



**AFRICA PRUDENTIAL REGISTRARS PLC
FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2016**

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AFRICA PRUDENTIAL REGISTRARS PLC

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

	Note	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Registrars fee income	1A	626,274	597,768	919,579
Net investment income	1B	<u>902,074</u>	<u>1,149,297</u>	<u>1,623,703</u>
		1,528,348	1,747,065	2,543,282
Other income	1C	21,186	14,866	32,334
Impairment loss on financial assets	2	(50,745)		(52,869)
Personnel expenses	3	(225,305)	(206,355)	(324,231)
Other operating expenses	4	(315,829)	(334,261)	(532,321)
Depreciation and amortization	9&10	<u>(32,457)</u>	<u>(26,723)</u>	<u>(36,834)</u>
Profit before tax		925,198	1,194,592	1,629,361
Income tax expense	16	<u>(102,657)</u>	<u>(113,325)</u>	<u>(181,424)</u>
Profit for the period		<u>822,541</u>	<u>1,081,267</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>822,541</u>	<u>1,081,267</u>	<u>1,088,886</u>
Basic earnings per share	20	<u>41</u>	<u>54</u>	<u>72</u>

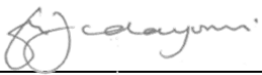
The notes on pages 1 to 10 form part of these financial statements.


AFRICA PRUDENTIAL REGISTRARS PLC


STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

	Note	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Assets				
Cash and cash equivalents	5	5,819,481	7,284,730	8,182,146
Financial assets (Available For Sale)	6A	3,329,523	3,658,574	3,299,523
Financial assets (held to maturity)	6B	8,503,515	7,428,363	5,325,647
Trade and other receivables	8	215,039	172,011	173,512
Inventory	11	15,710	33,169	16,131
Other assets	7	169,272	65,953	77,946
Property, plant and equipment	9	191,190	173,181	157,001
Intangible asset	10	9,422	12,548	11,534
Goodwill	12	346,739	468,000	397,493
Deferred tax	16B	51,168	56,853	51,168
Total assets		18,651,059	19,353,382	17,692,101
Liabilities				
Customers' deposits	13	12,863,160	14,191,581	12,541,134
Creditors and accruals	14	1,147,732	466,925	534,470
Taxation	16	102,658	127,527	41,529
Total liabilities		14,113,550	14,786,033	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	3,575,242	3,246,031	3,612,701
Other reserves	19	(662,179)	(303,128)	(662,179)
Total equity		4,537,509	4,567,349	4,574,968
Total equity and liabilities		18,651,059	19,353,382	17,692,101

The financial statements were approved by the Board of Directors on 30 September 2016 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 }


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

AFRICA PRUDENTIAL REGISTRARS PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Notes	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Cash flows from operating activities				
Profit after tax		822,541	1,081,267	1,447,937
Adjustments to reconcile net cash provided:				
Depreciation and amortization	9&10	32,457	26,723	36,834
Impairment loss on financial asset	2	50,745	-	52,869
Income tax expense	16	102,657	113,325	181,424
Loss on disposal of fixed asset		2,291	-	-
Assets written off		-	-	26,521
		<u>1,010,691</u>	<u>1,221,315</u>	<u>1,745,585</u>
Changes in assets and liabilities:				
(Increase)/decrease in inventory		421	(10,946)	(10,453)
(Increase)/decrease other assets		(91,326)	52,845	(31,234)
(Increase)/decrease in debtors		(41,527)	28,001	(1,393)
Increase/(decrease) in Customer deposits		322,026	444,047	(1,206,403)
Increase/(decrease) in creditors and accruals		613,262	(3,811)	164,087
Net cash from/(used in)operations		<u>1,813,547</u>	<u>1,731,451</u>	<u>660,189</u>
Tax paid	16C	<u>(41,528)</u>	<u>(249,034)</u>	<u>(397,636)</u>
Net cash (used in)/generated from operating activities		<u>1,772,019</u>	<u>1,482,418</u>	<u>262,553</u>
Cash flows from investing activities				
Purchase of property, plant & equipment	9	(66,038)	(42,407)	(45,631)
Disposal/ (acquisition) of financial assets		(3,207,858)	894,066	2,996,782
Software development project		-	(18,427)	-
Acquisition of intangible asset	10	<u>(787)</u>	<u>(669)</u>	<u>(1,307)</u>
Net cash used in investing activities		<u>(3,274,683)</u>	<u>832,563</u>	<u>2,949,844</u>
Cash flow from financing activities				
Dividend paid		<u>(860,000)</u>	<u>(1,040,000)</u>	<u>(1,040,000)</u>
Net cash flow (used in)/from financing activities		<u>(860,000)</u>	<u>(1,040,000)</u>	<u>(1,040,000)</u>
Net increase/(decrease) in cash and cash equivalents		(2,362,665)	1,274,981	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>5,819,481</u></u>	<u><u>7,284,730</u></u>	<u><u>8,182,146</u></u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2016

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
1 Revenue			
Registrars Fees Income (note 1A)	626,274	597,768	919,579
Net investment income (note 1B)	902,074	1,149,297	1,623,703
Other income (note 1C)	21,186	14,866	32,334
	<u>1,549,534</u>	<u>1,761,931</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.

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Interest income			
Interest on term deposit	420,679	271,515	526,910
interest on treasury bills	261,810	644,749	778,775
interest on bonds	219,585	233,033	318,018
	<u>902,074</u>	<u>1,149,297</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.

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Dividend Income earned on available for sale financial assets	14,277	7,742	7,170
Write back of provision no longer required	-	-	-
Others (aggregate of immaterial items)	6,909	7,124	25,164
	<u>21,186</u>	<u>14,866</u>	<u>32,334</u>

2 Impairment charges

(Write back)/Impairment loss on trade receivables	-	-	(17,638)
Impairment loss on goodwill	50,745	-	70,507
Net impairment loss on trade receivables	<u>50,745</u>	<u>-</u>	<u>52,869</u>

3 Personnel expenses

Wages and salaries	173,094	134,410	208,202
Contributions to defined contribution plans	4,768	5,488	7,434
Medical expenses	7,616	5,055	6,854
Performance bonus	38,540	59,057	96,424
Other employee benefits	1,287	2,345	5,317
	<u>225,305</u>	<u>206,355</u>	<u>324,231</u>

4 Other operating expenses

Consultancy fees	96,091	89,244	124,090
AGM/EGM expenses	33,906	57,590	42,569
Asset written off	-	694	26,521
Directors fees and other emoluments	29,455	41,192	64,310
Audit fees	7,875	7,313	10,000
Training	3,804	6,950	8,548
Premises and equipment costs	40,474	25,031	39,127
Corporate Social responsibility	27,566	22,520	5,125
Advert and business promotion	9,819	6,059	7,395
Internet and communication	25,218	15,531	22,305
Travel expenses	4,248	7,517	15,711
Legal and professional expenses	7,037	640	5,505
Fund management expense	-	-	79,330
General administrative expenses	30,336	53,980	81,785
	<u>315,829</u>	<u>334,261</u>	<u>532,321</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2016

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
5 Cash and cash equivalents			
Cash in hand	70	70	6
Current account with banks	685,651	1,599,646	1,407,933
Short term deposits	5,133,760	5,685,014	6,774,207
	<u>5,819,481</u>	<u>7,284,730</u>	<u>8,182,146</u>

5A

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Maturity profile of short term deposits			
At call	88,664	774,800	3,188,708
0 - 30 days	538,734	433,706	-
30 - 60 days	3,876,906	3,811,082	2,949,078
60 - 90 days	629,456	665,426	636,421
	<u>5,133,760</u>	<u>5,685,014</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

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
6A Available for Sale			
Quoted equity	119,756	114,186	89,756
Unquoted equities	3,209,767	3,544,388	3,209,767
	<u>3,329,523</u>	<u>3,658,574</u>	<u>3,299,523</u>

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
6B Held to maturity			
Edo State Government Bond 2017	1,061,316	1,080,447	1,041,243
Bayelsa State Government Bond 2017	357,294	680,313	509,750
Local Contractor Bond 2016	1,101,320	1,140,402	1,095,057
Treasury Bills	5,983,585	4,527,201	2,679,597
	<u>8,503,515</u>	<u>7,428,363</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.

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
7 Other Assets			
Prepayments	122,489	42,272	46,651
Cash advance	1,395	3,938	270
Software development cost	45,388	19,743	31,025
	<u>169,272</u>	<u>65,953</u>	<u>77,946</u>

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
8 Trade and other receivables			
Trade debtors	113,974	149,205	126,440
Withholding tax receivable	77,109	11,840	24,813
Staff Loans	47,115	52,736	45,418
	238,198	213,781	196,671
Allowances for doubtful accounts (note 8A)	(23,159)	(41,770)	(23,159)
	<u>215,039</u>	<u>172,011</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.

	Sep-16 N'000	Sep-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	-	(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 SEPTEMBER 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	744	12,246	17,127	35,921	66,038
Disposals				(4,430)	(4,430)
Balance at 30 September 2016	87,778	88,504	70,478	127,465	374,225
Accumulated depreciation					
Balance as at 1 January 2016	7,439	52,826	36,567	58,784	155,616
Depreciation charge for the period	1,640	7,987	7,047	12,884	29,558
Elimination on disposal				(2,139)	(2,139)
Balance at 30 September 2016	9,079	60,813	43,614	69,529	183,035
Carrying amount					
At 30 September 2016	78,699	27,691	26,864	57,936	191,190
At 31 December 2015	79,595	23,432	16,784	37,190	157,001

	2016 N'000	2015 N'000
10 Intangible asset		
Cost		
At 1 January	35,519	34,212
Additions during the period	787	1,307
Balance at 30 September 2016	36,306	35,519
Accumulated amortization		
At 1 January	23,985	20,406
Amortization during the period	2,899	3,579
Balance at 30 September 2016	26,884	23,985
Net carrying amount		
Balance at 30 September 2016	9,422	11,534

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2016

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
11 Inventory			
Client stationery	15,710	33,169	16,131
Computer consumables/obsolete stock (written off)/back	-	-	-
	<u>15,710</u>	<u>33,169</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

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Carrying value of goodwill			
At 1 January	397,493	468,000	468,000
Accumulated impairment lossess	(50,754)	-	(70,507)
	<u>346,739</u>	<u>468,000</u>	<u>397,493</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2016

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

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Public offers	4,557	3,558	1,730
Return money- public offer	462,601	532,887	516,516
Money return-debentures	-	293	293
Brokerage: ordinary shares	179,314	178,132	187,736
Dividend: ordinary shares	12,177,352	13,412,402	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
	12,863,160	14,191,581	12,541,134

14 Creditors and accruals

Accounts payable	1,119,197	368,006	437,442
Accrued expenses	28,535	98,919	97,028
	1,147,732	466,925	534,470

15 Post-employment benefits

Defined contribution plan	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
Provision for the period	4,768	5,488	7,434
Release to PFAs	(4,768)	(5,488)	(7,434)
	-	-	-

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 SEPTEMBER 2016

16 Income Taxes

Income tax expense for the period comprises current and deferred taxes

	Sep-16 N'000	Sep-15 N'000	Dec-15 N'000
16A Current income tax			
Income tax	96,241	95,043	164,062
Education tax	6,416	6,336	11,867
IT tax	-	11,946	-
	<u>102,657</u>	<u>113,325</u>	<u>175,929</u>
Deferred tax charge		-	5,495
Income tax expense	<u>102,657</u>	<u>113,325</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>102,657</u>	<u>113,325</u>	<u>181,424</u>
16C At 1 January	41,529	263,236	263,236
Charge for the period	102,657	113,325	175,929
Payment in the period	(41,528)	(249,034)	(295,636)
Tax paid on interim dividend		-	(102,000)
	<u>102,658</u>	<u>127,527</u>	<u>41,529</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2016

	Sep-16 N'000	Sep-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 end of period	<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
Dividend paid (final 2015)	(860,000)	(700,000)	(700,000)
Dividend paid (2015 interim)		(340,000)	(340,000)
Transfer from statement of profit or loss	822,541	1,081,267	1,447,937
	<u>3,575,242</u>	<u>3,246,031</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)	822,541	1,081,267	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>41</u>	<u>54</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