

AFRICA PRUDENTIAL REGISTRARS PLC
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

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AFRICA PRUDENTIAL REGISTRARS PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Group		Company	
		2014 N'000	2013 N'000	2014 N'000	2013 N'000
Registrars fee income	5A	856,032	774,721	802,411	658,085
Net investment income	5B	1,349,125	937,730	1,030,039	724,073
Other income	5C	51,534	141,825	30,545	106,857
Impairment loss on financial assets	6	(2,981)	(11,476)	(2,981)	(11,476)
Personnel expenses	7	(243,084)	(234,834)	(241,409)	(203,180)
Other operating expenses	8	(680,853)	(368,041)	(530,128)	(285,581)
Depreciation and amortization	13&14	<u>(29,391)</u>	<u>(27,739)</u>	<u>(28,759)</u>	<u>(23,340)</u>
Profit before tax		1,300,382	1,212,186	1,059,718	965,438
Income tax expense	20	<u>(82,015)</u>	<u>(297,730)</u>	<u>(27,754)</u>	<u>(206,579)</u>
Profit for the year		<u>1,218,367</u>	<u>914,456</u>	<u>1,031,964</u>	<u>758,859</u>
Other Comprehensive Income, net of income tax					
Items that will not be reclassified subsequently to profit or loss:					
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:					
Net fair value (loss)/gain on available for sale financial asset	24	(325,765)	22,367	(325,765)	22,367
Other comprehensive income for the year, net of income tax		<u>(325,765)</u>	<u>22,367</u>	<u>(325,765)</u>	<u>22,367</u>
Total comprehensive income for the year		<u>892,599</u>	<u>936,823</u>	<u>706,199</u>	<u>781,226</u>
Basic earnings per share	25	<u>61</u>	<u>46</u>	<u>52</u>	<u>38</u>

The notes on pages 5 to 30 form part of these financial statements.

AFRICA PRUDENTIAL REGISTRARS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

Assets	Note	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
<i>Non-current assets</i>					
Property, plant and equipment	13	151,714	153,981	151,056	152,074
Deposits for investments	15	-	3,748,000	-	3,748,000
Investment in subsidiary	29	-	-	750,000	750,000
Intangible asset	14	13,806	9,722	13,806	9,722
Deferred tax	20B	57,180	-	56,990	-
Goodwill	30	468,000	468,000	-	-
Total non-current assets		690,700	4,379,703	971,852	4,659,796
<i>Current assets</i>					
Cash and cash equivalents	9	6,009,749	9,212,536	2,545,684	6,688,373
Financial assets (Available For Sale)	10A	3,658,574	236,339	3,658,574	236,339
Financial assets (held to maturity)	10B	8,322,429	2,155,804	8,322,429	2,155,804
Trade and other receivables	12	166,500	385,767	153,004	350,297
Other assets	11	37,579	40,847	37,579	38,132
Inventory	16	22,223	13,206	22,223	13,206
Total current assets		18,217,054	12,044,499	14,739,494	9,482,151
Total assets		18,907,754	16,424,202	15,711,346	14,141,946
EQUITY AND LIABILITIES					
<i>Capital and reserves</i>					
Share capital	22	1,000,000	1,000,000	1,000,000	1,000,000
Share premium	22	624,446	624,446	624,446	624,446
Retained earnings	23	3,204,764	2,686,400	2,960,056	2,628,092
Other reserves	24	(303,128)	22,637	(303,128)	22,637
Total equity		4,526,082	4,333,483	4,281,374	4,275,175
<i>Non-current liabilities</i>					
Deferred tax liabilities	20	327	327	-	-
Total non-current liabilities		327	327	-	-
<i>Current liabilities</i>					
Creditors and accruals	17	370,572	470,270	311,526	415,257
Customers' deposits	18	13,747,538	11,202,446	10,924,343	9,132,901
Taxation	20	263,236	417,676	194,104	318,613
Total current liabilities		14,381,346	12,090,392	11,429,972	9,866,771
Total liabilities		14,381,672	12,090,719	11,429,972	9,866,771
Total equity and liabilities		18,907,754	16,424,202	15,711,346	14,141,946

The financial statements were approved by the Board of Directors on 9th March 2015 and signed on its behalf by:

	}	Chairman
Chief Mrs Eniola Fadayomi (OFR) FRC/2013/IODN/00000002718		
	}	Managing Director
Peter Ashade FRC/2013/ICAN/00000002719		
	}	Chief Financial Officer
Olufemi Adenuga FRC/2013/ICAN/00000002720		

AFRICA PRUDENTIAL REGISTRARS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2014

31 December 2014 (Group)

	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	22,637	624,446	1,000,000	2,686,400	4,333,483
Profit for the year	-		-	1,218,364	1,218,364
Other comprehensive income for the year, net of income tax	(325,765)	-	-	-	(325,765)
Dividend paid	-	-		(700,000)	(700,000)
Balance, end of the year	(303,128)	624,446	1,000,000	3,204,764	4,526,082

31 December 2013 (Group)

Balance, beginning of the year	-	-	500,000	1,869,233	2,369,233
Profit for the year/Share Issue	22,637	624,446	500,000	914,456	2,061,539
Arising on Acquisition of Subsidiary	-	-	-	(97,289)	(97,289)
Balance, end of the year	22,637	624,446	1,000,000	2,686,400	4,333,483

31 December 2014 (Company)

Balance, beginning of the year	22,637	624,446	1,000,000	2,628,092	4,275,175
Profit for the year/Share Issue	-	-	-	1,031,964	1,031,964
Other reserves	(325,765)	-	-		(325,765)
Dividend paid	-	-	-	(700,000)	(700,000)
Balance, end of the year	(303,128)	624,446	1,000,000	2,960,056	4,281,374

31 December 2013 (Company)

Balance, beginning of the year	-	-	500,000	1,869,233	2,369,233
Profit for the year	22,637	624,446	500,000	758,859	1,905,942
Balance, end of the year	22,637	624,446	1,000,000	2,628,092	4,275,175

AFRICA PRUDENTIAL REGISTRARS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

		Group	Group	Company	Company
	Notes	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Cash flows from operating activities					
Profit after tax		1,218,367	914,456	1,031,964	758,859
Adjustments to reconcile net cash provided:					
Depreciation	13&14	29,391	27,739	28,759	23,340
Impairment loss on financial asset	6	2,981	11,476	2,981	11,476
Income tax expense	20	82,015	297,730	27,754	206,579
Loss on sale of PPE		617	6,009	-	-
Write off Agile Software		53,520	-	53,520	-
		<u>1,386,891</u>	<u>1,257,410</u>	<u>1,144,978</u>	<u>1,000,254</u>
Changes in assets and liabilities:					
(Increase)/decrease in inventory		(9,017)	2,478	(9,017)	2,478
(Increase)/decrease financial assets		(6,171,935)	1,667,104	(6,166,625)	1,667,104
Decrease/increase in debtors and prepayments		81,780	(323,200)	81,780	(323,200)
Increase in Customer deposits		2,579,125	4,301,290	1,791,443	3,726,054
Increase/(decrease) in creditors and accruals		(103,731)	72,941	(103,731)	24,406
Increase/(decrease) in other assets		6,430	(35,603)	6,430	(35,603)
		<u>(2,230,457)</u>	<u>6,942,420</u>	<u>(3,254,742)</u>	<u>6,061,493</u>
Net cash from/(used in)operations					
Tax paid	20	(234,625)	(60,645)	(150,243)	(73,636)
Net cash (used in)/generated from operating activities		<u>(2,465,082)</u>	<u>6,881,775</u>	<u>(3,404,985)</u>	<u>5,987,857</u>
Cash flows from investing activities					
Purchase of property, plant & equipment	13	(25,071)	(56,600)	(25,071)	(56,600)
Proceed from disposal of asset		-	2,623	-	2,260
Software development project		(5,878)	-	(5,878)	-
Deposit for investment		-	(3,748,000)	-	(3,748,000)
Investment in subsidiary		-	(750,000)	-	(750,000)
Acquisition of intangible asset	14	(6,755)	(10,419)	(6,755)	(10,419)
		<u>(37,704)</u>	<u>(4,562,396)</u>	<u>(37,704)</u>	<u>(4,562,759)</u>
Net cash used in investing activities					
Cash flow from financing activities					
Share capital			500,000	-	500,000
Dividend paid		(700,000)	-	(700,000)	-
Share premium		-	624,446	-	624,446
		<u>(700,000)</u>	<u>1,124,446</u>	<u>(700,000)</u>	<u>1,124,446</u>
Net cash flow (used in)/from financing activities					
Net increase/(decrease) in cash and cash equivalents		<u>(3,202,787)</u>	<u>3,443,825</u>	<u>(4,142,689)</u>	<u>2,549,544</u>
Cash and cash equivalents at 1 January		<u>9,212,536</u>	<u>5,768,711</u>	<u>6,688,373</u>	<u>4,138,829</u>
Cash and cash equivalents at 31 December	9	<u><u>6,009,749</u></u>	<u><u>9,212,536</u></u>	<u><u>2,545,684</u></u>	<u><u>6,688,373</u></u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

20 Income Taxes

Income tax expense for the year comprises current and deferred taxes

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
20A Current income tax				
Income tax	222,301	257,594	171,238	183,569
Education tax	15,551	15,179	12,163	13,356
IT tax	10,703	9,654	10,703	9,654
(Over)/under provision in prior years	(109,360)	15,303	(109,360)	-
	<u>139,195</u>	<u>297,730</u>	<u>84,744</u>	<u>206,579</u>
	139,195	297,730	84,744	206,579
20B Deferred Tax asset				
In respect of the current year	(26,695)	-	(26,695)	-
In respect of prior year	(30,485)	-	(30,295)	-
	<u>(57,180)</u>	<u>-</u>	<u>(56,990)</u>	<u>-</u>
Total income tax expense recognised in the current year relating to continuing opera	<u>82,015</u>	<u>297,730</u>	<u>27,754</u>	<u>206,579</u>
At 1 January	417,676	185,670	318,613	185,670
Arising on acquisition	-	67,957	-	-
Charge for the year	139,195	297,730	84,744	206,579
Withholding Tax Credit Utilised During the Year	(59,010)	-	(59,010)	-
Payment in the year	(234,625)	(133,681)	(150,243)	(73,636)
	<u>263,236</u>	<u>417,676</u>	<u>194,104</u>	<u>318,613</u>
20C Deferred tax liability				
Origination and reversal of temporary difference	-	-	-	-
Write down or reversal of previous write down of DTA	-	327	-	-
	<u>-</u>	<u>327</u>	<u>-</u>	<u>-</u>
At 31 December	<u>-</u>	<u>327</u>	<u>-</u>	<u>-</u>

The computation of deferred tax resulted in a deferred tax asset of N56m million which has been recognized in these financial statements because management is certain about its realization from profits in the near future.

20D 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.

21 Reconciliation of effective to statutory tax rate

	Group 2014 N'000	%	Group 2013 N'000	%	Company 2014 N'000	%	Company 2013 N'000	%
Profit Before Tax	1,300,382	100	1,212,186	100	1,059,718	100	965,438	100
Company Income Tax	222,301	17	257,594	21	171,238	16	92,417	10%
IT Tax	15,551	1	15,179	1	12,163	1	6,463	1%
Education Tax	10,703	1	9,654	1	10,703	1	7,011	1%
Over provision in prior years	(109,360)	(8)	15,303	1	(109,360)	(10)	0	-
Effective Tax Rate	<u>1,439,577</u>	<u>11</u>	<u>1,509,916</u>	<u>24</u>	<u>1,144,462</u>	<u>8</u>	<u>1,071,329</u>	<u>12</u>
Adjustments:								
Education Tax	(15,551)	(1)	(15,179)	(1)	(12,163)	(1)	(6,463)	(1)
Information Technology Tax	(10,703)	(1)	(9,654)	(1)	(10,703)	(1)	(7,011)	(1)
Effect of Permanent Differences	277,173	21	97,564	8	256,037	24	103,407	19
Statutory Tax Rate	<u>1,690,496</u>	<u>30%</u>	<u>1,582,647</u>	<u>30%</u>	<u>1,377,633</u>	<u>30%</u>	<u>1,161,262</u>	<u>30</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Corporate information

Africa Prudential Registrars Plc. was incorporated as a private limited liability company on 23rd March 2006 to take over the registrar services formally operated as a department by its former parent - UBA Global Market Limited. The company was listed on 17 January, 2013.

The company renders share registration services to both public and private companies. The company's registered office address is 220B, Ikrodu Road, Palmgrove, Lagos Nigeria.

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

2.2 Early adoption of Standards and Interpretations

The company has not early adopted any standards or interpretations during the current year

2.3 Standards and Interpretations effective in the current year

The following new and revised Standards and interpretations effective from January 1, 2014 have been adopted in the current year and have primarily affected the disclosure in these financial statements

- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities*;
- Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*;
- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*;
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*; and
- IFRIC 21 *Leases*.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The Group has applied the amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year.

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments require retrospective application.

The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements. The amendments require retrospective application. The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendments require retrospective application. The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements

IFRIC 21 Levies

The Group has applied IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. IFRIC 21 requires retrospective application. IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

3.1 Significant accounting policies

Accounting convention

The financial statements have been prepared on a historical cost basis, except for financial assets held to maturity carried at amortized cost and financial assets classified as available for sale carried at fair value.

Statement of Compliance

The financial report of Africa Prudential Registrars Plc have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Financial period

These financial statements cover the financial year from 1 January to 31 December 2014, with comparative figures for the financial year from 1 January to 31 December 2013.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiary).

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and; (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement, or when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3.2 Basis of preparation

The financial statements are prepared according to uniform accounting policies and valuation principles. The financial statements of the Company are based on the principle of the historical cost of acquisition, construction or production, with the exception of the items reflected at fair value.

The use of critical judgements and accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are disclosed.

Changes in accounting policies or measurement principles in light of new or revised standards are applied retrospectively, except as otherwise provided in the respective standard. The statement of profit or loss and other comprehensive income for the previous year and the opening statement of financial position for that year are adjusted as if the new accounting policies and/or measurement principles had always been applied.

3.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due

There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity.

Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements

3.4 Revenue recognition

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income, including account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed.

Other fees and commission expenses relates mainly to transaction and service fees, which are expensed as the services are received.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

3.5 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.6 Financial instruments

3.6.1 Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as, fair value through profit or loss (FVTPL), available for sale (AFS), loans and receivables and held to maturity investments as appropriate. The Group determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

The company's financial assets include cash and cash equivalents, fixed deposits, treasury bills, government bonds, trade and other receivables and loans.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

3.6.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

a Financial assets at fair value through profit and loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the company as fair value through profit or loss upon initial recognition. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Financial assets held for trading consist of debt instruments and equity instruments, as well as financial assets with embedded derivatives. Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to the income statement. The instruments are derecognised when the rights to receive cash flows have expired or the company has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

Financial assets carried at fair value through profit/loss are recognised in the statement of financial position as 'Financial assets designated at fair value'. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in the income statement

b Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortized cost, using the Effective Interest Rate, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortization is included in interest income in the income statement.

c Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the company has the intention and ability to hold until maturity. After initial measurement, held to maturity financial assets are measured at amortized cost, using the Effective Interest Rate, less impairment. The Effective Interest Rate amortization is included in 'investment income' in the income statement. Gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortization process.

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d Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in the statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the statement of comprehensive income is recognised in the income statement. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement in 'Dividend income' when the company's right to receive payment is established.

e Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

The excess of the cost of acquisition over the value of the share of the identifiable net assets is recorded as goodwill. If the cost of acquisition is less than the value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of profit or loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

3.7 Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired or
- The company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - The company has transferred substantially all the risks and rewards of the asset or
 - The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

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Impairment of financial assets

Assets carried at amortised cost

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The following factors are considered in assessing objective evidence of impairment:

- (i) Whether the client company is more than 90 days past due;
- (ii) The entity consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments; or
- (iii) There is an observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

Subsequent to initial recognition, the fair values are remeasured at each reporting date. All gains and losses arising from changes therein are recognised in profit or loss in 'net trading income' for trading assets.

Interest earned and dividends received while holding trading assets at fair value through profit or loss are included in net trading income. Trading assets are not reclassified subsequent to their initial recognition.

Assets at fair value

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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3.8 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with the Central Bank and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the entity in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

3.9 Property and equipment

(i) Recognition and measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. The cost of Property, Plant and Equipment includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The estimated useful lives for the current and comparative period are as follows:

Leasehold improvements	Over the shorter of the useful life of item or lease period
Leasehold land	Over the unexpired lease term
Buildings	40 years
Computer equipment	5 years
Furniture, fittings and equipment	5 years
Motor vehicles	5 years
Capital work - in - progress	Not depreciated

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(iv) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

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3.10 Intangible assets

Software

Software acquired by the entity is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the entity is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

3.11 Provisions

A provision is recognised if, as a result of a past event, the entity has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.12 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average principle and include expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

3.13 Investment in subsidiary

The financial statements incorporate the financial statements of subsidiary undertaking. By virtue of acquisition of 100% holdings in UAC Registrars effective from 30th of May 2013 and Africa Prudential Registrars' ability to influence decision making and returns on its investment, the entity has determined the existence of control. The directors of the Company concluded that the Group has the practical ability to direct the relevant activities of UAC Registrars unilaterally and hence the Group has control over UAC Registrars Limited.

The company uses the acquisition method to account for business combinations. The cost of an acquisition is measured as the market value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their market values at acquisition date, irrespective of the extent of any non-controlling interest.

Detail of the Company's subsidiary at 31 December, 2014 is stated below

Name of Subsidiary	Place of Incorporation	Principal Activity	Proportion of ownership and voting interest held by the group	
			12/31/2014	12/31/2013
UAC Registrars Limited	Nigeria	Share Registration	100%	100%

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3.14 Employee benefits

Post-employment benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as an expense in the statement of Profit or Loss when they are due. The contribution payable to a defined contribution plan is in proportion to the services rendered to the entity by the employees and is recorded as an expense under "Personnel expenses". Unpaid contributions are recorded as liability.

3.15 Share capital and reserves

Ordinary Share Capital : The ordinary share capital of the entity is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity net of any tax effects.

4 Earnings per share

The entity presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the entity by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
5 Revenue				
Registrars Fees Income (note 5A)	856,032	774,721	802,411	658,085
Net investment income (note 5B)	1,201,454	937,730	1,027,246	724,073
Other income (note 5C)	51,534	141,825	30,545	106,857
	2,109,020	1,854,276	1,860,202	1,489,015
5A 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.				
5B 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.				
	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
Interest income				
Interest on BA/CP	317,533	173,436	317,533	173,436
Interest on term deposit	353,594	385,732	105,594	172,075
interest on treasury bills	376,559	123,094	305,473	123,094
interest on bonds	260,665	255,468	260,665	255,468
Interest on call	40,774	-	40,774	-
	1,349,125	937,730	1,030,039	724,073
5C Other income				
This comprises of income earned from investment in available for sale financial assets, search fees, photocopies.				
	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
Dividend Income earned on available for sale financial assets	11,950	11,660	11,950	11,660
Provision no longer required	2,900	16,229	2,900	16,229
Others (aggregate of immaterial items)	36,684	113,936	15,695	78,968
	51,534	141,825	30,545	106,857
6 Impairment loss on financial assets (trade receivables)				
Impairment losses on trade receivables	2,981	11,476	2,981	11,476
Net impairment loss on trade receivables	2,981	11,476	2,981	11,476
7 Personnel expenses				
Wages and salaries	160,628	167,147	158,953	140,878
Contributions to defined contribution plans	6,043	3,572	6,043	3,572
Medical expenses	5,998	10,022	5,998	4,637
Performance bonus	70,415	54,093	70,415	54,093
	243,084	234,834	241,409	203,180
8 Other operating expenses				
Consultancy fees	125,403	130,013	124,465	92,635
AGM/EGM expenses	71,642	32,563	71,642	32,563
Asset written off	53,520	6,009	53,520	-
Donations	50,500	898	50,500	600
Directors fees and other emoluments	52,733	29,364	52,733	29,364
Audit fees	11,170	9,538	10,000	7,350
Training	8,924	13,802	8,924	4,509
Premises and equipment costs	26,480	39,356	25,672	29,339
Corporate Social responsibility	28,166	-	28,166	-
Advert and business promotion	32,878	24,016	31,995	21,592
Internet and communication	18,925	10,110	18,925	7,364
Travel expenses	14,926	8,830	14,926	3,227
Legal and professional expenses	4,673	5,163	2,979	2,525
Fund management expense	147,671	36,378	2,793	36,378
General administrative expenses	33,242	22,001	32,888	18,135
	680,853	368,041	530,128	285,581
9 Cash and cash equivalents				
Cash in hand	70	179	70	179
Current account with banks	1,059,969	604,095	865,606	546,703
Short term deposits	4,949,710	8,608,262	1,680,008	6,141,491
	6,009,749	9,212,536	2,545,684	6,688,373

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9A	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
Maturity profile of short term deposits				
At call	86,918	1,412,242	86,520	1,412,242
0 - 30 days	227,811	2,708,783	227,811	242,012
30 - 60 days	3,972,150	4,450,000	702,847	4,450,000
60 - 90 days	662,831	37,237	662,831	37,237
	4,949,710	8,608,262	1,680,009	6,141,491

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.

10	Financial assets	Group 2014 N'000	Group 2013	Company 2014 N'000	Company 2013 N'000
10A	Available for Sale				
	Quoted equity	114,186	236,339	114,186	236,339
	Unquoted equities	3,544,388	-	3,544,388	-
		3,658,574	236,339	3,658,574	236,339
	Unquoted equities comprise				
	At 1 January	3,748,000	-	3,748,000	-
	Fair value changes	(203,612)	-	(203,612)	-
	At 31 December	3,544,388	-	3,544,388	-

As at 31st December, 2014 the company's available for sale investment in quoted equity (UBA Plc), and unquoted equities (UBA Kenya, Mozambique and Uganada), had fair values of N114,186,000 and N3,544,388 000 respectively. The company uses the following technique to determine the fair value of these investments categorised in level 1 and level 3 respectively.

Available for Sale financial assets using Level 1 inputs:- Unadjusted quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Valuation of asset in this category does not entail a significant degree of judgment

Available for Sale financial assets using Level 3 inputs: Available for sale financial assets have been fair valued using the discounted cash flow method.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31/12/14 N'000	31/12/13 N'000		
1) Quoted Equity Investment	Assets – 114,186	Assets – 236,399	Level 1	Quoted bid prices in an active market
2) Unquoted Equity Investment	Assets – 3,544,388	Assets – 3,748,000	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future

For the Level 3 valuation, the significant observable inputs used in the valuation includes the risk free rate, country risk premium, cost of equity and beta while the unobservable inputs used were the long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries.

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
10B Held to maturity				
Edo State Government Bond 2017	1,058,842	1,074,430	1,058,842	1,074,430
Bayelsa State Government Bond 2017	809,783	1,081,374	809,783	1,081,374
Local Contractor Bond 2016	1,057,101	-	1,057,101	-
Treasury Bills	5,396,703	-	5,396,703	-
	8,322,429	2,155,804	8,322,429	2,155,804

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

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
11 Other Assets				
Prepayments	37,579	40,847	37,579	38,132
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
12 Trade and other receivables				
Trade debtors	176,722	119,138	122,979	42,467
Sundry debtors	9,133	260,553	5,784	258,158
Withholding tax receivable	28,453	47,698	28,453	47,698
Staff Loans	38,835	42,040	38,835	42,040
	253,143	469,429	196,051	390,363
Allowances for doubtful accounts (note 1)	(86,643)	(83,662)	(43,047)	(40,066)
	166,500	385,767	153,004	350,297

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

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
12A Reconciliation of allowance accounts				
At 1 January	83,662	72,186	40,066	28,590
Increase in allowance for the year	2,981	11,476	2,981	11,476
At 31 December	86,643	83,662	43,047	40,066

12B Ageing of past due but not impaired receivables

The ageing of trade and other receivables at the reporting date that were not impaired was as follows:

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
Past due 1 - 60 days	93,175	14,071	86,580	8,643
Past due 61 - 90 days	6,186	4,946	3,954	818
Past due 91 - 180 days	5,552	30,845	4,788	4,536
Past due 181 and above	71,811	69,272	27,676	26,154
	176,724	119,134	122,998	40,151

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13 Property, plant and equipment Group

	Building N'000	Computer equipment N'000	Motor vehicles N'000	Furniture fittings & equipments N'000	Total N'000
Cost					
Balance at 1 January 2014	80,886	64,934	48,243	69,944	264,009
Arising on acquisition of subsidiary	-	-	-	-	-
Additions	286	6,238	6,900	11,647	25,071
Revaluation	-	-	-	-	-
Disposals	-	-	(8,600)	-	(8,600)
Balance at 31 December 2014	81,172	71,172	46,543	81,591	280,480
Accumulated depreciation					
Balance as at 1 January 2014	3,287	35,720	31,938	39,081	110,026
Arising on acquisition of subsidiary	-	-	-	-	-
Depreciation charge for the year	2,026	7,894	5,630	11,170	26,720
Elimination on disposal	-	-	(7,980)	-	(7,980)
Balance as at 31 December 2014	5,313	43,614	29,588	50,251	128,766
Carrying amount					
At 31 December 2014	75,860	27,559	16,956	31,341	151,714
At 31 December 2013	77,599	29,214	16,305	30,863	153,981
Company					
Cost					
Balance at 1 January 2014	80,886	64,934	39,643	53,757	239,220
Arising on acquisition of subsidiary	-	-	-	-	-
Additions	286	6,237	6,900	11,647	25,070
Disposals	-	-	-	-	-
Balance at 31 December 2014	81,172	71,171	46,543	65,404	264,290
Accumulated depreciation					
Balance as at 1 January 2014	3,287	35,720	23,954	24,185	87,146
Arising on acquisition of subsidiary	-	-	-	-	-
Depreciation charge for the year	2,026	7,959	5,632	10,471	26,088
Elimination on disposal	-	-	-	-	-
Balance as at 31 December 2014	5,313	43,679	29,586	34,656	113,234
Carrying amount					
At 31 December 2014	75,859	27,492	16,957	30,748	151,056
At 31 December 2013	77,599	29,214	15,689	29,572	152,074

	Group 2014 N'000	Group 2013 N'000
14 Intangible asset		
Cost		
At 1 January	27,457	17,038
Additions during the year	6,755	10,419
At 31 December	34,212	27,457
Accumulated amortization		
At 1 January	17,735	16,713
Amortization during the year	2,671	1,022
At 31 December	20,406	17,735
Net carrying amount		
At 31 December 2014	13,806	9,722

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15 Deposits for Investments

These represent the companies deposit for investment in UBA Kenya, UBA Mozambique and UBA Uganda. During the period under review, regulatory approval of the investments by the jurisdictions where the investees are domiciled was obtained and they have now been appropriately classified as available for sale financial asset

	Group	Group	Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
16 Inventory				
Client stationery	22,223	13,206	22,223	15,587
Computer consumables/obsolete stock (written off)/back	-	-	-	(2,381)
	<u>22,223</u>	<u>13,206</u>	<u>22,223</u>	<u>13,206</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.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
17 Creditors and accruals				
Accounts payable	169,633	294,547	153,146	249,892
Other Credit Balances	10,357	10,357	-	-
Accrued expenses	190,582	165,366	158,380	165,366
	<u>370,572</u>	<u>470,270</u>	<u>311,526</u>	<u>415,258</u>

18 Customers' deposits	<u>13,747,538</u>	<u>11,202,446</u>	<u>10,924,343</u>	<u>9,132,901</u>
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This represents dividend, return monies and other interests received from clients but yet to be claimed as follows:

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
Public offers	3,558	4,548	3,558	4,548
Return money- public offer	606,690	554,056	606,690	554,056
Money return-debentures	293	293	293	293
Brokerage: ordinary shares	204,541	152,264	204,541	152,264
Dividend: ordinary shares	12,872,217	9,888,712	10,049,020	7,819,166
Interest: debentures	31,624	32,457	31,625	32,457
Realisation: ordinary shares	21	21	21	21
Bond Interest	9,602	551,938	9,603	551,938
Redemption preference shares	3,396	3,397	3,396	3,397
Redemption debentures	15,596	14,761	15,596	14,761
	<u>13,747,538</u>	<u>11,202,446</u>	<u>10,924,343</u>	<u>9,132,901</u>

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
19 Post-employment benefits				
Defined contribution plan				
Provision for the year	6,043	3,572	6,043	3,572
Release to PFAs	(6,043)	(3,572)	(6,043)	(3,572)
	<u>-</u>	<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 YEAR ENDED 31 DECEMBER 2014

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
22 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>	<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>	<u>1,000,000</u>
At 1 January	1,000,000	500,000	1,000,000	500,000
Arising during the year	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
At 31 December	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Share premium				
At 1 January & 31 December	<u>624,446</u>	<u>624,446</u>	<u>624,446</u>	<u>624,446</u>
23 Retained Earnings				
At 1 January	2,686,400	1,869,233	2,628,092	1,869,233
Arising on acquisition of subsidiary	-	(97,289)	-	-
Dividend paid during the year (note 23A)	(700,000)	-	(700,000)	-
Transfer from statement of profit or loss	<u>1,218,364</u>	<u>914,456</u>	<u>1,031,964</u>	<u>758,859</u>
	<u>3,204,764</u>	<u>2,686,400</u>	<u>2,960,056</u>	<u>2,628,092</u>
23A The Directors are proposing a final dividend of Nxxx per share (2013: N0.35 per share) which will absorb an estimated Nxxx (2013:N700million) from prior periods retained earnings. The dividend has not been provided for and withholding tax will be deducted at the appropriate rate when payment is made				
24 Other Reserves				
At 1 January	22,637	-	22,637	-
Fair value gains/(losses) on Quoted Equity	(122,153)	22,637	(122,153)	22,637
Fair value loss on Unquoted Equity	(203,612)	-	(203,612)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>(303,128)</u>	<u>22,637</u>	<u>(303,128)</u>	<u>22,637</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				
25 Basic earnings per ordinary share				
Profit attributable to shareholders (N'000)	1,218,367	914,456	1,031,964	758,859
Number of ordinary share in issue ('000)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Earnings per share (kobo)	<u>61</u>	<u>46</u>	<u>52</u>	<u>38</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

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

26. Key Compensation

Key management compensation of the company includes all directors, executive and non-executive, and senior management. The summary of compensation of key management personnel for the year is as follows:

Emolument of directors and employees

	Company	
	2014 N'000	2013 N'000
Directors Fees & other emoluments		
Fees	5,000	4,708
Sitting Allowances	9,500	5,475
Other emoluments	38,233	19,181
	52,733	29,364
i) The total number of Directors were:	5	6

Staff numbers and costs

ii) The number of persons employed (excluding directors) in the company during the period was as follows:	7	6
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iii) The table below shows the numbers of employees of the company that earned over N60,000 in the year and which fell within the bands stated below

N60,0001	-	N70,000	-	-
N200,001	-	N400,000	-	-
N400,001	-	N600,000	-	-
N600,001	-	N800,000	22	19
N800,001	-	N1,200,000	25	30
N1,200,001	-	N2,000,000	7	4
N2,000,001	-	N3,000,000	9	8
N3,000,001	-	N5,000,000	5	2
N5,000,001	-	N7,000,000	3	2
N7,000,001	-	N8,000,000	1	1
N8,000,001	-	N10,000,000	-	-
N10,000,001	-	above	2	1

27 Related Party transactions

The following related party transactions were entered into in the ordinary course of business during the year.

	Company	
	2014 N'000	2013 N'000
Due to Heirs Holdings Limited	49,737	84,000

28 Contingent liabilities, litigation and claims

The Directors of the Company are not aware of any pending or threatened claims or litigations, which may be material to the financial statements. In the preceeding year, the company paid a dividend of N700,000,000 which was in excess of its taxable profit for that year. A contingent liability of N26,430,000, which is 30% of the excess of dividend paid over taxable profit, is probable.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

29 Investment in Subsidiary

	N'000
Cost of acquisition	<u>750,000</u>

30 Goodwill arising from business combination

Goodwill arising on an acquisition of UAC Registrars is carried at cost as established at the date of acquisition of the business (30th May, 2013) less accumulated impairment losses if any.

For the purpose of testing for impairment, goodwill was allocated to identifiable cash generating units in the subsidiary acquired. 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 14.9% per annum. The recoverable amount was determined to be higher than the value in use, hence no impairment was charged to the goodwill.

	<u>2014</u> N'000	<u>2013</u> N'000
Excess of consideration over net asset	468,000	468,000
Accumulated impairment losses	<u>-</u>	<u>-</u>
Carrying Amount	<u>468,000</u>	<u>468,000</u>

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

29 Financial Risk Management

29.1 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

29.2 Foreign currency risk management

The Group does not undertake transactions denominated in foreign currencies in the ordinary course of its business. Consequently, exposures to exchange rate fluctuations may not arise.

29.3 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks.

29.4 Interest rate sensitivity analysis

The Group is exposed to interest rate risk because entities in the Group invest funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate investments. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The sensitivity analyses below have been determined based on the exposure to interest rates for interest yielding financial instruments which were measured at fair value at the end of the reporting period. The fair values of financial assets classified as held-to-maturity would be impacted as shown below if yields were 1% higher or lower as at 31 December 2014.

Group			
Asset	Value as at 2014	1% higher	1% lower
	N'000	N'000	N'000
Treasury bills	5,396,703	5,450,669	5,342,735
State Government bonds	1,868,625	1,887,311	1,849,938
Corporate bonds	1,057,101	1,067,672	1,046,930

Income	Value as at 2014	1% higher	1% lower
	N'000	N'000	N'000
Treasury bills	376,559	414,215	338,903
State Government bonds	228,014	250,815	205,213
Corporate bonds	32,651	35,916	29,386

Determination of fair value and fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflects market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy. UBA Securities uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

The following table shows an analysis of the company's financial instruments recorded at fair value by level of the fair value hierarchy. This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

The following table shows an analysis of the company's financial instruments recorded at fair value by level of the fair value hierarchy. This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

2014	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	-	-	-
Financial assets recognised as available for sale	114,186	-	3,544,388	3,544,388
Financial assets held to maturity	8,322,429	-	-	8,322,429
Placements	-	-	1,680,008	1,680,008
Total unrecognised change in unrealised fair value	8,436,615	-	5,224,396	13,546,825
Financial liabilities				
Financial instruments	-	-	11,235,869	11,235,869
Total unrecognised change in unrealised fair value	-	-	11,235,869	11,235,869

2013	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	-	-	-
Financial assets recognised as available for sale	236,339	-	-	236,339
Financial assets held to maturity	2,155,804	-	-	2,155,804
Placements	-	-	6,141,491	6,141,491
Total unrecognised change in unrealised fair value	2,392,143	-	6,141,491	8,533,634
Financial liabilities				
Financial instruments	-	-	9,548,159	9,548,159
Total unrecognised change in unrealised fair value	-	-	9,548,159	9,548,159

The fair value of held-to-maturity instruments is based on the quoted prices obtained from the relevant exchange.

For financial instruments for which the fair value approximates carrying value i.e. those instruments that are liquid or have a short-term maturity (less than three months), it is assumed that the carrying values approximate their fair value.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

The fair value of held-to-maturity instruments is based on the quoted prices obtained from the relevant exchange.

For financial instruments for which the fair value approximates carrying value i.e. those instruments that are liquid or have a short-term maturity (less than three months), it is assumed that the carrying values approximate their fair value.

Fair valuation methods and assumptions

- (i) Cash and balances with banks and amounts due from other financial institutions
Cash and balances with banks represent cash held with banks, while amounts due from other financial institutions represent investments in term deposits with these institutions. The fair value of these balances is their carrying
- (ii) Equity securities
The fair value of quoted equity securities are determined by reference to quoted prices (unadjusted) in active markets for identical instruments. The fair value of unquoted equity securities are determined based on prices obtained from an observable market.
- (iii) Treasury Bills
Fair value of Treasury Bills are determined based on prices obtained from an observable market.
- (iv) Trade and other account receivable

These represent monetary assets which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

(i) Management of risk

The Company's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting specific high standards. Credit risk is monitored on a monthly basis by the Finance and Management Service (FMS) unit in accordance with the policies and procedures in place. Principal policies set in place include:

- Establishing an appropriate credit risk management environment
- Maintaining an appropriate credit administration, measurement and monitoring processes, including strict adherence to the investment rules and regulations set by the Securities and Exchange Commission
 - Establishing an appropriate approval limits for investment of certain types and tenors.
 - Ensuring adequate control over risk.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

(ii) Exposure to risk

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below shows the break down of break down of the financial assets and liabilities per maturity period.

Asset

Placements	314,330,833	1,365,676,779					1,680,007,613
Treasury Bills	-	3,856,872,466	1,367,717,808	172,112,329	-	-	5,396,702,603
Equity		-	-	-	3,658,574,000	-	3,658,574,000
Bonds	-	-	-	-	-	2,925,726,000	2,925,726,000
Total	314,330,833	5,222,549,245	1,367,717,808	172,112,329	3,658,574,000	2,925,726,000	10,002,436,215

Liability

	<30 days	31-90 days	91-180 days	181-365 days	1-3 years	>3 years	Total
Unclaimed Dividend	-	-	-	3,491,580,678	175,116,860	7,257,644,874	10,924,342,412
Other Liabilities	-	-	-	505,630	-	-	505,630
Total	-	-	-	3,491,580,678	175,116,860	7,257,644,874	47,712,470

	<30 days	31-90 days	91-180 days	181-365 days	1-3 years	>3 years	Total
Financial Assets	314,330,833	5,222,549,245	1,367,717,808	172,112,329	3,658,574,000	2,925,726,000	13,661,010,215
Financial Liabilities				(3,491,580,678)	(175,116,860)	(7,257,644,874)	(10,924,342,412)
	314,330,833	5,222,549,245	1,367,717,808	(3,319,468,349)		(4,331,918,874)	2,736,667,803

The Group has dedicated credit standards, policies and procedures to control and monitor intrinsic and concentration risks through all credit levels of selections, administration and control. Some of these policies include ensuring that all investment entered are of low medium duration; thus minimizing the risk of default.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personal, technology and infrastructure, and from external factors other than credit, market and liquidity risk s such as those arising from legal and regulatory requirements and generally accepted standards of cooperate behaviors'. Operational risk arises from the entire Company operations. Management of the Company's operational risk is centered around its processes, people, system and external events. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of control to address operational risk is assigned to senior management within each business unit. The Company's internal control & compliance unit are responsible for ensuring compliance with established procedural and operational standards.

AFRICA PRUDENTIAL REGISTRARS PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

Capital risk management

The group manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of its capital structure.

The capital structure of the company consists of cash and cash equivalents and equity attributable to its equity holders, comprising issued capital, reserves and retained earnings as disclosed in note 15.

The company is not subject to any externally imposed capital requirements.

The company's Board and management review the capital structure. As part of this review, they consider the cost of capital and the risks associated with each class of capital.

Equity includes all capital and reserves of the company that are managed as capital.

	2014 N'000	2013 N'000
Tier 1 Capital		
- Share Capital	1,000,000	1,000,000
- Retained Earnings	2,960,056	2,628,092
- Share Premium	624,446	624,446
Total qualifying for Tier 1 Capital	4,584,502	4,252,538
Tier 2 Capital		
Fair Value Reserve	(303,128)	22,637
Other borrowings	-	-
Total qualifying for Tier 2 Capital	(303,128)	22,637
Total Regulatory Capital	4,281,374	4,275,175

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by the Board of Directors or a sub-committee as appropriate.

AFRICA PRUDENTIAL REGISTRARS PLC

FINANCIAL SUMMARY FOR THE YEAR ENDED 31 DECEMBER 2014

ASSETS	Group	Group	Company			
	2014 N'000	2013 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Non-current assets						
Property, plant and equipments	151,714	153,981	151,056	152,074	171,479	69,716
Deposits for investments	-	3,748,000	-	3,748,000	-	-
Investment in subsidiary	-	-	750,000	750,000	-	-
Intangible asset	13,806	9,722	13,806	9,722	325	465
Deferred Tax	57,180	-	56,990	-	-	-
Goodwill	468,000	468,000	-	-	-	-
Total non-current assets	690,700	4,379,703	971,852	4,659,796	171,804	70,181
Current assets						
Cash and cash equivalents	6,009,749	9,212,536	2,545,684	6,688,373	4,138,829	8,051,733
Financial assets (Available For Sale)	3,658,574	236,339	3,658,574	236,339	-	-
Financial assets (held to maturity)	8,322,429	2,155,804	8,322,429	2,155,804	4,059,247	-
Trade and other receivables	166,500	385,767	153,004	350,297	38,573	23,589
Other assets	37,579	40,847	37,579	38,132	2,528	1,720
Inventory	22,223	13,206	22,223	13,206	15,256	19,853
Total current assets	18,217,054	12,044,499	14,739,494	9,482,150	8,254,433	8,096,895
Total assets	18,907,754	16,424,202	15,711,346	14,141,946	8,426,237	8,167,077
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	1,000,000	1,000,000	1,000,000	1,000,000	500,000	500,000
Share Premium	624,446	624,446	624,446	624,446	-	-
Retained earnings	3,204,764	2,686,400	2,960,056	2,628,092	1,869,233	1,307,581
Other reserves	(303,128)	22,637	(303,128)	22,637	-	-
Total equity	4,526,082	4,333,483	4,281,374	4,275,175	2,369,233	1,807,581
Non-current liabilities						
Deferred tax liabilities	-	327	-	-	-	-
Total non-current liabilities	-	327	-	-	-	-
Current liabilities						
Creditors and accruals	370,572	470,270	311,526	415,257	390,852	397,068
Customers' deposits	13,747,538	11,202,446	10,924,343	9,132,900	5,480,483	5,759,588
Taxation	263,236	417,676	194,104	318,613	185,670	202,840
Total current liabilities	14,381,346	12,090,392	11,429,972	9,866,770	6,057,005	6,359,496
Total liabilities	14,381,346	12,090,719	11,429,972	9,866,770	6,057,005	6,359,496
Total equity and liabilities	18,907,428	16,424,202	15,711,346	14,141,945	8,426,237	8,167,077
Revenue	2,256,691	1,854,276	1,862,995	1,489,015	1,034,068	606,159
Operating expenses	(956,309)	(956,309)	(956,309)	(523,577)	(366,526)	292,155
Profit before tax	1,300,382	1,212,186	1,059,718	965,438	667,542	314,004
Profit after tax	1,218,367	914,456	1,031,964	758,859	286,087	188,113
Earnings per share	61	46	52	38	56	19

AFRICA PRUDENTIAL REGISTRARS PLC

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2014

GROUP	2014 N'000	%	2013 N'000	%
Gross earnings	2,256,691		1,854,276	
Bought in material and services - Local	<u>(955,093)</u>	<u> </u>	<u>(358,173)</u>	<u> </u>
Value added	<u>1,301,598</u>	<u>100</u>	<u>1,496,103</u>	<u>100</u>

Applied as follows:

To pay employees:

- Personnel cost	243,084	19	234,834	16
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To pay Government:

- Taxation	82,015	6	297,730	20
- Information technology development levy	-	-	-	-

Retained in the business for future growth:

- Deferred taxation	57,180	4	-	-
- Depreciation	26,720	2	26,716	2
- Profit for the year	<u>892,599</u>	<u>69</u>	<u>936,823</u>	<u>63</u>
	<u>1,301,598</u>	<u>100</u>	<u>1,496,103</u>	<u>100</u>

Value added represents the additional wealth which the group has been able to create by its own and employee's efforts. This statement shows the allocation of that wealth among employees' shareholders, government and that retained for future creation of more wealth.

AFRICA PRUDENTIAL REGISTRARS PLC

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2014

COMPANY	2014 N'000	%	2013 N'000	%
Gross earnings	1,862,995		1,489,015	
Bought in material and services - Local	<u>(615,484)</u>	<u> </u>	<u>(212,624)</u>	<u> </u>
Value added	<u>1,247,511</u>	<u>100</u>	<u>1,276,391</u>	<u>100</u>
Applied as follows:				
To pay employees:				
- Personnel cost	241,409	19	170,719	13
To pay Government:				
- Taxation	27,754	2	297,730	23
- Information technology development levy		-	-	-
Retained in the business for future growth:				
- Deferred taxation	56,990	5	-	-
- Depreciation	28,759	2	26,716	2
- Profit for the year	<u>892,599</u>	<u>72</u>	<u>781,226</u>	<u>61</u>
	<u>1,247,511</u>	<u>100</u>	<u>1,276,391</u>	<u>100</u>

Value added represents the additional wealth which the company has been able to create by its own and employee's efforts. This statement shows the allocation of that wealth among employees' shareholders, government and that retained for future creation of more wealth.