar-17 N'000	31-Dec-17 N'000
Register maintenance	43,543	67,958	173,003
Retainership fees	122,017	120,229	477,754
Fees from Corporate actions	24,248	22,909	213,053
Virtual annual reporting fees	24,841	183	50,503
Other fees	8,900	3,472	21,121
	223,550	214,751	935,434
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.			
	31-Mar-18 N'000	31-Mar-17 N'000	31-Dec-17 N'000
Interest income			
Interest on term deposit	418,698	93,988	775,677
interest on treasury bills	309,180	265,521	1,413,249
interest on bonds	6,375	67,286	191,456
	734,254	426,795	2,380,382
2 Other income			
This comprises income earned from investment in available for sale financial assets, search fees, photocopies and disposal of fixed assets.			
	31-Mar-18 N'000	31-Mar-17 N'000	31-Dec-17 N'000
Dividend Income earned on available for sale financial assets	-	-	18,816
Interest income earned on staff loans	305	-	827
Write back of provision no longer required	5,709	-	5,709
Others (aggregate of immaterial items)	41,957	6,028	23,844
	47,972	6,028	49,196
3 Impairment loss			
Impairment losses on goodwill	24,700	25,000	157,296
Net impairment loss	24,700	25,000	157,296
4 Personnel expenses			
Wages and salaries	77,176	55,042	248,597
Contributions to defined contribution plans	4,682	1,698	9,513
Medical expenses	3,628	1,467	13,675
Other employee benefits	26,957	18,463	55,359
	112,443	76,670	327,144
5 Other operating expenses			
Consultancy fees	31,068	33,667	142,502
AGM/EGM expenses	19,779	16,260	83,874
Directors fees and other emoluments	10,619	20,048	48,122
Audit fees	2,625	2,625	10,000
Training	1,066	1,220	9,062
Rents & utilities	5,458	9,107	36,977
Premises and equipment expenses	5,678	10,278	37,271
Corporate Social responsibility	4,134	7,501	28,919
Advert and business promotion	4,048	993	43,291
Annual dues and subscription	3,175	792	18,816
Internet and communication	11,039	9,223	53,793
Travel expenses	2,658	1,928	19,365
Legal and professional expenses	2,500	2,225	7,309
Insurance	1,587	1,421	4,462
Business and other entertainment	3,978	2,128	31,962
Bank charges	3,092	1,261	8,531
General administrative expenses	9,640	9,740	46,593
	122,144	130,418	630,849
6 Finance charges	186,245	-	130,703

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2018

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
7 Cash and cash equivalents		
Cash in hand	130	42
Current account with banks	2,483,192	529,827
Short term deposits	8,113,558	8,662,621
	<u>10,596,880</u>	<u>9,192,490</u>

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
7a Maturity profile of short term deposits		
At call	210,587	2,721,623
0 - 30 days	-	-
30 - 60 days	611,310	1,183,355
60 - 90 days	7,291,661	4,757,643
	<u>8,113,558</u>	<u>8,662,621</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.

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
8 Financial assets		
8a Available for Sale		
Quoted equity	382,640	339,186
Unquoted equities	4,101,257	4,101,257
	<u>4,483,898</u>	<u>4,440,443</u>

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
8b Held to maturity		
Bayelsa State Government Bond 2019	201,762	195,386
Treasury Bills	6,314,120	7,359,136
	<u>6,515,882</u>	<u>7,554,522</u>

State Government Bond of Bayelsa State and Treasury bills are held to maturity and accounted for at amortised cost.

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
9 Trade and other receivables		
Trade debtors	113,298	133,790
Withholding tax receivable	136,800	113,381
Staff Loans	13,463	14,933
	<u>263,561</u>	<u>262,104</u>
Allowances for doubtful accounts (note 9a)	(4,997)	(4,997)
For the period	<u>258,564</u>	<u>257,107</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.

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
9a Reconciliation of allowance accounts		
At 1 January	4,997	10,705
(Decrease)/Increase in allowance for the period	-	-5,708
	<u>4,997</u>	<u>4,997</u>

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
10 Inventory		
Client stationery	<u>16,578</u>	<u>16,578</u>

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is valued using the most recent prices for the most recent purchases and includes expenditure incurred in acquiring the inventories.

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
11 Other Assets		
Prepayments	390,818	70,499
Cash advance	463	1,571
	<u>391,281</u>	<u>72,070</u>

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2018

12 Property, plant and equipment

	Building N'000	Computer equipment N'000	Motor vehicles N'000	Furniture fittings & equipments N'000	Total N'000
Cost					
At 1 January 2018	97,892	96,144	109,378	157,141	460,555
Additions for the period	-	22,047	-	5,253	27,300
	<u>97,892</u>	<u>118,191</u>	<u>109,378</u>	<u>162,394</u>	<u>487,855</u>
Accumulated depreciation					
At 1 January 2018	12,108	74,407	55,768	94,589	236,872
Depreciation charge for the period for the period	612	3,753	3,499	5,102	12,966
	<u>12,720</u>	<u>78,160</u>	<u>59,267</u>	<u>99,691</u>	<u>249,838</u>
Carrying amount					
At 31 March 2018	<u>85,172</u>	<u>40,031</u>	<u>50,111</u>	<u>62,703</u>	<u>238,018</u>
At 31 December 2017	<u>85,784</u>	<u>21,737</u>	<u>53,610</u>	<u>62,552</u>	<u>223,683</u>

	Company 31-Mar-18 N'000	Company 31-Dec-17 N'000
13 Intangible asset		
Cost		
At 1 January 2018	116,053	45,391
Additions for the period	9,070	70,662
	<u>125,123</u>	<u>116,053</u>
Accumulated amortization		
At 1 January 2018	38,132	28,149
Amortization charge for the period for the period	5,601	9,983
	<u>43,733</u>	<u>38,132</u>
Carrying amount		
For the period	<u>81,390</u>	<u>77,921</u>

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2018

14 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, 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 N for the current year.

	Company	
	31-Mar-18	31-Dec-17
	N'000	N'000
Carrying value of goodwill		
At January	98,693	255,989
Accumulated impairment losses	<u>(24,700)</u>	<u>(157,296)</u>
For the period	<u>73,993</u>	<u>98,693</u>

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2018

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
15 Customers' deposits		
This represents dividend, return monies and other interests received from clients but yet to be claimed as follows:		
Customer deposits		
Public offers	515	1,302,930
Return money - public offers	267,070	462,523
Brokerage: ordinary shares	173,524	178,658
Dividend: ordinary shares	9,874,744	8,808,847
Interest: debentures	31,189	31,189
Bond interest	-	1
Redemption preference shares	3,002	3,002
Redemption debentures	5,144	5,144
	<u>10,355,188</u>	<u>10,792,264</u>
	31-Mar-18 N'000	31-Dec-17 N'000
16 Creditors and accruals		
Accounts payable	218,326	323,383
Accrued expenses	19,741	7,530
	<u>238,067</u>	<u>330,913</u>
17 Post-employment benefits		
Defined contribution plan		
Provision for the year	4,682	(9,513)
Release to PFAs	-4,682	9,513
	<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 PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2018

18 Income Taxes

Income tax expense for the year comprises current and deferred taxes

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
18a Income tax expense		
Income tax	67,836	180,000
Education tax	4,522	13,110
(Over)/under provision in prior years	8,420	126,218
	<u>80,778</u>	<u>319,328</u>
Deferred tax charge	-	32,788
Income tax expense	<u>80,778</u>	<u>352,116</u>
18b Deferred Tax asset		
In respect of the current year	34,110	1,322
In respect of prior year	-	32,788
	<u>34,110</u>	<u>34,110</u>
18c Tax liability		
At 1 January	224,407	144,856
Income tax expense	80,778	319,328
Withholding tax credit utilised	-	(40,438)
Payment in the year	(17,725)	(199,339)
For the period	<u>287,460</u>	<u>224,407</u>

18d The charge for income tax in these financial statement is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended and the Education Tax Act CAP E4 LFN 2004 and the Nigerian Information technology Development Agency (NITDA) Act 2007.

Reconciliation of effective to statutory tax rate

	31-Mar-18		31-Dec-17	
	N'000	%	N'000	%
Profit before tax	541,676	100	2,066,894	100
Company income tax	67,836	13	180,000	9
Education tax	4,522	1	13,110	1
Effective Tax Rate	<u>614,035</u>	<u>14</u>	<u>2,260,004</u>	<u>10</u>
Adjustments:				
Education	(4,522)	(1)	-13,110	(1)
Effect of permanent differences	94,667	17	440,068	21
Statutory Tax Rate	<u>704,179</u>	<u>30</u>	<u>2,686,962</u>	<u>30</u>

	31-Mar-18	31-Dec-17
	N'000	N'000
19 Loan from commercial bank		
For the period	<u>5,097,821</u>	<u>3,612,328</u>

This represents a N5billion loan facility from a commercial bank at an interest rate of 22% per annum for a period of twenty-four (24) months.

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2018

	Company	
	31-Mar-18 N'000	31-Dec-17 N'000
20 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>
21 Share premium		
For the period	<u>624,446</u>	<u>624,446</u>
22 Retained Earnings		
At 1 January	4,886,652	3,771,874
Dividend paid	(800,000)	(600,000)
Transfer from statement of profit or loss	460,898	1,714,778
For the period	<u>4,547,550</u>	<u>4,886,652</u>
<p>On 27 March 2018, total dividend of 40 kobo per share (N800 million), was approved by shareholders to be paid to holders of fully paid ordinary shares in relation to the 2017 financial year. The dividend approved by the shareholders was also paid during the period under review.</p>		
23 Other Reserves		
At 1 January	428,387	(845,546)
Fair value gain/(loss) on quoted equity	43,455	169,335
Fair value gain/(loss) on unquoted equity	-	1,104,598
For the period	<u>471,842</u>	<u>428,387</u>
<p>Other reserves represent the cumulative gains and losses arising on fair valuation of available for sale asset that have been recognized in other comprehensive income</p>		
24 Basic earnings per ordinary share		
Profit attributable to shareholders (N'000)	460,898	1,714,778
Number of ordinary share in issue ('000)	2,000,000	2,000,000
Earnings per share (kobo)	23	86

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 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