

**AFRICA PRUDENTIAL REGISTRARS PLC**  
**UNAUDITED FINANCIAL STATEMENTS**  
**PERIOD ENDED 30 JUNE 2016**

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## AFRICA PRUDENTIAL REGISTRARS PLC

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016

	Note	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
Registrars fee income	1A	412,804	369,755	919,579
Net investment income	1B	<u>535,742</u>	<u>801,894</u>	<u>1,623,703</u>
		948,546	1,171,649	2,543,282
Other income	1C	13,132	10,239	32,334
Impairment loss on financial assets	2	-	-	(52,869)
Personnel expenses	3	(136,894)	(132,320)	(324,231)
Other operating expenses	4	(198,840)	(201,689)	(532,321)
Depreciation and amortization	9&10	<u>(20,453)</u>	<u>(17,310)</u>	<u>(36,834)</u>
Profit before tax		605,491	830,569	1,629,361
Income tax expense	16	<u>(342,865)</u>	<u>(81,102)</u>	<u>(181,424)</u>
<b>Profit for the period</b>		<b><u>262,626</u></b>	<b><u>749,467</u></b>	<b><u>1,447,937</u></b>
<b>Other Comprehensive Income, net of income tax</b>				
<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>
<b>Total comprehensive income for the period</b>		<b><u>262,626</u></b>	<b><u>749,467</u></b>	<b><u>1,088,886</u></b>
<b>Basic earnings per share</b>	20	<u>13</u>	<u>37</u>	<u>72</u>

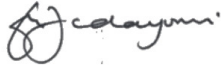
The notes on pages 4 to 10 form part of these financial statements.


# AFRICA PRUDENTIAL REGISTRARS PLC


## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>Assets</b>				
Cash and cash equivalents	5	5,469,523	3,959,105	8,182,146
Financial assets (Available For Sale)	6A	3,299,523	3,658,574	3,299,523
Financial assets (held to maturity)	6B	6,996,879	7,741,705	5,325,647
Trade and other receivables	8	222,063	266,472	173,512
Inventory	11	15,710	32,839	16,131
Other assets	7	135,109	66,962	77,946
Property, plant and equipment	9	180,062	173,181	157,001
Intangible asset	10	10,389	12,548	11,534
Goodwill	12	397,493	468,000	397,493
Deferred tax	16B	51,168	56,853	51,168
<b>Total assets</b>		<b>16,777,919</b>	<b>16,436,239</b>	<b>17,692,101</b>
<b>Liabilities</b>				
Customers' deposits	13	12,178,379	11,331,469	12,541,134
Creditors and accruals	14	508,613	428,791	534,470
Taxation	16	113,333	100,430	41,529
<b>Total liabilities</b>		<b>12,800,325</b>	<b>11,860,690</b>	<b>13,117,133</b>
<b>Shareholders' equity</b>				
Share capital	17	1,000,000	1,000,000	1,000,000
Share premium	17a	624,446	624,446	624,446
Retained earnings	18	3,015,327	3,254,231	3,612,701
Other reserves	19	(662,179)	(303,128)	(662,179)
<b>Total equity</b>		<b>3,977,594</b>	<b>4,575,549</b>	<b>4,574,968</b>
<b>Total equity and liabilities</b>		<b>16,777,919</b>	<b>16,436,239</b>	<b>17,692,101</b>

The financial statements were approved by the Board of Directors on 30 June 2016 and signed on its behalf by:

  
 \_\_\_\_\_ }  
**Chief Mrs Eniola Fadayomi (MFR)** } **Chairman**  
 FRC/2013/IODN/00000002718 }

  
 \_\_\_\_\_ }  
**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 30 JUNE 2016

	Notes	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>Cash flows from operating activities</b>				
Profit after tax		262,626	749,467	1,447,937
Adjustments to reconcile net cash provided:				
Depreciation and amortization	9&10	20,453	17,310	36,834
Impairment loss on financial asset	2	-	-	52,869
Income tax expense	16	342,865	81,102	181,424
Assets written off		-	-	26,521
		<u>625,944</u>	<u>847,879</u>	<u>1,745,585</u>
<b>Changes in assets and liabilities:</b>				
(Increase)/decrease in inventory		421	(10,616)	(10,453)
(Increase)/decrease other assets		(57,163)	580,723	(31,234)
(Increase)/decrease in debtors		(48,552)	(74,116)	(1,393)
Increase/(decrease) in Customer deposits		(362,755)	(2,416,069)	(1,206,403)
Increase/(decrease) in creditors and accruals		(25,857)	(50,869)	163,898
Net cash from/(used in)operations		<b>132,038</b>	<b>(1,123,068)</b>	<b>660,000</b>
Tax paid	16C	(271,060)	(186,369)	(397,447)
<b>Net cash (used in)/generated from operating activities</b>		<u>(139,022)</u>	<u>(1,309,437)</u>	<u>262,553</u>
<b>Cash flows from investing activities</b>				
Purchase of property, plant & equipment	9	(41,582)	(36,932)	(45,631)
Disposal/ (acquisition) of financial assets		(1,671,232)	-	2,996,782
Software development project		-	(3,765)	-
Acquisition of intangible asset	10	(787)	(510)	(1,307)
Net cash used in investing activities		<u>(1,713,601)</u>	<u>(41,207)</u>	<u>2,949,844</u>
<b>Cash flow from financing activities</b>				
Dividend paid		(860,000)	(700,000)	(1,040,000)
<b>Net cash flow (used in)/from financing activities</b>		<u>(860,000)</u>	<u>(700,000)</u>	<u>(1,040,000)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(2,712,623)	(2,050,644)	2,172,397
<b>Cash and cash equivalents at 1 January</b>		<u>8,182,146</u>	<u>6,009,749</u>	<u>6,009,749</u>
<b>Cash and cash equivalents</b>	5	<u><b>5,469,523</b></u>	<u><b>3,959,105</b></u>	<u><b>8,182,146</b></u>

# AFRICA PRUDENTIAL REGISTRARS PLC

## NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 JUNE 2016

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>1 Revenue</b>			
Registrars Fees Income (note 1A)	412,804	369,755	919,579
Net investment income (note 1B)	535,742	801,894	1,623,703
Other income (note 1C)	13,132	10,239	32,334
	<u>961,678</u>	<u>1,181,887</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.

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>Interest income</b>			
Interest on term deposit	284,420	217,086	526,910
interest on treasury bills	90,990	426,677	778,775
interest on bonds	160,332	158,131	318,018
	<u>535,742</u>	<u>801,894</u>	<u>1,623,703</u>

### 1C Other income

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

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
Dividend Income earned on available for sale financial assets	9,560	7,742	7,170
Write back of provision no longer required	-	-	-
Others (aggregate of immaterial items)	3,572	2,497	25,164
	<u>13,132</u>	<u>10,239</u>	<u>32,334</u>

### 2 Impairment charges

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

### 3 Personnel expenses

Wages and salaries	102,749	82,241	208,202
Contributions to defined contribution plans	2,859	3,445	7,434
Medical expenses	4,765	3,255	6,854
Performance bonus	24,985	41,071	96,424
Other employee benefits	1,536	2,308	5,317
	<u>136,894</u>	<u>132,320</u>	<u>324,231</u>

### 4 Other operating expenses

Consultancy fees	58,427	58,493	124,090
AGM/EGM expenses	23,053	38,840	42,569
Asset written off	-	-	26,521
Directors fees and other emoluments	17,963	19,211	64,310
Audit fees	5,250	2,625	10,000
Training	943	6,373	8,548
Premises and equipment costs	28,029	18,446	39,127
Corporate Social responsibility	21,692	16,482	5,125
Advert and business promotion	5,640	3,558	7,395
Internet and communication	16,475	5,723	22,305
Travel expenses	3,396	5,581	15,711
Legal and professional expenses	1,047	148	5,505
Fund management expense	-	-	79,330
General administrative expenses	16,925	26,209	81,785
	<u>198,840</u>	<u>201,689</u>	<u>532,321</u>

# AFRICA PRUDENTIAL REGISTRARS PLC

## NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 JUNE 2016

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>5 Cash and cash equivalents</b>			
Cash in hand	70	70	6
Current account with banks	827,210	324,895	1,407,933
Short term deposits	4,642,243	3,634,140	6,774,207
	<u>5,469,523</u>	<u>3,959,105</u>	<u>8,182,146</u>

### 5A

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>Maturity profile of short term deposits</b>			
At call	766,569	479,477	3,188,708
0 - 30 days	104,142	229,605	-
30 - 60 days	3,142,076	2,252,781	2,949,078
60 - 90 days	629,456	672,277	636,421
	<u>4,642,243</u>	<u>3,634,140</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

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>6A Available for Sale</b>			
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>

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>6B Held to maturity</b>			
Edo State Government Bond 2017	1,031,952	1,050,219	1,041,243
Bayelsa State Government Bond 2017	348,262	663,585	509,750
Local Contractor Bond 2016	1,086,072	1,112,366	1,095,057
Treasury Bills	4,530,593	4,915,535	2,679,597
	<u>6,996,879</u>	<u>7,741,705</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.

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>7 Other Assets</b>			
Prepayments	91,595	47,678	46,651
Cash advance	1,204	268	270
Software development cost	42,310	19,016	31,025
<b>Prepayments</b>	<u>135,109</u>	<u>66,962</u>	<u>77,946</u>

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>8 Trade and other receivables</b>			
Trade debtors	137,168	241,090	126,440
Withholding tax receivable	59,996	12,686	24,813
Staff Loans	48,059	54,466	45,418
	245,223	308,242	196,671
Allowances for doubtful accounts (note 8A)	(23,159)	(41,770)	(23,159)
	<u>222,063</u>	<u>266,472</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.

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>8A Reconciliation of impairment allowance</b>			
At 1 January	23,159	86,643	86,643
Bad debts written off	-	(44,873)	(45,846)
(Decrease)/Increase in allowance for the period	-	-	(17,638)
At 31 December	<u>23,159</u>	<u>41,770</u>	<u>23,159</u>

# AFRICA PRUDENTIAL REGISTRARS PLC

## NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 JUNE 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
<b>Cost</b>					
Balance at 1 January 2016	87,034	76,258	53,351	95,974	312,617
Additions	362	11,369	4,867	24,984	41,582
Balance at 30 June 2016	<u>87,396</u>	<u>87,627</u>	<u>58,218</u>	<u>120,958</u>	<u>354,199</u>
<b>Accumulated depreciation</b>					
Balance as at 1 January 2016	7,439	52,826	36,567	58,784	155,616
Depreciation charge for the period	1,093	5,097	4,459	7,872	18,521
Elimination on disposal					-
Balance at 30 June 2016	<u>8,532</u>	<u>57,923</u>	<u>41,026</u>	<u>66,656</u>	<u>174,137</u>
<b>Carrying amount</b>					
<b>At 30 June 2016</b>	<b><u>78,864</u></b>	<b><u>29,704</u></b>	<b><u>17,192</u></b>	<b><u>54,302</u></b>	<b><u>180,062</u></b>
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
<b>10 Intangible asset</b>		
<b>Cost</b>		
At 1 January	35,519	34,212
Additions during the period	787	1,307
At 30 June	<u>36,306</u>	<u>35,519</u>
<b>Accumulated amortization</b>		
At 1 January	23,985	20,406
Amortization during the period	1,932	3,579
At 30 June	<u>25,917</u>	<u>23,985</u>
<b>Net carrying amount</b>		
<b>At 30 June</b>	<b><u>10,389</u></b>	<b><u>11,534</u></b>



# AFRICA PRUDENTIAL REGISTRARS PLC

## NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 JUNE 2016

	<b>Jun-16</b>	<b>Jun-15</b>	<b>Dec-15</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>11 Inventory</b>			
Client stationery	15,710	32,839	16,131
Computer consumables/obsolete stock (written off)/back	-	-	-
	<u>15,710</u>	<u>32,839</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

	<b>Jun-16</b>	<b>Jun-15</b>	<b>Dec-15</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
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 30 JUNE 2016

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

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
Public offers	4,557	3,558	1,730
Return money- public offer	505,854	532,887	516,516
Money return-debentures	-	293	293
Brokerage: ordinary shares	179,861	178,132	187,736
Dividend: ordinary shares	11,448,771	10,552,290	11,782,757
Interest: debentures	29,942	31,622	32,871
Realisation: ordinary shares	-	21	21
Bond Interest	-	13,674	1,466
Redemption preference shares	3,002	3,396	3,396
Redemption debentures	6,392	15,596	14,348
	<u>12,178,379</u>	<u>11,331,469</u>	<u>12,541,134</u>

#### 14 Creditors and accruals

Accounts payable	501,703	416,319	437,442
Accrued expenses	6,910	12,472	97,028
	<u>508,613</u>	<u>428,791</u>	<u>534,470</u>

#### 15 Post-employment benefits

Defined contribution plan	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
Provision for the period	2,859	3,445	7,434
Release to PFAs	(2,859)	(3,445)	(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 30 JUNE 2016

### 16 Income Taxes

Income tax expense for the period comprises current and deferred taxes

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>16A Current income tax</b>			
Income tax	106,251	73,729	164,062
Education tax	7,083	4,915	11,867
IT tax	-	2,458	-
Under provision in 2015	229,531		
	<u>342,865</u>	<u>81,102</u>	<u>175,929</u>
Deferred tax charge		-	5,495
Income tax expense	<u><b>342,865</b></u>	<u><b>81,102</b></u>	<u><b>181,424</b></u>
<b>16B Deferred Tax asset</b>			
At 1 January	(51,168)	(57,180)	(56,853)
Used up by UAC Registrars	-	-	190
charge/ (write back) to profit or loss			5,495
	<u>(51,168)</u>	<u>(57,180)</u>	<u>(51,168)</u>
Total income tax expense recognised in the current period relating to continuing operations	<u><b>342,865</b></u>	<u><b>81,102</b></u>	<u><b>181,424</b></u>
<b>16C At 1 January</b>	41,529	263,236	263,236
Charge for the period	342,865	81,102	175,929
Withholding Tax Credit Utilised During the period	(16,182)	(57,539)	(57,539)
Payment in the period	(254,878)	(186,369)	(238,097)
Tax paid on interim dividend		-	(102,000)
	<u><b>113,333</b></u>	<u><b>100,430</b></u>	<u><b>41,529</b></u>

# AFRICA PRUDENTIAL REGISTRARS PLC

## NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 JUNE 2016

	Jun-16 N'000	Jun-15 N'000	Dec-15 N'000
<b>17 Share capital:</b>			
<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>
<b>17a Share premium</b>			
At end of period	<u>624,446</u>	<u>624,446</u>	<u>624,446</u>
<b>18 Retained Earnings</b>			
At 1 January	3,612,701	3,204,764	3,204,764
Dividend paid (final 2015)	(860,000)	(700,000)	(700,000)
Dividend paid (2015 interim)	-	-	(340,000)
Transfer from statement of profit or loss	<u>262,626</u>	<u>749,467</u>	<u>1,447,937</u>
	<u><b>3,015,327</b></u>	<u><b>3,254,231</b></u>	<u><b>3,612,701</b></u>
<b>19 Other Reserves</b>			
At 1 January	(662,179)	(303,128)	(303,128)
Fair value gains/(losses) on Quoted Equity	-	-	(24,430)
Fair value loss on Unquoted Equity	<u>-</u>	<u>-</u>	<u>(334,621)</u>
At end of period	<u><b>(662,179)</b></u>	<u><b>(303,128)</b></u>	<u><b>(662,179)</b></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			
<b>20 Basic earnings per ordinary share</b>			
Profit attributable to shareholders (N'000)	262,626	749,467	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><u>13</u></u>	<u><u>37</u></u>	<u><u>72</u></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