

2017 ANNUAL REPORT AND ACCOUNTS

NCR (Nigeria) Plc
RC 751



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OUR VISION

OUR MISSION

Provide our customers with the next generation of productivity gains and customer experience innovation through our deep knowledge of the changing global consumer and technology.

In everyday language ...

It means everyone who works here is working at the cutting edge of their profession. It guarantees that we provide development that helps our people to stay at the forefront of every market we operate in. Most of all, it makes this an exciting, forward-thinking place to work, every single day.

NCR SHARED VALUES

NCR Shared Values form the foundation of our business relationships with each other, our customers, strategic partners and suppliers. They define a global, consistent framework for conducting business. We use NCR Shared Values to direct our behavior and guide our decisions as we drive to achieve our business objectives.

INTEGRITY: Highest Standards of Integrity

We must act legally, ethically and with courage, fairness and honesty in all our business dealings. We must keep our commitments, admit our mistakes and learn from our experiences. We are accountable for what we achieve and how we achieve it. We know our reputation is directly affected by the conduct of each and every employee and we strive to ensure the NCR name remains worthy of trust.

PERFORMANCE: Commitment to Performance Excellence

We commit to high performance in all functions. We must take personal ownership for the success of our company and work together to continuously improve and achieve best-in-class performance. We must deliver the highest quality products and services to our internal and external customers. And we realize that profitable growth is the means to develop new business solutions for our customers and create opportunities for employees, as well as reward the trust of our shareowners and the performance of employees.

CUSTOMER DEDICATION: Passion for Our Customers and Their Success

We genuinely care about our customers and are dedicated to serving them well. We learn their markets, understand their specific goals and

objectives, and develop solutions that deliver business value. We must build teams with each other and with our customers to maximize our ability to deliver the highest possible value. We must always respond with a sense of urgency. And we must strive to develop long-term customer relationships by consistently delivering quality, innovation, and business value that meet or exceed our customers' expectations – with no surprises.

INNOVATION: Pursuit of Innovation

We must be in constant pursuit of innovation – both process and technology innovation. Throughout our history, NCR's ability to harness the power of new ideas and put them to work for our customers in the real world has defined our company and fueled our leadership. From the way we search for new and more effective ways to run our business to the dynamic new technologies we deliver to our customers, innovation powers the engine that drives our success now and in the future.

RESPECT & TEAMWORK: Respect for Each Other, Work as a Team

We base our working relationships upon trust and respect and recognize the contributions of every member of the NCR team. We value the unique qualities, abilities and perspectives each person brings to a challenge or opportunity, and we also know that as a team we can achieve together what would remain out of reach for us individually. And we communicate openly and candidly with each other and extend our respect and team spirit to customers, partners, suppliers and the communities in which we live and work.

Result at a Glance

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 N'000	2016 N'000	% Growth
Revenue	6,907,926	7,058,196	(2)
Profit before taxation	620,042	326,938	90
Taxation	(469,374)	(260,448)	80
Profit after taxation	150,668	66,490	127
Issued Share capital	54,000	54,000	-
Cash and short term deposits	4,110,532	4,195,030	(2)
Basic earnings per share (Naira)	1.4	0.62	126
Diluted earnings per share (Naira)	1.4	0.62	126
NSE Share price at 31 December (Naira)	6.30	8.53	(26)

Board of Directors

Otunba Adekunle Ojora OFR, CON, FNIM, JP		Chairman
Mr. Harold Nnaemeka Anumihe		Executive Director (Appointed 12 May 2017)
Mr. Ahmed Abdel Aziz Hamada	(Egyptian)	Executive Director/Chief Executive Officer (Resigned 28 April 2017)
Mr. George Flouros	(Cypriot)	Non-Executive Director (Resigned 30 June 2017)
Mr. Michael Vallier	(American)	Non-Executive Director
Mr. Matthew Akinlade (FCA)		Independent Non-Executive Director
Mrs. Olufunke Hussain		Executive Director
Ms. Louise Georgiou	(Cypriot)	Non-Executive Director (Appointed 18 July 2017)

Registered Office

NCR (Nigeria) Plc

NCR House
6, Broad Street
P. O. Box 509
Lagos
Nigeria.

Registered Number

RC 751

Company Secretary

Mrs. Olufunke Hussain

Registrar

Apel Capital Registrars Limited

8, Alhaji Bashorun Street,
Off Norman Williams Crescent,
South West Ikoyi,
Lagos,
Nigeria.
Tel: 01 -2932121, 0704 612 6698
Email: registrars@apel.com.ng

Auditors

Ernst & Young

(Chartered Accountants)
10th & 13th Floors
UBA House
57 Marina, Lagos.

Solicitor

Abdullahi Ibrahim & Co

2, Towry Street
Lagos Island
Lagos.

Olaniwun Ajayi

The Adunola
Plot L2, Banana Island,
Ikoyi,
Lagos.

NCR Nigeria PLC is incorporated in Nigeria under the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, 2004 as a Public Limited Liability Company, and is domiciled in Nigeria. The Company commenced operations in Nigeria on 9th December, 1949 under the name of National Cash Register Company (West Africa) Limited. The company was granted a listing on the Nigerian Stock Exchange on 30th May 1979. The company adopted its present name of NCR (Nigeria) Plc in 1996.

NCR Nigeria PLC is the first Multinational ICT Company quoted on the Nigerian Stock Exchange. The company has positively been involved in many facets of Nigerian society. These include helping Nigeria convert to the decimal system being the dominant supplier of cash registers then, which were the precursors of the calculators and computers, and also pioneering the ATM revolution in Nigeria. NCR introduced the first ATM in Nigeria in 1989. With dominance in the Nigerian financial solutions sector and Nigeria's top banks as customers both in Self Service and Payments Solutions, NCR has been delivering cutting edge customer support services, ICT solutions and consulting services to many sectors in the Nigerian economy for over 63 years.

NCR provides innovative products and services that enable businesses to connect, interact and transact with their customers and enhance their customer relationships by addressing consumer demand for convenience, value and individual service. NCR's portfolio of self-service and assisted-service solutions serve customers in the financial services, retail and hospitality, healthcare, travel and gaming and entertainment industries and include Automated Teller Machines (ATMs), Self Service kiosks and point-of-sale terminals with peripherals as well as software application that can be used by consumers to enable them to interact with businesses from their computer or mobile device. NCR complements these product solutions by offering a complete portfolio of services to help customers design, deploy and support its technology tools, as well as offering services for third-party products.

NCR provides specific solutions for customers in a range of industries such as financial services, retail and hospitality, travel and gaming, healthcare, and entertainment. NCR's solutions are built on a foundation of long established industry knowledge and consulting expertise, value-added software and hardware technology, global customer support services, and a complete line of business consumables and specialty media products.

Products and Services

Our product and service offerings fall into the following categories:

ATMs and Other Financial Products

We provide financial institutions, retailers and independent deployers with financial-oriented self-service technologies, such as ATMs (with forex, cheque accepting, cash dispensing and accepting capabilities), kiosks (financial and retail), mobile branches, video teller machines and recyclers.

These solutions create pleasant and convenient experiences for consumers, generate new revenue streams and enable our customers to reduce costs while enhancing customer loyalty.

Financial and Retail Solutions

Our financial and retail solutions are designed to quickly and reliably process consumer transactions and incorporate advanced features.

We boast a very rich suite of software that is second to none in the industry. These include: ATM application, security solutions, fraud management, transaction switching, predictive platform, cash management, mobile banking, online banking, ATM network monitoring, transaction monitoring, reconciliation, image and electronic journal management, enterprise data warehousing and a host of others.

This remains one of our richest value added to our customers with the attending result of improving operational efficiency, enhancing consumer experience and ensuring significant cost savings.

Cheque and Document Imaging

Our cheque and Document Imaging offerings provide end-to-end solutions for both traditional paper-based and image-based cheque and item processing. These solutions utilize advanced image recognition and workflow technologies to automate item processing, helping financial institutions increase efficiency and reduce operating costs. Consisting of hardware, software, consulting and support services, our comprehensive Cheque and Document Imaging solutions enable cheque and item-based transactions to be digitally captured, processed and retained within a flexible, scalable environment. NCR was also involved in the introduction of the MICR cheque standards in Nigeria and, for many years, was a member of the CBN-MICR implementation sub-committee. The process of cheque clearing in Nigeria changed when NCR partnered with Nigerian InterBank Settlement Scheme (NIBSS) to develop a solution for Nigeria Automated Clearing System (NACS). NCR deployed NCR's Electronic Cheque Processing & Image Capture solution and this project was rated very successful by NIBSS as well as the participating banks. NCR's image capture system takes care of over 70% of the total items processed in the clearing house.

NCR Teradata Enterprise Data Warehouse, BI and Marketing Automation System

NCR Corporation was until 2007, the parent company of Teradata Corporation, the leading provider of powerful, enterprise analytic technologies and services that include Enterprise Data warehouse, Business Intelligence and Customer Relationship Management, CRM. The company (Teradata) was, however, spun-off as a stand-alone organization in 2007, as a separate entity from NCR Corporation. NCR Nigeria is however, the regional representative of Teradata Corporation for the entire Africa region, excluding Egypt and Pakistan. In this capacity, NCR Nigeria offers Teradata Enterprise Data Warehouse and Business Intelligence solutions to the banking industry in Nigeria. Teradata is the global leader in analytic data platforms, business applications and consulting services that help organizations become more competitive by increasing the value of their data and customer relationships. With over 2,700 customers in 77 countries, NCR Teradata Enterprise Data Warehouse and BI solution is the leader in Data Analytics, Multi-Channel Campaign Management, Marketing Resource Management and Integrated Marketing Management suite of solutions.

Services

One of the company's major strength is the team of seasoned customer services department comprising Customer & Project Engineers, Customer Care Representatives, Service Management Officers, Operation

Analyst, Account Service Managers, Logistics Interface for part distribution and Finance Administrator.

NCR services today pride itself in widespread coverage & footprint in the Nigerian services industry with customer engineers in 6 geopolitical zones of the country and presence in every local govt. area, hence the best response and resolution time in the industry.

NCR has the largest services network with 3 central warehouses (Lagos, Abuja and Port Harcourt) and 9 regional stocking locations (Ibadan, Benin, Kano, Calabar, Akure, Enugu, Jos, Owerri and Kaduna).

The company has continued to deliver the best ATM uptime availability to our highly delighted customers.

NCR provides maintenance and support services (hardware/software) for our product offerings and also other services including site assessment and preparation, staging, installation and implementation, systems management and managed services of third party products.

Our strategy is to focus primarily on maintenance and support of NCR-branded products in order to capture higher margin services and significantly reduce redundant costs associated with supporting/servicing multiple third-party products.

We have robust and experienced Professional Services Consultants with specialized expertise on software products.

Consumables

These products include two-sided thermal paper, paper rolls for receipts in ATMs and POS solutions, inkjet and laser printer supplies, thermal transfer and ink ribbons, labels, laser documents, business forms, and specialty media items such as photo and presentation papers.

Registered Office

NCR (Nigeria) Plc
NCR House
6, Broad Street
P.O. Box 509, Lagos
Nigeria
Tel: 01- 2793970

NOTICE IS HEREBY GIVEN that the **66th Annual General Meeting of NCR (Nigeria) PLC** will be held at the **Agip Recital Hall, Muson Centre, 8/9 Marina, Onikan, Lagos, on Tuesday the 5th day of June, 2018 at 11:00a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December, 2017 together with the Reports of the Directors, Audit Committee and Auditors thereon;
2. To elect/re-elect Directors;
3. To authorize the Directors to fix the remuneration of the External Auditors; and
4. To elect members of the Audit Committee.

SPECIAL BUSINESS

5. To fix the remuneration of the Directors
6. To consider and pass the following resolution as an ordinary resolution of the Company: "That, subject to the post listing rules of The Nigerian Stock Exchange, (namely, the Rules Governing Transactions with Related Parties or Interested Persons), the General Mandate given to the Company to enter into recurrent related party or interested party transactions provided such transactions are of a revenue or trading nature or are necessary for the Company's day to day operations be and is hereby renewed."

NOTES

1. PROXY

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. The proxy form is contained in the Annual Reports and Financial Statements. If it is to be valid for the purpose of the Meeting, it must be completed, detached and deposited at the office of the Registrars **Apel Capital Registrars Limited, whose office is at 8, Alhaji Bashorun Street, Off Norman Williams Crescent, South West Ikoyi, Lagos** not later than 48 hours before the time appointed for holding the meeting.

2. CLOSURE OF REGISTER OF MEMBERS

The Register of Members and transfer books of the Company will be closed from Monday May 14, 2018 to Friday May 18, 2018 (both dates inclusive) for the purpose of preparing an up-to-date Register of Members.

3. NOMINATIONS FOR THE AUDIT COMMITTEE

Any member may nominate a shareholder as a member of the Audit Committee of the Company, by giving notice in writing of such nomination to the Company Secretary at least 21 days before the date of the Annual General Meeting.

4. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Shareholders with dividend warrants and share certificates that have remained unclaimed, or are yet to be presented for payment or returned for validation are advised to complete the e-dividend registration or contact the Registrar at the address stated above.

5. E-DIVIDEND REGISTRATION

Shareholders who are yet to complete the e-dividend registration are advised to download the E-Dividend Mandate Form on Registrar's website: www.apel.com.ng and also on the company's website: ncr.com.ng, complete and submit to the Registrar at the address stated above or any branch of Shareholder's respective Banks.

6. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before Monday 21st May, 2018.



Dated this 29th day of March, 2018

BY ORDER OF THE BOARD



Olufunke Hussain (Mrs.)

Company Secretary

FRC/2013/NBA/00000002577

NCR (Nigeria) Plc

6, Broad Street

P.O. Box 509, Lagos.

Distinguished Shareholders,

I would like to welcome you to the 66th Annual General Meeting of our company and present to you the company's Annual Report and Financial Statements for the financial year ended 31 December, 2017.

Operating Environment

The competition was very fierce, unrelenting and grew with the arrival of new entrants into the Nigeria business environment. In response to the challenges posed by the business environment,

your Board and Management aggressively followed through on the execution of its strategic thrusts and took unnecessary costs out of operations in order to guarantee the survival of the business and sustain value creation for stakeholders.

Financial performance

Despite the daunting challenges posed by the operating environment, our company recorded a remarkable 90% increase in the Profit Before Tax; N620m as against N327m in the previous year. This is mainly due to increased margins in the business during the year, in spite of the 2% drop in turnover in comparison with the previous year which closed at N7b. The Profit after Tax also recorded remarkable increase in 2017 at N151m up from N66m recorded in 2016.

NCR's vision and strategy is perfectly aligned with major market trends and customer activity. Over the last decade, NCR has transformed into the leader in the omni-channel market, moving from a product-led to a solution-led company. We are confident that we have the vision, assets, solutions, products, partners and people to lead the industry.

Strategy and innovation

As a visionary brand, we strengthened our business as the most future-primed solution provider by introducing our latest solutions which are adapted to new ways of providing and accessing almost all banking services



The Otunba Adekunle Ojora OFR, CON, FNIM, JP

"Over the last decade, NCR has transformed into the leader in the omni-channel market, moving from a product-led to a solution-led company. We are confident that we have the vision, assets, solutions, products, partners and people to lead the industry."

through the Automated Teller Machine. We continued to exploit and consolidate on the market gains of our market leading SelfServe27 ATM with an elegant small footprint design, touchscreen technology, packing customer convenience and increased capacity for longer ATM cash availability which was launched in the Nigerian market in 2016. In the course of the year, we saw more banks adopt our latest cash dispenser ATM as the ATM of choice for the fast-growing number of ATM galleries across the country. To complement this and revolutionize the customers' banking experience at the ATMs, we created a very compelling value proposition around the SelfServe27 ATMs by offering the ATM with our Omni-Channel CxBanking/Marketing software.

NCR continued to lead the market in Nigeria in 2017 with technological innovations and complimenting solutions acquisitions aimed at supporting financial institutions to continuously enhance customer services and the customer experiences, with the objective to thrive and grow their businesses, by reducing operating costs and secure the banking channels from hostile and fraudulent attacks. We are now a full Hardware, Software and Services company and in this light, we continue to drive our full complement of solutions stack into the Nigeria market with the support of our technical team.

Dividend

Our company's performance in the year under review notwithstanding, the Directors have considered that given the economic challenges and difficult business terrain coupled with the volatility of exchange rates, it is imperative to preserve liquidity and maintain prudence. To this end, the Board will not recommend any dividends for the 2017 financial year. The Board and management remain strongly committed to ensuring that our Company continues to improve on all its performance-measurement parameters and maximizing returns on your investment remains unshaken.

Board Changes

I am happy to report that since the last Annual General Meeting, Ms. Louise Georgiou joined the Board following the exit of Mr. George Flouros from NCR

Corporation and consequent cessation as Director of the Company. Ms. Louise Georgiou has a sound professional background and vast experience in business and finance and will undoubtedly add value to the Board. I am delighted to welcome Ms. Louise Georgiou on Board. Her profile is provided in the Annual Report.

Future

We have continued to finetune our strategies to cope with the challenges despite the macroeconomics dynamics. The Board is optimistic about the future of our company and confident that we can look forward to the future with every hope as we continue to establish our technological competitive advantages, further strengthen our stronghold with previous customers and open new relationships.

Management and staff

Our staff remain a core strength of our company. We have been blessed with competent and committed workforce and reaffirm our confidence in our staff at all levels for their dedication and unfailing loyalty. We will continue to implement programs to keep staff moral high always. I wish to commend the management team for the job done during the year under review and implore them to continue with more vigor.

I would like to express appreciation to NCR Corporation for their continued cooperation and support.

Conclusion

In conclusion, I wish to thank our esteemed shareholders for their support and strong faith in our company. And to all our customers, thank you for your patronage.

Thank you all for your support and commitment to our great company.



THE OTUNBA ADEKUNLE OJORA OFR, CON, FNIM, JP
Chairman

Board of Directors



The Otunba Adekunle Ojora

OFR, CON, FNIM, JP - Chairman



Mr. Harold Nnaemeka Anumihe

Executive Director/Chief Executive Officer



Mr. George Flouros

*Non-Executive Director
Resigned 30 June, 2017*



Mr. Michael J. Vallier CPA CIA

Non-Executive Director



Mr. Ahmed A. Hamada

*Executive Director/Chief Executive Officer
Resigned 28 April, 2017*



Mr. Matthew Akinlade (FCA)

Independent Non-Executive Director



Mrs Olufunke Hussain

Executive Director



Ms. Louise Georgiou

Non-Executive Director

The Otunba Adekunle Ojora OFR, CON, FNIM, JP - Chairman

The Otunba Adekunle Ojora OFR, CON, FNIM, JP is a graduate of Journalism from the London Polytechnic now the University of Westminster. He also attended management courses at Harvard University School of Business and at Christ College Cambridge University, England. He worked as an assistant Editor at BBC London and came back to serve at the Nigeria Broadcasting Service. He moved on to the United Africa Company of Nigeria (UAC) Limited where he served as Public Relations Manager and rose to the position of a Director, the second Nigerian to hold that position in 1962.

The Otunba Ojora OFR, CON, FNIM, JP, was the first Nigerian to be appointed Chairman of a multi-national oil company, AGIP Nigeria Limited where he served for 28 years. He has served as Chairman in many companies cutting across oil & gas, insurance, office equipment, pharmaceutical, real estate, and financial sectors of the Nigerian economy. The Otunba Ojora OFR, CON, FNIM, JP also holds numerous positions in local, bilateral and national business associations.

He has received various national and international awards for his prowess in business and was honoured with the National Award of the Order of the Federal Republic of Nigeria in 1982. He was also awarded the Nigerian National honour of Commander of the Order of the Niger. He was awarded an honorary doctorate degree of law by the Central State University of Ohio, Wilberforce, USA and holds foreign honours of Freeman of the City of London, Grand Officer of the Republic of Italy, Grand Commander of the Republic of Italy and Grand Commander of Austria.

He is a honorary Law graduate of Ado Bayero University Kano, Nigeria and a honorary awardee of the Department of Computer Science, University of Ibadan, Fellow of the Institute of Management of Great Britain in 1972, Fellow of the Royal Society of Arts of the United Kingdom and Honorary Fellow of the Yaba College of Technology.

The Otunba Ojora OFR, CON, FNIM, JP, a Justice of Peace, is a member of the Nigerian Stock Exchange, Honorary Vice President of Lagos and Nigerian Chamber of Commerce and Industry and Vice President of the Manufacturers Association of Nigeria.

Mr. Harold Nnaemeka Anumihe

Executive Director/Chief Executive Officer

Mr. Anumihe is a graduate of Computer Science from the University of Nigeria. He also holds a MBA from the University of Lagos.

Early in his career, he worked with Citibank, Ivory Merchant Bank and Intercontinental Bank. In his career, Mr. Anumihe has undergone numerous leadership and management, and technology solutions courses. He has about three decades' experience in multi-industry business and management technologies, gained from roles that exposed him to various sectors of the economy.

He had fulfilling and pioneering careers in the world's foremost information technology companies in West Africa - IBM, Oracle, Dell and Misys, in strategic sales leadership and management roles. He played key roles in introducing and establishing these companies into the Nigerian market.

Mr. Anumihe joined NCR with a wealth of experience cutting across several sectors of the market with bias in Financial Services.

Mr. George Flouros

Non Executive Director (Resigned 30 June 2017)

Mr. George Flouros is Region Vice President for NCR East Mediterranean, Middle East and Africa for Financial Solutions. He is a graduate of the City University in London with B.Sc Degree in Engineering and an MBA Degree in Marketing from Cass Business School in London.

Mr. Flouros started his career in NCR Cyprus in 1988. In 1998, he became the Middle East/Africa Area Director for Retail Solutions Division (RSD) and soon after, in 2002, he also assumed responsibility for RSD in Central Eastern Europe (CEE) and Russia. Under his leadership, RSD business experienced substantial growth which led the Indirect Channel business in the region to great levels of success.

In 2004, Mr. Flouros was appointed as Managing Director for East Mediterranean and Near East.

He was appointed as Region Vice President for East Mediterranean, Middle East and Africa area in January, 2001.

Mr. Ahmed Abdel Aziz Hamada

Executive Director/ Chief Executive Officer (Resigned 28 April 2017)

Prior to his assignment, Ahmed has served as the Vice President-Global Sales in Cequens from 2012-2013, and Marketing Director from Dec 2011-Dec 2012. He also worked with Vodafone Egypt and his previous assignments are: Head of Leads Management (July 2010- Oct 2011); Head of Business Products and Solutions (April 2008 - June 2010); Enterprise Solution Sales Senior Manager (July 2007- March 2008) and General Manager for the Corporate Business Unit (March 2005 - June 2007).

Between July 2004 – February 2005, Ahmed has worked with Oracle Egypt as a Sector Manager. He also worked with NCR Egypt from April 1997 – June 2004 in various Sales management and project management roles. Ahmed was a System Engineer with IBM Egypt from January 1994 - February 1996.

Ahmed is a B.Sc. graduate from the University of Cairo in Egypt. He has an MBA in Marketing and International Business at American University in Cairo.

Michael J. Vallier CPA CIA -

MEA Regional Controller NCR Corporation/Non Executive Director

Michael J. Vallier is the MEA Regional Controller of NCR Corporation. He is a B.Sc. Graduate of Ball State University.

From 1998-2001, He worked as the Country Director and Senior Audit Manager for Deloitte & Touche Vilnius, Lithuania and Riyadh, Saudi Arabia respectively.

In the Bahamas, Michael was the Senior Audit Manager from 2001 - 2003 with Ernst & Young Company, He has also served as the consultant and Project Manager for Control Solution International, Inc. at Sarasota, Florida from 2003-2004.

In 2004, he Joined NCR Corporation Dayton, Ohio as the Director Audit and Advisory Services. He moved in 2009 to NCR Japan and worked as the Chief Financial Officer (Tokyo, Japan).

Mr. Matthew Akinlade (FCA)

Independent Non-Executive Director

Mr. Matthew Akinlade FCA, FCMA was appointed as an Independent Non-Executive Director of the

Company on October 12, 2016. He is a Fellow of the Chartered Institute of Management Accountants of London and Institute of Chartered Accountants of Nigeria.

He attended the Advanced Management Programme of Lagos Business School in 1994, International Graduate School of Management (IESE) Barcelona among other management courses in Nigeria and abroad in the course of his working career which spanned over 30 years.

He is currently the Non-Executive Chairman of Nampak. He was also on the Board of Creseada International Limited between August 2013 and March 2015.

Mrs Olufunke Hussain
Executive Director

Mrs. Hussain was appointed as Executive Director of the company on October 12, 2016. She executes her office with the former role of Company Secretary. Mrs. Hussain is an alumnus of the University of Ife, Ile-Ife, where she obtained a Bachelor of Law degree LL,B (HONS) in 1986. She was admitted to the Nigerian Bar in 1987.

Mrs. Hussain is a skilled legal practitioner with over 28 years' experience in both private legal practice and corporate commercial law. She has exhibited unparalleled professionalism in the course of her career and has acted on several company and

commercial matters including as a Legal Adviser to various companies. She is a member of many professional bodies and was appointed as Company Secretary of NCR (Nigeria) Plc in March 2006.

Ms. Louise Georgiou
Non-Executive Director

Ms. Louise Georgiou is a Certified Public Accountant and holds a Bachelor of Commerce Degree in Economics, Commercial Law and Accounting from the University of the Witwatersrand Johannesburg, South Africa (1996).

She is currently the Treasury Manager NCR (Middle East) Ltd for Europe, Middle East and Africa Region. She represents and leads the NCR Middle East and Africa Region cash operations AND she is responsible for the regions bank accounts, bank relationships, fx trading/hedging, debt availability, business financing and local country specific requirements. The Region is spread over 51 countries in the region and 169 separate legal entities and sets of books. This position reports directly to the Global VP Treasurer. The Hub controls the reporting for the Region around cash balances, investments, credit facilities, bank fee structure and Forex exposure for the entire regions' currencies.

She started her career with the South African Bank of Athens Ltd. as an Advances and Security Manager.

She speaks English, Greek and Africans fluently.

The directors have pleasure in presenting to the members of NCR (Nigeria) Plc (“the Company”) their report together with the audited financial statements for the year ended 31 December 2017.

LEGAL FORM

NCR (Nigeria) Plc is incorporated in Nigeria under the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004 as a Public Liability Company, and is domiciled in Nigeria. The company commenced operations on 9 December 1949 under the name National Cash Register Company (West Africa) Limited, and changed its name to NCR (Nigeria) Limited in 1974. The company was granted a listing on the Nigerian Stock Exchange on 30 May 1979. In 1990, the name of the Company was changed to NCR (Nigeria) Public Liability Company in compliance with the Companies and Allied Matters Act. The name of the Company was changed to AT&T Global Information Solutions (Nigeria) Plc in 1994 and on 16 July 1996 the Company adopted its present name of NCR (Nigeria) Plc.

NCR (Nigeria) Plc is a subsidiary of NCR Corporation (NYSE: NCR), the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables more than 550 million transactions daily across retail, financial, travel, hospitality, telecom and technology, and small business. NCR solutions run the everyday transactions that make life easier.

NCR (Nigeria) Plc introduced the first ATM in Nigeria in 1989.

NCR is headquartered in Duluth, Georgia with over 30,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States and other countries.

61.76% of the share capital of the Company is held by NCR Corporation, United States of America while the balance of 38.24% is held by Nigerians.

PRINCIPAL ACTIVITIES

The company’s principal activity includes provision of technology and services that help businesses connect, interact and transact with their customers. The company is a technology Company that provides innovative products which include:

- ATM (Automated Teller Machines)
- Retail Point of Sales terminals (Point of Sale)
- Self Service Kiosks
- Self-check-in/out systems
- Sale of computer consumables

CHANGE IN THE REPORTING FRAMEWORK

There have been no changes to the accounting policies adopted by the Company.

STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company's affairs is satisfactory and no events have occurred since the reporting date, which would affect the financial statements as presented.

RESULTS FOR THE YEAR

The following is the summary of the Company's operating results:

	2017 N'000	2016 N'000
Revenue	6,907,926	7,058,196
Profit before taxation	620,042	326,938
Income tax expense	(469,374)	(260,448)
Profit after taxation	150,668	66,490

DIVIDEND

The board has not proposed any dividend in respect of the financial year ended 31 December 2017 (2016: Nil).

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment (PPE) is shown in Note 17 to the financial statements. In the opinion of the Directors, the market value of the Company's PPE is not less than the carrying value shown in the financial statements.

ACQUISITION OF OWN SHARES

The company has not purchased any of its own shares during the year ended 31 December 2017 (2016: Nil).

DIRECTORS

The names of the Directors at the date of this report and of those who held office during the financial year are as follows:

Otunba Adekunle Ojora OFR, CON, FNIM, JP	Chairman
Mr. Harold Nnaemeka Anumihe	Executive Director (Appointed 12 May 2017)
Mr. Ahmed Abdel Aziz Hamda (Egyptian)	Executive Director/Chief Executive Officer (Resigned 28 April 2017)
Mr. George Flouros (Cypriot)	Non-Executive Director (Resigned 30 June 2017)
Mr. Michael Vallier (American)	Non-Executive Director
Mr. Matthew Akinlade (FCA)	Independent Non-Executive Director
Mrs. Olufunke Hussain	Executive Director
Ms. Louise Georgiou (Cypriot)	Non-Executive Director (Appointed 18 July 2017)

Since the last Annual General Meeting, there has been some changes in the composition of the Board.

Mr. George Flouros ceased to be a Director of the Company with effect from 30 June, 2017 as a result of his departure from NCR Corporation. We thank Mr. George Flouros for his efforts and many contributions to the Company and wish him luck in the future.

Ms. Louise Georgiou was appointed a director of the Company with effect from 18 July, 2017. We warmly welcome her to the Company and wish her every success and a rewarding tenure in office.

In accordance with Section 259 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in line with Article 93 of the Company's Articles of Association, Ms. Louise Georgiou being a Director appointed since the last Annual General Meeting will retire and being eligible offers herself for election as Director of the Company.

In accordance with Section 259 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in line with Article 88 - 91 of the Company's Articles of Association, Mr. Michael Vallier will retire by rotation and being eligible, offers himself for re-election as a Director of the Company.

DIRECTORS' INTEREST IN SHARES

The interest of Directors in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and/or as notified by the Directors for the purpose of Sections 275 and 276 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2017 and the Listing requirements of the Nigerian Stock Exchange are as follows:

	2017	2016
	Number of Shares	Number of Shares
Otunba Adekunle Ojora OFR, CON, FNIM, JP	1,073,562	1,073,562
Mr. Michael Vallier	-	-
Mr. Matthew Akinlade FCA	44,349	44,349
Mrs. Olufunke Hussain	-	-
Mr. Harold Nnaemeka Anumihe	-	-
Ms. Louise Georgiou	-	-

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 of any direct or indirect interest in contracts or proposed contracts in which the Company was involved during the year ended 31 December 2017 (2016: Nil).

SUBSTANTIAL INTEREST IN SHARES

According to the register of members no one person or organization other than NCR Corporation, USA held more than 5% of the issued share capital of the Company as at 31 December 2017.

	2017		2016	
	Number of Shares	%	Number of Shares	%
NCR Incorporation	66,705,456	61.76	66,705,456	61.76

ANALYSIS OF SHAREHOLDING

The issued and fully paid-up share capital of the Company is N54,000,000 divided into 108,000,000 ordinary shares of 50k each, of this 66,705,456 shares, equivalent to 61.76 per cent are held by NCR Corporation, USA, while 41,294,544 shares equivalent to 38.24 per cent are held by Nigerian shareholders as at 31 December 2017.

The shareholding range analysis as at 31 December 2017 is as shown below;

BEGINNING RANGE	ENDING RANGE	TOTAL SHARE HOLDER	% OF SHARE HOLDING	TOTAL SHARE HOLDING	% OF SHARE HOLDING
1 -	1,000	2,471	32.62%	1,092,677	1.01%
1,001 -	5,000	3,978	52.51%	8,563,213	7.93%
5,001 -	10,000	645	8.51%	4,461,181	4.13%
10,001 -	50,000	387	5.11%	6,909,939	6.40%
50,001 -	100,000	44	0.58%	3,014,440	2.79%
100,001 -	500,000	42	0.55%	8,569,254	7.93%
500,001 -	1,000,000	3	0.04%	1,888,313	1.75%
1,000,001 -	5,000,000	4	0.05%	6,795,527	6.29%
10,000,001 -	9,999,999,999	1	0.01%	66,705,456	61.76%
		7,575.00	100.00%	108,000,000.00	100.00%

CHARITABLE CONTRIBUTIONS

The company did not make any charitable donations during the year ended 31 December 2017 (2016: Nil).

In compliance with Section 38(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, the Company did not make any donations or gifts to any political association or for any political purpose during the year ended 31 December 2017 (2016: Nil).

DISTRIBUTION OF THE COMPANY'S PRODUCTS

The company markets its products through its sales personnel and distributors.

The following distributors were used:

- Universal Horizon Limited
- Tricontinental Limited

NON-DISCRIMINATORY EQUAL EMPLOYMENT OPPORTUNITY

The company is an equal employment opportunity employer. It is the Company's policy to hire, train, promote and pay employees based on their job-related qualifications, ability and performance, without regard to race, colour, creed, religion, national origin, citizenship status, sex, marital status, age, physical or mental disability, sexual orientation, gender identity or expression, or veteran status.

ENVIRONMENTAL, HEALTH & SAFETY MANAGEMENT

The company conducts all aspects of business in an environmentally sound manner, with care for the safety and health of our employees, customers, and the general public. As with other financials of the business, Environmental Health & Safety activities are integrated into the existing management structure and accountability process. This system helps to achieve continual improvement in Environmental Health & Safety performance by reducing losses from operational accidents and risks associated with non-compliance. Improvement in Environmental Health & Safety performance ultimately enhances the Company's competitive market position for providing services, products and solutions to the Company's customers. The company recognizes the need for employees with Environmental, Health & Safety responsibility to develop and maintain an appropriate level of Environmental, Health & Safety technical competency.

The company strives to minimize the environmental footprint of its operations and products, while also delivering innovative technologies and solutions designed to help businesses and consumers reduce their own environmental footprint.

The company is committed to complying with applicable health and safety regulations related to protecting employees and providing working conditions that are free from recognized hazards. The company's workplace programs are designed to protect the safety and health of employees and to prevent and mitigate workplace incidents that could arise from abnormal operating conditions and potential emergency situations.

EMPLOYEES' TRAINING

The company is committed to training and career growth. NCR University (NCRU) provides training resources and education programs to increase employee productivity and ensure professional growth. Management, professional and technical expertise are the Company's major assets and investment in their further development continues. The company believes that success depends on ability to develop a productive, capable organization committed to ongoing learning; employee development is therefore an integral part of the way the business is managed. The company invests in tools and opportunities that empower employees to take charge of their own personal and professional growth and development. Training is carried out at various levels through

both in-house and professional training at its corporate technical training centres located in Cyprus, United Kingdom and United States of America.

BUSINESS CONDUCT AND ETHICS

NCR is a principle-based Company, the reputation of our Company is formed by each and every experience that customers, business partners, suppliers and the community have with us. We treat each other and our business partners with respect, honesty and fairness. We value the unique qualities, abilities and perspectives each person brings to a challenge or opportunity, and we also know that as a team we can achieve together what would remain out of reach for us individually. We communicate openly and candidly with each other and extend our respect and team spirit to customers, partners, suppliers and the communities in which we live and work.

- **Customer Dedication:** We genuinely care about our customers and are dedicated to serving them well. We learn their markets, understand their specific goals and objectives, and develop solutions that deliver business value.
- **Performance:** We commit to high performance in all functions. We take personal ownership for the success of our Company and work together to continuously improve and achieve best-in-class performance.
- **Innovation:** Throughout our history, NCR's ability to harness the power of new ideas and put them to work for our customers in the real world has defined our Company and fuelled our leadership; innovation powers the engine that drives our success now and in the future.
- **Supplier and Customer Relations:** We require our vendors, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our ethical standard of business operation.

EVENTS AFTER THE REPORTING DATE

As stated in Note 32, there are no events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

BY ORDER OF THE BOARD



OLUFUNKE HUSSAIN
 COMPANY SECRETARY
 FRC/2013/NBA/00000002577

29 March, 2018

NCR (Nigeria) Plc is committed to high standards of corporate governance. The company has continued to embrace the best governance practices required to deliver sustainable value to our shareholders.

During the year ended 31 December 2017, NCR (Nigeria) Plc complied with the Securities and Exchange Commissions (SEC) Code of Corporate Governance for Nigeria, International Best Practices on Corporate Governance and the NCR Principles of Ethics and Compliance.

The primary purpose of the Board is to create and deliver sustainable long-term value to shareholders through its general supervision of the Company's business.

As part of this goal, NCR has always maintained different and separate roles for the Chairman and the Chief Executive Officer. Presently the Company has a six (6) member Board led by the Chairman who is a non-Executive Director. There are four non-executive Directors and two executive Directors on the Board.

All the Directors bring various and varied competencies to bear on all board deliberations. The Board meets regularly and is responsible for effective control and monitoring of the Company's strategy. The Chairman directs the Board, ensuring that it operates effectively, while fully discharging its legal and regulatory obligations.

The company's corporate governance framework is in conformity to the Country's existing corporate governance codes and is in line with universally accepted best practices. Under this framework, the Board delegates responsibility for the day to day management of the Company to the Chief Executive Officer.

It is the responsibility of the Board of Directors to ensure that all records are accurate and correctly reflect the financial position of the Company. Management implements system controls, comprising policies, standards and procedures to ensure the safety of assets and the reduction of risk, error, fraud and other irregularities. Both the internal auditor and the external auditors independently appraise the adequacy of internal controls.

The Board places great emphasis on effective communication with its shareholders. It recognizes the importance of ensuring an appropriate balance in meeting the many needs of its shareholders and at the same time building enduring relationships with them.

The Directors direct and indirect shareholdings in the Company where it exists are disclosed elsewhere in this report as required by law.

Employee compliance with the NCR Code of Conduct, training and certification which subscribes to high standards of fair competition is monitored globally.

1. Composition of the Board of Directors

The Board is currently made up of four (4) Non-Executive Directors and two (2) Executive Directors. All the Directors have access to the advice and services of the Company Secretary and advice and services of other professionals in financials where such advice will improve the quality of their contribution to Board decision-making process.

2. Record of Directors' Attendance of Board Meetings

The Board held a total of four (4) meetings during the year. In accordance with Section 258 (2) of the Companies and Allied Matters Act, CAP C20; Laws of the Federation of Nigeria, 2004; the record of the

Directors' attendance of Directors' meetings during 2017 is available for inspection at the Annual General Meeting.

Attendance of Board meetings are set out below:

	Date of Meeting			
	27/3/17	31/5/17	26/7/17	18/10/17
DIRECTORS				
Otunba Adekunle Ojora OFR, CON, FNIM, JP.	P	P	P	P
Mr. George Flouros	P	P	CM	CM
Mr. Michael Vallier	P	P	P	P
Mr. Ahmed Abdel Aziz Hamada	P	CM	CM	CM
Mr. Matthew Akinlade, FCA	P	P	P	P
Mr. Harold Nnaemeka Anumihe	NYM	P	P	P
Mrs. Olufunke Hussain	P	P	P	P
Ms. Louise Georgiou	NYM	NYM	P	P

Attendance Keys: P = PRESENT; A = Absent with Apology;
CM = Ceased to be a member; NYM = Not yet a member;

The meetings of the Board were presided over by the Chairman. In all cases, written notices of the meetings along with the agenda were circulated at least 14 days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

3. Insider Trading And Price Sensitive Information

Directors, insiders and their related persons in possession of confidential price sensitive information ('insider information') are prohibited from dealing with the securities of the Company where such would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

4. The Audit Committee

The Audit Committee is composed of six members made up of three shareholders' representatives elected at the 2016 Annual General Meeting for a tenure of one year until the conclusion of the 2017 Annual General Meeting and three representatives of the Board of Directors nominated by the Board. The Chairman of the Audit Committee is Alhaji Mustapha I. Jinadu. During the year under review, the Committee held four (4) meetings. The functions of the Audit Committee are governed by the provisions of Section 359(6) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

5. Members of the Audit Committee

Mustapha I. Jinadu	- Chairman
Mrs. T. O. Assan	- Member
Mr. M.A. Adedoyin	- Member
Mr. Matthew Akinlade (FCA)	- Member
Mr. Michael Vallier	- Member
Mr. George Flouros	- (Ceased to be a member with effect from 30 June 2017)
Ms. Louise Georgiou	- Member (Replaced Mr. George Flouros)

Attendance of Audit Committee Meetings in 2017

Members	Date of Meeting			
	25/1/17	13/3/17	24/3/17	27/11/17
Mustapha I. Jinadu - Chairman	NYA	NYA	NYA	P
Mrs. T. O. Assan	P	P	P	P
Mr. M.A. Adedoyin	P	P	P	P
Mr. Matthew Akinlade (FCA)	P	P	P	P
Mr. Michael Vallier	P	P	P	P
Mr. George Flouros	P	P	P	CM
Ms. Louise Georgiou	NYA	NYA	NYA	P

Attendance Keys: P = PRESENT; A = Apology; NYA = Not yet appointed;
D = Deceased; CM = Ceases to be a member

6. Committees of the Board

In conformity with the Code of Best practices in Corporate Governance, the Board has established the following committees to function in respect of issues too complex and/or numerous to be handled by the entire Board. All Board Committees make recommendations for approval by the full Board:

I. Financial Risk and General Purposes Committee

The committee is established to provide independent and expert advice to assist the Board to discharge its financial and risk management responsibilities.

The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within the Company, or the reporting lines and responsibilities of either internal audit or external audit functions.

The committee is also responsible for dealing with urgent business which needs to be dealt with at short notice.

The company maintains adequate insurance cover to protect the Company against liability and asset loss.

Members of the committee are as follows:

- Mr. Michael Vallier - Chairman
- Ms. Louise Georgiou
- Mr. Harold Nnaemeka Anumihe

There was no formal meeting of the committee during the year ended 31 December 2017.

II. Appointment, Discipline and Remuneration Committee

The Committee is to set the over-arching principles, parameters and governance framework of the Company's remuneration policy and the remuneration of Senior Executives (being those whose appointment requires Board approval; employees who perform a significant influence function; employees whose activities have or could have a material impact on the Company's risk profile; and any other employee as determined by the Committee from time to time) and to review the structure, size and composition of the Board (including the skills, knowledge, independence, experience and diversity) and the appointment of members to the Board and make recommendations to the Board as appropriate.

Members of the Committee are as follows:

- Mr. George Flouros (resigned 30 June 2017)
- Mr. Michael Vallier
- Mr. M. Akinlade (FCA)

There was no formal meeting of the committee during the year ended 31 December 2017.



Olufunke Hussain

Company Secretary

FRC/2013/NBA/00000002577

29 March, 2018

The Complaint Management Policy of NCR (Nigeria) Plc has been prepared pursuant to the requirements of the Securities & Exchange Commission's Rules relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") issued on 16 February 2016 and The Nigerian Stock Exchange Directive (NSE/LARD/LRD/CIR6/15/04/22) to all Listed Companies ("the NSE Directive") issued on 22 April 2016.

This policy has been prepared in recognition of the importance of effective engagement in promoting shareholder/ investor confidence in the Company. This Policy sets out the broad framework by which the Company and its Registrar provide assistance regarding shareholder issues and concerns. It also provides opportunity for shareholders to provide feedback to the Company on matters that affect shareholders.

This policy only relates to the shareholders of NCR (Nigeria) Plc and does not extend to its customers, suppliers or other stakeholders. This policy is designed to ensure that complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.

This policy will be made available to shareholders of the Company at General Meetings.

GUIDING PRINCIPLES FOR MANAGING COMPLAINTS

The following principles shall guide the Company in managing the complaints of shareholders:

1. COMMITMENT

NCR (Nigeria) Plc is committed to the resolution of complaints and or disputes received from shareholders. The company shall proffer solutions that are fair and reasonable to all parties. The company shall objectively manage and deal fairly with all complaints lodged by shareholders without bias. The rights of any shareholder, who has lodged a complaint, shall be adequately protected. However, it shall be within the sole discretion of the Company to take a decision on the investigation of a complaint considered to be trivial, vexatious or abusive. The company shall take necessary steps to guard against the victimisation in respect of all complaints received.

2. CONFIDENTIALITY

All complaints shall be handled in strict confidence and personal information of complainants shall be adequately protected.

3. PROCEDURE FOR COMPLAINTS/ENQUIRIES

A Complaint Lodgement Form shall be provided to all shareholders to lodge their complaint. All complaints made through authorised third parties or complaints anonymous in nature, shall be duly recognised and addressed.

Shareholders can make complaints/enquiries and access relevant information in the following manner:

- (i) **Contact the Registrar:** Shareholders who wish to make a complaint/ enquiry shall in the first instance contact the Registrar, **Apel Capital Registrars Limited at 8, Alhaji Bashorun Street, Off Norman Williams Crescent, South West Ikoyi, Lagos.** The Registrar manages all the

registered information relating to all shareholdings, including shareholder name(s), shareholder address and dividend payment instructions amongst others. Upon receipt of a complaint or an enquiry, the Registrar shall immediately provide the relevant details of such complaint or enquiry to NCR (Nigeria) Plc for monitoring, record keeping and reporting purposes.

- (ii) **Contact the Company Secretary:** If the Registrar is unable to satisfactorily address shareholders' enquiries and resolve their complaints then shareholders should contact the office of the Company Secretary.

4. FEEDBACK

Where a complaint or an enquiry is sent directly to the Company, NCR shall upon receipt of the complaint or enquiry use its best endeavours to ensure that:

- a) Relevant details of the complaint or enquiry are immediately recorded.
- b) A response is provided by the Company or the Registrar within the specified time frame.
- c) Complaints or enquiries received by e-mail are acknowledged within two (2) working days of receipt.
- d) Complaints or enquiries received by post are responded to within five (5) working days of receipt.
- e) Complaints or enquiries are resolved within ten (10) working days of receipt.
- f) The Nigerian Stock Exchange is notified, within two (2) working days, of the resolution of a complaint or enquiry.
- g) Where a complaint/ enquiry cannot be resolved within the stipulated time frame set out above, the shareholder shall be notified that the matter is being investigated. Delays may be experienced in some situations, including where documents need to be retrieved from storage.
- h) The same or similar medium that was used for the initial enquiry shall be utilized in providing a response (whether by email, phone, post or fax), unless otherwise notified to or agreed with the shareholder.

5. ELECTRONIC COMPLAINTS REGISTER AND QUARTERLY REPORTING OBLIGATIONS

NCR (Nigeria) Plc shall maintain an electronic complaints register. The electronic complaints register shall include the following information:

- The date that the enquiry or complaint was received.
- Complainant's information (including name, address, telephone number, e-mail address).
- Nature and details of the enquiry or complaint.
- Action taken/ Status.
- Date of the resolution of the complaint.

Information on the details and status of complaints shall be provided to the Securities and Exchange Commission and The Nigerian Stock Exchange on a quarterly basis.

6. ACCESS TO POLICY

This policy can be accessed by Shareholders through the following avenues:

- This policy shall be available on the Company's website. www.ncr.com.ng
- A copy of the policy may be requested by contacting the Office of the Company Secretary.
- This policy shall be made available at general meetings of the Company.

7. REVIEW OF POLICY

This policy and procedures concerning shareholder enquiries, complaints and feedback may from time to time be reviewed by the Company.



Olufunke Hussain

Company Secretary

FRC/2013/NBA/00000002577

29 March, 2018

The Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

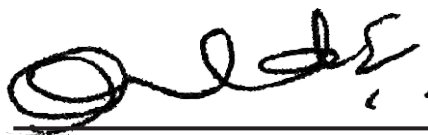
The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 31 December 2017. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



Otunba Adekunle Ojora OFR, CON, FNIM, JP
Chairman
FRC/2013/IODN/00000002581



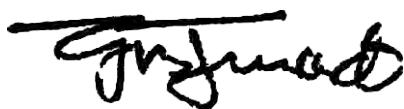
Mr. Matthew Akinlade FCA
Independent Director
FRC/2013/ICAN/0000002111

29 March, 2018

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004, we the Members of the Audit Committee of NCR (Nigeria) Plc confirm that we have carried out our statutory functions under the Act and have examined the Auditor's Report for the year ended 31 December 2017 and hereby state as follows:

1. The scope and planning of the audit are adequate.
2. The accounting and reporting policies of the Company conform with the statutory requirements and agreed ethical practices.
3. The internal control was being constantly and effectively monitored.
4. We have reviewed the Auditor's findings on management matters and are satisfied with the management responses thereon,

Dated this 29th March, 2018
Lagos, Nigeria



Mustapha Jinadu
Chairman – Audit Committee
FRC/2013/IODN/00000001516

Members of the Audit Committee

Mustapha I. Jinadu	-	Chairman
Mrs. T. O. Assan	-	Member
Mr. M.A. Adedoyin	-	Member
Mr. Matthew Akinlade FCA	-	Member
Mr. Michael Vallier	-	Member
Ms. Louise Georgiou	-	Member

Secretary to the Committee
Ms Adeline Ijeh

Independent Auditors' Report

TO THE MEMBERS OF NCR (NIGERIA) PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NCR (Nigeria) Plc which comprise the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of NCR (Nigeria) Plc as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to performing the audit of NCR (Nigeria) Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of NCR (Nigeria) Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditors' Report

TO THE MEMBERS OF NCR (NIGERIA) PLC

Report on the Audit of the Financial Statements *Cont'd*

Key Audit Matter	How the matter was addressed in the audit
<p>1. Classification of Intercompany payable as non-current payable in line with IAS 39.</p> <p>The company has been unable to settle its intercompany payables of \$20,221,102 (N5.8 billion) which had been outstanding for more than a year and consequently entered into an agreement with its related party (NCR Global) to defer payment to a future date. This resulted in the reclassification of the amount to non-current liability.</p> <p>In line with the provisions of IAS 39, the present value of the future amount payable was computed and a fair value gain of N1.5 billion recognized in the statement of profit or loss account and other comprehensive income. See Note 13 in the financial statements.</p> <p>This computation required significant judgement and assumptions regarding the estimated future cash flow, discount rate and expected repayment period. The non-current payable represents 68% of the total liabilities reported in the statement of financial position. See Note 23 in the financial statements.</p>	<p>Our audit procedures on non-current payable include:</p> <ul style="list-style-type: none"> ● We reviewed the agreement between NCR Global and the Company to ensure that the appropriate amount has been reclassified from current to non-current liabilities. ● We recalculated the fair value of the non-current payable by calculating the present value of the future payable amount in accordance with the provisions of IAS 39. ● Our internal expert evaluated the applied discount rate used in the computation by benchmarking against independent data. ● The fair value gain resulting from the valuation of non-current payable was recognised in profit or loss and disclosed separately. <p>Our audit procedures on the financial derivative include:</p>
<p>2. Financial derivative</p> <p>The Company's business of importing Automated Teller Machines (ATMs) relies heavily on the availability of foreign currency. As a result, the Company entered into a forward contract with two (2) Nigerian Banks to further manage foreign exchange risk. The arrangement is for the Banks to provide the Company with funds amounting to \$247,072 (N82 million) to settle its outstanding liabilities in January and March 2018 at an agreed forward rate. However, the prior year arrangement which expired during the year was successful and the foreign currency obtained was utilized to offset the Company's liabilities.</p> <p>The computation of the fair value of the current year financial derivative was done using proprietary and third party valuation models and market data obtained from independent market data providers. A fair value gain on financial derivative of N1.6 million is recognised in the statement of profit or loss and other comprehensive income. See Note 20 in the financial statements.</p>	<ul style="list-style-type: none"> ● We reviewed the contract agreement between the Bank and NCR (Nigeria) Plc. ● Our internal expert evaluated the applied discount rate, interpolated interest rate, higher and lower interest rate band used in the computation by benchmarking against independent data. ● We reviewed the Company's financial statements to ensure that adequate disclosures in respect of this transaction have been made. ● We reviewed the fair value losses on foreign exchange forward contract resulting from the fair value determination of the financial derivative recognised as at reporting date in line with the provisions of IAS 39 – Financial Instruments Measurement and Recognition.

Independent Auditors' Report

TO THE MEMBERS OF NCR (NIGERIA) PLC

Report on the Audit of the Financial Statements *Cont'd*

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Complaints Management Policy, Statement of Director's responsibilities, report of the Audit Committee, and Other National Disclosures (Value Added Statement and 5 Year Financial Summary) as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, and Corporate Governance Report as required by Securities and Exchange Commission, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act No 6, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditors' Report

TO THE MEMBERS OF NCR (NIGERIA) PLC

Report on the Audit of the Financial Statements *Cont'd*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

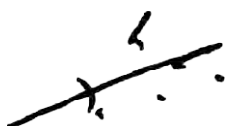
We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, we confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Company, in so far as it appears from our examination of those books; and
- iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.



Yusuf Aliu, FCA
FRC/2012/ICAN/00000000138
For: Ernst & Young
Lagos, Nigeria

29 March, 2018



Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 N'000	2016 N'000
Revenue	6	6,907,926	7,058,196
Cost of sales	7	(4,171,596)	(4,294,460)
Gross profit		2,736,330	2,763,736
Distribution expenses	8	(363,728)	(260,707)
Administrative expenses	9	(125,480)	(40,206)
Other operating income	10	182,605	51,680
Other gains	11	63	74
Finance cost	14	(1,264,413)	-
Foreign exchange loss	12	(2,044,726)	(3,063,706)
Fair value gain/(loss) on financial derivative	21	1,672	(388,346)
Fair value gain on non-current intercompany payable	13	1,497,719	1,264,413
Profit before taxation		620,042	326,938
Income tax expense	15a	(469,374)	(260,448)
Profit for the year		150,668	66,490
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement loss on retirement benefit; net of tax	26b (ii)	(34,542)	(2,521)
Other comprehensive loss for the year, net of tax		(34,542)	(2,521)
Total comprehensive income for the year, net of tax		116,126	63,969
Earnings per share data:			
Basic/ diluted earnings per share (Naira)	16	1.40	0.62

See notes to the financial statements.

Statement of Financial Position

AS AT 31 DECEMBER 2017

	Note	2017 N'000	2016 N'000
ASSETS			
Non-current assets			
Property, plant and equipment	17	628,270	623,933
Retirement benefit assets	26b(iii)	23,187	43,720
Deferred tax assets	15b(ii)	463,216	285,861
Total non-current assets		1,114,673	953,514
Current assets			
Inventories	18	1,404,813	1,620,134
Trade and other receivables	19	2,222,322	3,870,962
Prepayments	20	34,721	22,015
Financial derivative	21	82,376	1,084,462
Cash and short term deposits	22	4,110,532	4,195,030
Total current assets		7,854,764	10,792,603
Total assets		8,969,437	11,746,117
Equity and liabilities			
Equity			
Issued share capital	23a	54,000	54,000
Retained earnings		426,806	276,138
Other reserve	23b	(37,083)	(2,542)
Total equity		443,723	327,596
Non-current liabilities			
Trade and other payables	24	5,788,599	4,886,846
Total non-current liabilities		5,788,599	4,886,846

Statement of Financial Position *Cont'd*

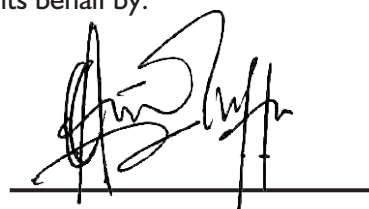
AS AT 31 DECEMBER 2017

	Note	2017 N'000	2016 N'000
Current liabilities			
Trade and other payables	24	2,423,567	5,554,201
Other liabilities	25	275,932	397,788
Current tax payable	15b(i)	37,616	579,686
Total current liabilities		2,737,115	6,531,675
Total liabilities		8,525,714	11,418,521
Total equity and liabilities		8,969,437	11,746,117

Approved by the Directors on 27 March 2018 and signed on its behalf by:



Otunba Adekunle Ojora OFR, CON, FNIM, JP
Chairman
FRC/2013/IODN/00000002581



Mr. Harold Anumihe
Executive Director/CEO
FRC/2017/NIM/00000016990



Mr. Usman Kazeem Wale
Financial Controller
FRC/2016/ICAN/00000014273

See notes to the financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2017

	Issued share capital N'000	Retained earnings N'000	Other reserve N'000	Total N'000
As at 1 January 2017	54,000	276,138	(2,542)	327,596
Profit for the year	-	150,668	-	150,668
Other comprehensive loss for the year, net of tax	-	-	(34,542)	(34,542)
Total comprehensive income/ (loss) for the year, net of tax	-	150,668	(34,542)	116,126
At 31 December 2017	54,000	426,806	(37,084)	443,722

	Issued share capital N'000	Retained earnings N'000	Other reserve N'000	Total N'000
As at 1 January 2016	54,000	209,648	(21)	263,627
Profit for the year	-	66,490	-	66,490
Other comprehensive loss for the year, net of tax	-	-	(2,521)	(2,521)
Total comprehensive income/ (loss) for the year, net of tax	-	66,490	(2,521)	63,969
At 31 December 2016	54,000	276,138	(2,542)	327,596

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 N'000	2016 N'000
Operating activities			
Cash receipts from customers		7,633,098	6,909,367
Payment to suppliers and employees		(6,603,648)	(6,231,898)
VAT paid		(144,526)	(180,156)
Income tax paid	15b (i)	(40,117)	(9,537)
WHT credit note utilized	15b (i)	(1,133,879)	-
Net cash flow (used in)/ generated from operating activities	27	(289,073)	487,776
Investing activities			
Purchase of property, plant and equipment	17	(63,995)	(36,587)
Proceed from disposal of property, plant and equipment		157	244
Net cash flow used in investing activities		(63,838)	(36,343)
Net (decrease) / increase in cash and cash equivalents		(352,911)	451,433
Net foreign exchange difference		74,849	2,198,357
Cash and cash equivalents at 1 January		4,057,465	1,407,675
Cash and cash equivalents at 31 December	22	3,779,403	4,057,465

See notes to the financial statements.

1. Corporate information

NCR (Nigeria) Plc was incorporated as a Limited Liability Company and commenced business on 9 December, 1949 under the name National Cash Register Company (West Africa) Limited, and changed its name to NCR (Nigeria) Limited in 1974. The company was granted a listing on the Nigerian Stock Exchange on 30 May 1979 and became known as NCR (Nigeria) Plc on 16 July, 1996.

NCR (Nigeria) Plc is a Company domiciled in Nigeria. The Company's principal activity includes provision of technology and services that help businesses connect, interact and transact with their customers. NCR (Nigeria) Plc is a technology company that provides innovative products which include:

- ATM (Automated Teller Machines)
- Retail Point of Sales terminals
- Self Service Kiosks
- Self-check-in/out systems
- Sale of computer consumables

2. Basis of preparation

2a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act No 6, 2011.

The financial statements have been prepared on a historical cost basis except for financial derivative and non-current payables which have been measured at fair value. The financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The financial statements were authorised for issue by the Directors on 27 March, 2018.

2b. Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousands (N'000).

2c. Composition of financial statements

The financial statements comprise:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

2d. Financial period

These financial statements cover the financial year from 1 January 2017 to 31 December 2017, with comparative figures for the financial year from 1 January 2016 to 31 December 2016.

3. Summary of significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3a. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and sales related taxes but including interest receivable on sales on extended credit and income from the provision of technical services and agreements. Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Revenue from sale of products

Revenue from the sale of goods is recognized when all the following conditions are satisfied;

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. Revenue from services rendered is recognized when the service is rendered in so far as the amount of the revenue can be measured reliably and the economic benefits associated with the transaction will flow to the entity. In the case of maintenance arrangements, net sales are recognized on a straight line basis over the contract terms.

3b. Cost of sales

Cost of sales includes purchase cost of merchandise and directly attributable overheads.

3c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Financial Controller.

The entity's reportable segments under IFRS 8 are as follows:

- Financial Service Group
- World Customer Services
- System Media Services

3d. Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value using a commercial rate where the effect is material. Discounts are unwound through profit or loss from the date the provision is made up to the date that the expenditure covered by the provision is incurred.

3e. Foreign currencies

The financial statements of NCR (Nigeria) Plc are presented in Naira, which is the Company's functional currency. In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Any resulting exchange differences arising as a result of retranslation of monetary items are disclosed separately in the statement of profit or loss and other comprehensive income.

Non-monetary items measured in terms of historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction.

3f. Taxation

The tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax liabilities are generally recognised for all taxable temporary differences except where the deferred tax liability arises on goodwill that is not tax deductible or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Withholding tax

The Nigerian Government requires an entity paying for services rendered by the Company to withhold or deduct tax from the payment, and pay that tax to the Government. This is considered an advance payment of Company income tax by the Company (who rendered the service) and is paid by the customer receiving the service on behalf of the Company. The company is entitled to receive a Tax Credit Note from the customer who received the service as evidence that the withholding tax has been paid. The company can then utilize these Credit Notes to reduce the amount of income tax payable. Without receipt of credit note from the customer, the Company is unable to benefit from the prepayment of tax in the form of the withholding tax. The company recognizes a Tax Credit Note receivable once the service has been rendered and the withholding tax has been deducted by the customer from payment due to the Company. The company assesses the recoverability of the Tax Credit Notes from the customers relating to the amounts deducted by its customers. The company makes appropriate allowances for estimated irrecoverable amounts when there is objective evidence that the Withholding Tax Credit Note may not be received. These impairment allowances are recognized in profit or loss under distribution expense.

3g. Earnings per share

Earnings per share are calculated by dividing profit or loss for the year by the weighted average number of ordinary shareholding. Diluted earnings per share are calculated by dividing profit or loss for the year by the fully-diluted number of ordinary shares outstanding during the year.

3h. Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation is not charged on these assets until the assets are available for their intended use.

Depreciation is charged to profit or loss using the straight-line method so as to write off the cost to their residual values over their estimated useful lives on the following bases:

Class of assets	Estimated useful lives (Years)
Furniture and fittings	5
Building	34
Improvement on building	5-10
Computer equipment	4
Plant, machinery and equipment	5

The Building was constructed on a land obtained through operating lease. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expenses on repairs and maintenance for instance day-to-day service cost and ongoing maintenance cost are recognized in profit or loss immediately. Major repairs and overhaul costs are capitalized if it will result in future economic benefits. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

3i. Inventories

Inventories are stated at the lower of cost and net realizable value using the First-In-First-Out (FIFO) method. Net realizable value represents the estimated selling price of inventories less estimated cost to make the sale.

3k. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

● Financial assets

The company's financial assets are classified at initial recognition; as loans and receivables or as derivative. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category generally applies to trade and other receivables and cash and short term deposit in the statement of financial position. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Cash and short term deposits

Cash and short term deposit in the statement of financial position comprise cash on hand, cash at banks and highly liquid short-term investments with an original maturity of 3 months or less that are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above, net of outstanding bank overdrafts and restricted cash.

Trade and other receivables

Trade receivables are measured at fair value at the date of trade plus directly attributable transaction costs on initial recognition, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired.

Other receivables may be financial assets or non-financial assets (See Note 28e for recognition and measurement of financial assets).

Derivative financial asset

Derivative financial instruments are measured in the statement of financial position at fair value. The changes in the fair value of derivatives are recognized in the profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss (FVTPL).

Impairment of financial assets

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 asset have been affected.

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 is 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 that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the Company's average credit period, 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 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.

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 the profit or loss.

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.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and

rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received/ receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

● Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

● Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

● Financial liabilities

The company's financial liabilities are initially recognised at fair value, and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables. Subsequently, they are measured at amortised cost using the effective interest method.

Trade and other payables

Trade payables classified as financial liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Other payables that are within the scope of IAS 39 are subsequently measured at amortized cost.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

31. Employee benefits

Retirement benefits

Defined contribution plan

Employees are members of defined contribution plans. Obligations for contributions to defined

contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The company makes provision for retirement benefits in accordance with the Pension Reform Act 2014. The contribution by the employer and employee is 10% and 8% respectively of the employees' basic salary, housing and transport allowances.

Defined benefit scheme

For defined benefit retirement benefit plans, the cost of providing benefits is determined by independent actuaries using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement gains or losses arising from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments are immediately recognised in other comprehensive income.

The defined benefit asset or liability recognised in the statement of financial position represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and in the case of quoted securities, it is the published bid price.

3m.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The company as lessee

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are

capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3n. **Current versus non-current classification**

The company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Cash and short term deposits unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period is presented as current asset. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3o. **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- ❖ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4. Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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.

4a. Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Revenue is properly recognised when realized or realizable and the earnings process is complete. Earnings process is assumed complete upon completion of contractual obligations to the customer as evidenced by performance, transfer of title and risk of loss to the customer and fulfillment of the other revenue recognition criteria. Refer to Note 3a for more detail.

Classification of Building as Property, Plant & Equipment

The classification of the building owned by the Company as either property, plant and equipment rather than as investment property is determined by the significance of the portion of the building occupied by the

Company. The directors consider that the portion of the building occupied by NCR Plc is significant. The portion that is rented is not considered significant and cannot be separately sold or leased out in a finance lease. Hence the whole building has been classified as property, plant and equipment.

4b. **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful receivables

Impairment assessment of receivables is done continuously in order to reduce the Company's financial exposure to any losses on bad debts. An allowance is established to reduce NCR Plc's net accounts receivable, and profit is decreased by the amount of losses expected to occur.

Impairment of doubtful withholding tax receivables

The impairment of doubtful withholding tax receivables involves management estimate and review of individual withholding receivable balances based on an individual customer's prior record, current economic trends and analysis of historical bad withholding tax receivable of a similar type.

Defined Benefit Plan

The cost of defined benefit gratuity plans and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future gratuity increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The discount rate is determined on the Company's reporting date by reference to market yields on high quality Government bonds. The discount rate should reflect the duration of the liabilities of the benefit programme. See Note 31 for details.

Review of the useful lives of tangible assets

The useful life of the Company's building was reviewed on 1 January 2011 (date of transition to IFRS) to 34 years based on the unexpired lease term on the land on which the building is erected and management commitment to occupy throughout the period of the lease. The useful life review is subsequently done at every reporting financial year end. External valuers report was used in determining the value of the Building as at the date of review.

5a. **Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

1. IFRS 15 - Revenue from Contracts with customers – 1 January 2018
2. IFRS 9 – Financial instruments – 1 January 2018
3. Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions – 1 January 2018

4. Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - 1 January 2018
5. IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration – 1 January 2018
6. IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
7. IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment- by- investment choice – 1 January 2018
8. IFRS 16 – Leases – 1 January 2019
9. Amendments to IFRS 10 and IAS 28: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Effective date has been deferred indefinitely
10. IFRS 17 – Insurance Contracts – 1 January 2021
11. IFRS 1 – First Time Adoption of International Financial Reporting Standards – Deletion of Short-term exemptions for first-time adopters – 1 January 2018.

The company intends to adopt these standards, if applicable, when they become effective. The following have been identified to be applicable to the Company's financial statements:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-steps model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The company plans to adopt the new standard on the required effective date using the either the modified or full retrospective method which will be selected during the implementation phase.

The Company's principal activities include:

- I. Financial Service Group
- II. World Customer Services
- III. System Media Services

These principal activities are offered to customers either via sales of goods such as ATMs, ATM kits, software, licenses and hardware or via rendering of services such as support and maintenance services. Shortly before finalising the 2017 financial statements, the Company performed a detailed assessment of IFRS 15 and the outcome of this assessment is described below:

(a) Sale of goods

For some contracts with customers in which the sale of goods is generally expected to be the only performance obligation, adoption of IFRS 15 is not expected to have any impact on the Company's revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer on delivery of the goods.

However, there are other contracts with customers in which the sales of good comes with other performance obligations such as installation and consultancy services, adoption of IFRS 15 is not expected to have a significant impact on the Company's revenue and profit or loss.

IFRS 15 requires an entity to identify the promised goods and services within a contract and determine which of the goods and services are separate performance obligations. An entity is required to account for all the goods or services promised in a contract as a single performance obligation if the entire bundle of promised goods and services is the only performance obligation identified.

In sales contracts, NCR unbundles the products to be sold and services to be rendered, individual prices are allocated to each product and service. The Company has assessed that in this regard, it complies with IFRS 15, and the Company has however realized that slight modifications will need to be considered in determining its performance obligations as certain good and services constitute a single performance obligation while others do not.

In preparing to adopt IFRS, NCR is considering the following:

I. Warranty obligations

The Company has two (2) existing warranty obligations namely

- Assurance type warranty
- Extended warranty

For the assurance type warranty: the Company provides warranties for general repairs. The Company makes a provision for this type of warranty in line with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Under IFRS 15, assurance type warranty is accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The company's practice is consistent with requirements of IFRS 15.

For the extended warranty: the Company provides additional repairs and more service hours to its customers in exchange for a consideration. The customer therefore has the choice of purchasing an additional warranty as a service in addition to the assurance type warranty being provided by the Company.

In its contracts with customers, the Company separately prices the extended warranty option, allocates a price to the extended warranty and recognises the extended warranty separately. The Company defers the income received and realises revenue as services are rendered.

Under IFRS 15, extended warranties are to be accounted for as service-type warranties and, therefore, accounted for as a separate performance obligation to which an entity allocates a portion of the transaction price. The revenue allocated to the service-type warranty is deferred, and presented as a contract liability. As the Company, performs services, it recognizes revenue.

The Company's practice is consistent with the requirements of IFRS 15.

(b) Rendering of services

For service contracts with customers, the Company currently recognizes revenue based on the stage of completion in reference to the payment terms and mile stones stated in the contracts.

IFRS 15 requires that an entity must identify the promised goods and services within a contract and determine which of the goods and services are separate performance obligations. Promised goods or services represent separate performance obligations if the goods or services are distinct (by themselves, or as part of a bundle of goods and services) or if the goods and services are part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer. If a promised good or service is not distinct, an entity is required to combine that good or service with other promised goods or services until it identifies a bundle of goods or services that, together, is distinct. An entity is required to account for all the goods or services promised in a contract as a single performance obligation if the entire bundle of promised goods and services is the only performance obligation identified.

Determining the transaction price is an important step in applying IFRS 15 because this amount is allocated to the identified performance obligations and is recognised as revenue when (or as) those performance obligations are satisfied. IFRS 15 also requires that once the separate performance obligations have been identified and the transaction price has been determined, an entity is expected to allocate the transaction price to the performance obligations in proportion to their stand-alone selling prices. IFRS 15 indicates that the observable price of a good or service sold separately provides the best evidence of stand-alone selling price. However, in many situations, stand-alone selling prices will not be readily observable. In those cases, an entity must estimate the stand-alone selling price.

Under IFRS 15, an entity only recognises revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control.

The Company assessed that when IFRS 15 is adopted, the current accounting and reporting will be adjusted such that promised services within a contract will be identified and treated as either distinct services or bundled services which will determine whether a contract will have a single performance obligation or multiple performance obligations. The Company expects that there will be a varied occurrence of either single or multiple performance obligations on a contract by contract basis.

The Company has assessed that modifications will need to be made to the current revenue recognition pattern in order to capture the identified performance obligations and respective standalone prices. The Company has assessed that control is transferred over time due to the nature of its services such that as the services are performed the customer simultaneously receives and consumes the benefits provided by the service and as such revenue will be recognized over the course of rendering the service.

In preparing to adopt IFRS, NCR is considering the following:

I. Variable consideration

Service contracts with customers include a penalty percentage to be levied on the consideration receivable when NCR does not meet service performance requirements as agreed by both parties in the contract. This gives rise to a variable consideration under IFRS 15.

Currently, NCR recognises revenue from these contracts by recording the gross revenue without penalty and receivable due at the beginning of the period and when a penalty is levied on NCR during the period, the Company charges the penalty against the revenue previously recognized.

IFRS 15 requires that variable considerations should be estimated at the inception of the contract and updated thereafter. IFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue and significant reversals of revenue.

The Company expects that application of the constraint will result in more revenue being deferred than under current IFRS. The methods being considered are

- The expected value method
- The most likely amount method

The Company estimates that application of IFRS 15 principles of variable consideration will result in a decrease in retained earnings of N651 million and a corresponding increase in contract liabilities as at 1 January 2018.

II. Contract modifications

NCR currently accounts for modifications in its contracts with customers as a continuation of existing contracts, as such the Company attaches addendums to modified contracts.

Under IFRS 15, a contract modification exists when the parties to a contract approve a modification that either creates new or changes existing enforceable rights and obligations of the parties to the contract. IFRS 15 requires that an entity must determine whether the modification is accounted for as a new contract or as part of the existing contract. IFRS 15 focuses on the enforceability of the changes to the rights and obligations in the contract. Once an entity determines the revised rights and obligations are enforceable, it accounts for the contract modification.

IFRS 15 equally requires that an entity account for a contract as either of the following if certain conditions are present,

- As a separate contract
- As a termination of the existing contract and the creation of a new contract
- As a part of the existing contract

NCR is currently finalising the assessments of its modified contracts in order to determine how to appropriately account for its modified contracts during the implementation phase of IFRS 15.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, Except for hedge accounting, retrospective application is required but providing comparative information is not

compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company plans to adopt the new standard on the required effective date and will not restate comparative information.

Shortly before finalising the 2017 financial statements, the Company performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in 2018 when the Company will adopt IFRS 9.

Overall, the Company expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9.

The Company expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. There will be no changes in the classification and measurement of financial assets and financial liabilities.

(a) Classification and measurement

The Company does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9.

Debt instruments classified as loans and receivables

Under IAS 39, the Company has the following debt instruments which are classified under loans and receivables:

- Trade receivables
- Other receivables
- Receivables from related parties
- Cash and short term deposits

These debt instruments are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Company analyzed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortized cost measurement under IFRS 9. Therefore, reclassification of these instruments is not required. In addition, the measurement basis for these debt instruments will continue to be amortised cost, thus leading to no change in the current practice.

Financial derivative

NCR entered into a foreign exchange forward contract with two Nigerian Banks during the year for a sum of \$107,072.02 at the rate of N326/\$1 and N330/\$1 respectively to be delivered in 2018. The Company measures the derivative at fair value, the changes in fair value are recognized in the profit or loss.

IFRS 9 requires derivative financial assets to be measured at fair value through profit or loss. There will be no significant impact as the Company would continue measuring the financial derivatives at fair value through profit or loss.

(b) Impairment

NCR currently applies the incurred loss model in IAS 39 to determine the credit loss on its receivables.

IFRS 9 requires the Company to record expected credit losses on all of its debt instruments including receivables, either on a 12-month or lifetime basis. The company will apply the simplified approach and record a lifetime expected credit loss on all trade receivables that do not have significant financing component, receivable from related parties as it arises from the ordinary activities of the Company. IFRS 9 gives the Company a policy choice to apply either general or simplified approach for its lease receivables (rent receivables). The Company will apply general approach other financial assets such as other receivables, under which financial assets are classified into three stages i.e. stage 1, stage 2 or stage 3 depending on whether or not the credit risk of the financial asset has increased significantly.

The Company is finalising its assessments of the financial impact of adopting IFRS 9. The Company believes that adopting IFRS 9 will require adjustments to its debt instruments and deferred tax.

(c) Hedge accounting

Although IFRS 9 does not change the general principles of how an entity accounts for effective hedges, the Company does not engage in any financial or economic hedge. As such, this aspect of IFRS 9 will not have impact on the Company.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

The interpretation is effective for annual periods beginning on or after 1 January 2018, early application of the interpretation is permitted and must be disclosed. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the interpretation
- Or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

First-time adopters of IFRS are also permitted to apply the interpretation prospectively to all assets, expenses and income initially recognised on or after the date of transition to IFRS.

The Company is currently assessing the impact of this standard on its financial statements

IFRS 16 - Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

NCR as a lessee

NCR currently leases a motor vehicle. The lease is an operating lease with a three (3) year tenure. The Company currently accounts for the lease in line with IAS 17, as such the Company neither realises the motor vehicle nor the lease liability in its books. The Company's lease payments are written off in its statement of profit or loss.

Under IFRS 16, the Company is expected to recognise a lease liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset) at the commencement date of the lease. The Lessee is required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The lessee is also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee is expected to recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Currently, NCR does not present nor account for the leased motor vehicle in line with IAS 17.

On adoption of IFRS 16, NCR has estimated that it will recognise a right-of-use asset of N1.8million, a lease liability of N0.8million and a net impact of N1 million on its retained earnings as at 1 January 2019.

NCR as a lessor

NCR leases out floors in its office building. The lease under IAS 17, was an operating lease and renewed annually.

The lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

As a lessor, NCR does not expect a significant impact in its lessor accounting as requirements under IAS 17 and IFRS 16 are substantially the same. The Company, however, acknowledges that more disclosures will be required.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

5b New standards and interpretations effective in the current year

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2017. The Company has not early adopted any standards, interpretations or amendments that have been issued but not yet effective.

Although these new standards and amendments applied for the first time in 2017, they did not have a material impact on the annual financial statements of the Company. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The amendments did not have any impact on the Company's financial statements.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax laws restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The Company applied amendments retrospectively. However, their application has no effect on the Company's financial position and performance as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Annual Improvements Cycle – 2014 – 2016

Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

As at 31 December 2017, the Company does not have any interest in any other entity, thus this amendments did not affect the Company's financial statements.

Notes to the Financial Statements *Cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 N'000	2016 N'000
6. Revenue		
An analysis of the entity's revenue is as follows:		
Financial Service Group	4,592,881	5,211,448
World Customer Services	2,244,150	1,757,055
System Media Services	70,895	89,693
	6,907,926	7,058,196

6a. Segment reporting

Products and services from which reportable segments derive their revenues

Information reported to the entity's Chief Operating Decision maker (Financial Controller) for the purposes of resource allocation and assessment of segment performance is based on the products delivered or service rendered to customers.

The Company has not applied the aggregation criteria in IFRS 8.12. The company has presented the reconciliation of segment profits in previous year and continue to disclose the same in this year's financial statements as the reconciliation is reported to the Chief Operating Decision Maker (Financial Controller) for the purpose of decision making. The entity's reportable segments under IFRS 8 are therefore as follows:

Financial Service Group - Revenue is derived from sale of equipment and other hardware devices.

World Customer Services - Revenue is derived from provision of hardware and software installation and maintenance services.

System Media Services - This does not meet the quantitative threshold but the entity has chosen to report it. Revenue is derived from sales of media consumables.

6b. Segment revenue and results

	Segment revenue N'000	Cost of sales N'000	Profit/(loss) N'000
31 DECEMBER 2017			
Financial Service Group	4,592,881	(2,677,722)	1,915,159
World Customer Services	2,244,150	(1,417,977)	826,173
System Media Services	70,895	(75,897)	(5,002)
	6,907,926	(4,171,596)	2,736,330
31 DECEMBER 2016			
Financial Service Group	5,211,448	(2,641,812)	2,569,636
World Customer Services	1,757,055	(1,561,236)	195,819
System Media Services	89,693	(91,412)	(1,719)
	7,058,196	(4,294,460)	2,763,736

Segment profit or loss represents the gross profit or loss earned/ incurred by each segment without allocation of distribution and administrative expenses, other gains, FV gains/losses, foreign exchange loss, income as well as finance costs. This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

There was no intersegment transaction as all revenue generated above was from external customers.

6c. Segment assets and liabilities

The Company does not report its assets and liabilities on a segmental basis and the reported segments are not assessed by the Chief Operating Decision Maker (Financial Controller) on this basis.

6d. Geographical information

All of the Company operations are domiciled in Nigeria.

	2017 N'000	2016 N'000
7. Cost of sales (as per functions)		
Allowance for slow moving inventory	39,214	53,312
Depreciation	59,565	52,886
Direct cost	3,406,108	3,635,028
Salaries and wages	666,709	553,234
	4,171,596	4,294,460

Direct cost represents the cost of purchasing the ATM and other equipment.

	2017 N'000	2016 N'000
8. Distribution expenses		
Bank charges	3,512	1,524
Fuel and motor running	47,134	58,553
Legal fees	2,346	-
Promotion and advertisement	11,701	228
Rent and rates	5,067	4,157
Security	16,737	12,914
Travelling and accommodation	37,988	45,032
Withholding tax provision	188,284	121,312
Impairment loss for trade receivables	-	6,215
Impairment loss for rent receivables	50,959	10,772
	363,728	260,707

Notes to the Financial Statements *Cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 N'000	2016 N'000
9. Administrative expenses		
Audit fees	8,500	8,500
Insurance	3,784	3,311
Legal fees	-	263
Miscellaneous and other expenses	34,972	3,920
Office running expenses	8,653	592
Professional fees	20,673	5,030
Repairs and maintenance	9,651	1,324
Retirement benefits	10,188	11,263
Telephone and internet	29,059	3,678
Write-off of property, plant and equipment	-	2,325
	125,480	40,206

Miscellaneous and other expenses include expenses relating to postages, office supplies and other miscellaneous charges.

	2017 N'000	2016 N'000
10. Other operating income		
Rental/investment income	154,252	51,680
Write back of bad debts provision-trade	28,353	-
	182,605	51,680

Rental/investment income represents income earned from sublet of some floors of the Company's building and income from investment in short term deposits.

	2017 N'000	2016 N'000
11. Other gains		
Gain on disposal of Property, plant and equipment	63	74

12. Foreign exchange loss	2,044,726	3,063,706
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13. Fair value gain on non-current Intercompany Payable		
Fair value gain on re-measurement of long term payable	1,497,719	1,264,413

In 2016, the parent company agreed to defer payment of the intercompany payable beyond 12 months. Hence, the portion was reclassified to non-current liability. The obligation was discounted to present value in line with IAS 39 and the gain of N1.3billion recognized in profit or loss account. However, in 2017, the Company was still unable to meet up with its liability to its parent Company. Therefore, the parent Company agreed to further defer the intercompany payable beyond 12 months and a gain of N1.5billion was recognized in profit or loss.

Notes to the Financial Statements *Cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 N'000	2016 N'000
14. Finance cost		
Unwinding of interest on long term payable	1,264,413	-

The finance cost represents unwinding of interest recognized in 2016 in respect of long term intercompany payable.

15. Income tax

15a. Statement of profit or loss and other comprehensive income:	2017 N'000	2016 N'000
Current income tax:		
Company income tax	591,220	539,568
Education tax	40,705	40,117
	631,925	579,685
Deferred tax:		
Relating to origination and reversal of temporary differences	(162,551)	(319,237)
	469,374	260,448
Relating to item recognized in OCI during the year:		
Net gain on actuarial loss	(14,804)	-
Income tax expense reported in profit or loss	454,570	260,448

Corporation tax is calculated at 30 per cent (2016: 30 per cent) of the estimated taxable profit for the year based on the provisions of the Companies Income Tax Act, CAP C21, LFN, 2004 as amended.

Also, the Company is not liable to minimum tax under Section 28A of the Company Income Tax Management Act because more than 25% of its share capital is imported.

The charge for education tax of 2 per cent (2016: 2 per cent) is based on the provisions of the Education Tax Act, CAPE4, LFN, 2004.

Reconciliation of income tax expense for the year to the accounting profit as per profit or loss:

	2017 N'000	2016 N'000
Accounting profit before taxation	620,042	326,938
Tax at Nigeria's statutory income tax rate of 30% (2016: 30%)	186,013	98,081
Non-deductible expenses	(645,240)	(391,259)
Non-taxable income	887,896	513,509
Education tax	40,705	40,117
Income tax expense reported in profit or loss	469,374	260,448
Effective tax rate	76%	80%

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FOR THE YEAR ENDED 31 DECEMBER 2017

15b. Statement of financial position

	2017 N'000	2016 N'000
(i) Current tax payable		
At 1 January	579,686	9,538
Charge for the year	631,926	579,687
Withholding tax credit notes utilized	(1,133,879)	-
Payments during the year	(40,117)	(9,537)
At 31 December	37,616	579,686
(ii) Deferred tax asset		
At 1 January	285,861	(33,376)
Credit for the year	162,551	319,237
Deferred tax related to items recognized in OCI during the year:		
Net gain on actuarial loss Note 26b (ii)	14,804	-
At 31 December	463,216	285,861

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

The following is the analysis of the deferred tax assets/ (liabilities) after offset presented in the statement of financial position:

	2017 N'000	2016 N'000
Deferred tax liabilities	(653,595)	(87,074)
Deferred tax assets	1,116,811	372,935
Net deferred tax asset	463,216	285,861

The following are the major deferred tax assets/ (liabilities) recognized by the Company and movements thereon during the year.

	Statement of financial position		Profit or loss and Other Comprehensive Income	
	2017 N'000	2016 N'000	2017 N'000	2016 N'000
Property, plant and equipment	(653,595)	(87,074)	566,521	101,753
Exchange difference	749,857	329,753	(420,104)	(314,030)
Unrelieved losses	-	-	-	(6,261)
Allowance for impairment on receivable	301,296	26,093	(275,203)	(43,656)
Unutilized capital allowance	-	-	-	(35,883)
Actuarial loss on retirement benefit	14,804	-	(14,804)	-
Net deferred tax assets	463,216	285,861		
Deferred tax credit			(177,355)	(319,237)

16. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The profit and share data used in the calculation of basic and diluted earnings per share are:

	2017 N'000	2016 N'000
Profit attributable to ordinary equity holders	150,668	66,490
	N'000	N'000
Weighted average number of ordinary shares for basic/diluted EPS	108,000	108,000
Basic /diluted earnings per share (Naira)	1.40	0.62

Basic and diluted EPS are the same because there are no dilutive instrument as at reporting date.

17. Property, plant and equipment

Cost:	Furniture and fittings N'000	Building N'000	Computer equipment N'000	Plant machinery and equipment N'000	Work in Progress N'000	Total N'000
At 1 January 2016	28,606	660,080	48,361	117,112	37,844	892,003
Additions	1,070	-	8,982	21,196	5,339	36,587
Disposals	-	-	(573)	-	-	(573)
Transfer	-	-	(5,780)	43,624	(37,844)	-
Write off*	-	-	-	(5,368)	-	(5,368)
At 31 December 2016	29,676	660,080	50,990	176,564	5,339	922,649
Additions	4,733	-	29,481	28,844	937	63,995
Disposals	-	-	(429)	(548)	-	(977)
Transfer	-	-	5,339	-	(5,339)	-
At 31 December 2017	34,409	660,080	85,381	204,860	937	985,668
Depreciation :						
At 1 January 2016	26,527	109,080	23,356	90,313	-	249,276
Charge for the year	999	20,310	10,072	21,505	-	52,886
Disposals	-	-	(404)	-	-	(404)
Transfer	-	-	(385)	385	-	-
Write off*	-	-	-	(3,043)	-	(3,043)
At 31 December 2016	27,526	129,390	32,639	109,160	-	298,716
Charge for the year	1,049	20,097	14,291	24,128	-	59,565
Disposals	-	-	(429)	(454)	-	(883)
At 31 December 2017	28,575	149,487	46,501	132,834	-	357,397
Carrying amount						
At 31 December 2017	5,834	510,593	38,880	72,026	937	628,270
At 31 December 2016	2,150	530,690	18,351	67,404	5,339	623,933

* This represents the cost of assets written off in prior year. They relate to the prototype equipment scrapped in prior year.

17a. Impairment losses recognised in the year

No impairment loss has been recognized as none of the property, plant and equipment has suffered impairment (2016: Nil).

17b. Assets pledged as security

The company does not have any asset pledged as security for liabilities (2016: Nil).

17c. Contractual commitments

There is no other contractual commitment for the purchase of items of property, plant and equipment that has not been accounted for.

	2017 N'000	2016 N'000
18. Inventories		
Finished equipment	715,630	886,972
Service parts (reworkable)	793,829	604,779
Service parts (non-reworkable)	54,273	242,309
Systems media accessories	-	5,779
	1,563,732	1,739,839
Allowance for slow moving inventory (Note 18a)	(158,919)	(119,705)
	1,404,813	1,620,134

The value of inventories recognized in profit or loss during the year ended 31 December 2017 amounted to N3,406,109 (2016: N3,635,027,635).

	2017 N'000	2016 N'000
18a. Allowance for slow moving inventory for components is as follows:		
Service parts (reworkable)	123,463	34,978
Service parts (non-reworkable)	35,456	84,727
	158,919	119,705
Movement in allowance for slow moving inventory during the year is as below:		
At 1 January	119,705	92,783
Charge for the year	39,214	53,312
Scrapped during the year	-	(26,390)
At 31 December	158,919	119,705

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	2017 N'000	2016 N'000
19. Trade and other receivables		
Trade receivables	1,315,881	2,008,657
Allowance for doubtful debts (Note 19b)	(24,288)	(52,641)
	1,291,593	1,956,016
Withholding tax receivable (Note 19c)	812,490	1,792,257
Rent receivable (Note 19d)	10,218	59,304
Due from related parties (Note 29c)	45,704	8,783
Value added tax (VAT) recoverable	40,403	50,515
Other receivables	21,914	4,087
	2,222,322	3,870,962

19a. Trade receivables

Trade receivables disclosed above are carried at amortised cost less allowance for impairment losses. Invoices are due for payment as soon as they are raised except when customers are pre-billed or allowed an extended credit period. No interest is charged on the overdue receivables. The Company has recognised an allowance for doubtful debts of 100% against all receivables over 360 days because historical experience has been that receivables that are past due beyond 360 days are not likely to be recoverable. When trade receivable, or the oldest portion of an installment or sales receivable, has been due for 450 days (15 months); it is assumed to be uncollectible and the entire receivable is written off.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Credit limits are reviewed periodically by the Financial Controller.

Ageing of trade receivables at the reporting date was:

	2017 N'000	2016 N'000
Neither past due nor impaired:		
0-30 days	901,014	1,347,225
31-90 days	19,540	18,580
Past due not impaired:		
91-180 days	350,021	345,328
181-360 days	6,374	244,559
Above 360 days	14,644	324
	1,291,593	1,956,016

The amount provided above is stated after collective impairment.

19b. Allowance for doubtful debts

Allowances are made for credit losses on all receivables in order to reduce the Company's financial exposure to any losses on bad debts. There are no trade receivables which are past due at the reporting date against which an allowance has not been made. Allowance for credit losses are reversed if all amounts are recovered. The impairment recognized represents the difference between the carrying amount of these trade receivables and the amounts that are deemed recoverable by the Company. The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

See below for movement in allowance for doubtful receivables.

	Collectively impaired	
	2017	2016
	N'000	N'000
At 1 January	52,641	46,426
Impairment losses recognised	-	6,215
Write back of bad debts	(28,353)	-
At 31 December	24,288	52,641

Concentration risk

The company's receivables are due from 15 Companies (2016: 17 Companies) operating in the banking sector and 72% (2016: 79%) of the receivables are due from 5 customers (2016: 6 customers). Concentration risk is minimized by ensuring that customers make over 50% deposit of entire project amount before placing order thereby reducing account receivable exposure. Effort is high on penetrating new accounts and dominating the account to neutralize the concentration on few larger customers.

19c. Withholding tax receivable

The utilization of the withholding tax receivable above is subject to the tax exposure during the year.

	2017	2016
	N'000	N'000
Pending Withholding tax Credit Notes	1,108,288	982,387
Withholding tax Credit Notes received	570,506	1,487,890
Total Withholding tax receivable	1,678,794	2,470,277
Allowance for withholding tax receivables	(866,304)	(678,020)
	812,490	1,792,257
Movement in allowance for withholding tax receivables is as below:		
At 1 January	678,020	556,708
Allowance for the year	188,284	121,312
At 31 December	866,304	678,020

Notes to the Financial Statements *Cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 N'000	2016 N'000
19d. Rent Receivable	79,162	77,289
Allowance for rent receivable	(68,944)	(17,985)
	10,218	59,304

Movement in allowance for rent receivables is as below:

At 1 January	17,985	7,213
Allowance for the year	50,959	10,772
At 31 December	68,944	17,985

20. Prepayments		
Rent prepaid	9,783	4,282
Insurance prepaid	11,767	-
Other prepaid expenses	13,171	17,733
	34,721	22,015

Prepayments represent payments made in advance for rent of office space and other expenses such as staff housing allowances, insurance premium, bond, APG fee etc.

21. Financial derivative	2017 N'000	2016 N'000
Foreign currency forward	82,376	1,084,462

The Company entered into forward contracts with two Nigerian Banks. A total fair value gain of N1.67million (2016:N388.35 million) fair value loss has been recognized in the Profit or loss. The details of the forward contracts are stated below:

Bank	Amount (USD)	Rate (NGN)	Delivery date
Diamond Bank	\$70,000.00	326	1/12/2018
Diamond Bank	\$80,000.00	326	1/26/2018
Diamond Bank	\$70,000.00	326	3/12/2018
First Bank	\$27,072.02	330	1/15/2018

	2017 N'000	2016 N'000
22. Cash and cash equivalents		
Cash in hand	314	-
Cash at bank	2,378,952	4,057,465
Restricted cash	331,129	137,565
Short term deposits	1,400,137	-
Cash and short term deposits	4,110,532	4,195,030

Cash and short term deposits in the Statement of financial position. The carrying amount of is approximately equal to their fair value. The company does not have bank overdrafts. At 31 December 2017, the Company had restriction on N331 million (2016: N138 million) in its Guarantee Collateral Account. The restrictions are in respect of Advance Performance Guarantees provided by some banks for some customers pending the performance of the contractual obligations by the Company and excess amount with Central Bank of Nigeria being the unutilized LC's amount made for the purpose of bidding for foreign exchange to finance LCs for the Company which were yet to be refunded as at reporting date. The cash is restricted for a period of 12 months after year end.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2017 N'000	2016 N'000
Cash in hand	314	-
Cash at bank	2,378,952	4,057,465
Short term deposits	1,400,137	-
Cash and cash equivalents	3,779,403	4,057,465

23. Issued share capital and other reserve

23a. Issued share capital

Authorised share capital: 200,000,000 ordinary shares of 50k each	100,000	100,000
Issued and fully paid: 108,000,000 ordinary shares of 50k each	54,000	54,000

23b. Other reserve

This represents re-measurement gain or loss on defined benefit plan.

24. Trade and other payables

Trade payables	104,012	99,476
Accruals and other payables	301,743	724,387
Unclaimed dividend	100,155	105,149
Due to related companies - Note 29c (i)	7,706,256	9,512,035
	8,212,166	10,441,047
Less: Non-current portion	(5,788,599)	(4,886,846)
Current portion	2,423,567	5,554,201

Accruals and other payables relate to statutory liabilities such as Value added tax, Withholding tax, PAYE and accrued expenses.

Terms and Conditions

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are settled within the pre-agreed credit terms.

	2017 N'000	2016 N'000
25. Other liabilities		
Deferred income (Note 25a)	158,355	156,336
Deposit by customers (Note 25b)	117,578	241,452
	275,933	397,788

25a. Deferred income		
At 1 January	156,336	103,362
Utilised during the year	(303,179)	(361,136)
Additions during the year	305,198	414,110
At 31 December 2017	158,355	156,336

Deferred income represents accrued income on advances received from customers in respect of projects that are still on-going as at the reporting date and obligations resulting from the income received in advance from customers which risks and rewards have not been transferred to customers. This is a non-interest bearing liability.

	2017 N'000	2016 N'000
25b. Deposit by customers	117,578	241,452

This represents advances received from customers in respect of projects that have not been carried out. This is a non-interest bearing liability.

26. Retirement benefit plan

26a. Defined contribution plan

The company makes provision for retirement benefits in accordance with the Pension Reform Act of 2014. The Contribution by the employer and employee is 10% and 8% respectively of the employees' basic salary, housing and transport allowances. The total expense recognized in profit or loss of N74 million (2016: N34 million) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

26b. Defined benefit plan

The Company operates a staff gratuity scheme for all its' confirmed staff. The scheme provides for gratuity benefits at exit of the staff as described below;

Years of service	Benefits
Less than 5 years	Nil
5 years and above	1 month gross salary for each year of service

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2017 by Ganiu Shefiu FRC/2017/NAS/00000017548 of Logic Professional Services, Associate, Society of Actuaries, United States of America.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. Defined benefit plan is not mandated by Nigerian law; it is a voluntary plan for the Company. ARM Pension Fund Administrator is designated for the management of the fund. The Defined Benefit Plan scheme is adequately funded thus, the current service cost and the interest on the obligation is tax allowable as these are fully funded.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Financial assumptions	31 December 2017	31 December 2016
Long term average		
Discount Rate (p.a.)	14%	15.8%
Average Pay Increase (p.a.)	13%	13%

The Company assumes that salaries will increase at a real rate of 12% (2016:12%) per annum above inflation rate.

26b (i) Amount recognised in profit or loss in respect of these defined benefit plans are as follows:

	2017 N'000	2016 N'000
Current service cost	18,563	15,577
Interest on obligation	12,681	8,858
Interest return on plan assets	(21,056)	(13,172)
	10,188	11,263

The expense for the year is included in the retirement benefits expense in administration expenses.

26b (ii) Amount recognised in other comprehensive income:

	2017 N'000	2016 N'000
Actuary gains/(loss) on benefit obligation during the year	24,619	(2,333)
Actuary losses on plan assets during the year	24,727	4,854
Actuary losses recognized in Other Comprehensive Income, Net of tax	49,346	2,521
Deferred tax	(14,804)	-
Actuary losses recognized in Other comprehensive income, net of tax	34,542	2,521

- 26b(iii) The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	2017 N'000	2016 N'000
Present value of funded defined benefit obligation (Note 26b(iv))	(121,119)	(80,914)
Fair value of plan assets (Note 26b (v))	144,306	124,634
Net asset arising from defined benefit plan	23,187	43,720

- 26b (iv) Movements in the present value of the defined benefit obligation in the current year were as follows.

	2017 N'000	2016 N'000
At 1 January	80,914	74,535
Current service cost	18,563	15,577
Interest cost	12,681	8,858
Actuarial losses/ (gains) - change in financial assumption	23,955	(6,308)
Actuarial losses – experience	663	3,975
Benefits paid from plan/company	(15,657)	(15,723)
At 31 December	121,119	80,914

- 26b (v) Movements in the fair value of the plan assets in the current year were as follows.

	2017 N'000	2016 N'000
At 1 January	124,634	102,693
Interest return on plan assets	21,056	13,172
Actuarial losses on plan assets	(24,727)	(4,854)
Contributions from the employer	39,000	29,346
Benefits paid	(15,657)	(15,723)
At 31 December	144,306	124,634

The Company expects to make a contribution of N42 million to the defined benefit plans during the next financial year. Plan assets represent investment in an unquoted investment fund which has been invested in debt instruments such as Bonds, Treasury bills and Money Market Securities.

26b (vi) Funded status of defined benefit plan

	2017	2016
	N'000	N'000
Present value of defined benefit obligation	(121,119)	(80,914)
Fair value of plan assets	144,306	124,634
Funded status - surplus	23,187	43,720

The company is entitled to full refund of the surplus.

26b(vii) Reconciliation of Net Plan Asset recognised in the statement of financial position

	2017	2016
	N'000	N'000
At 1 January	43,720	28,158
Benefit expense recognized in profit or loss	(10,188)	(11,263)
Employer contribution made during the year	39,000	29,346
Actuarial gains recognised in OCI	(49,345)	(2,521)
At 31 December	23,187	43,720

26b(viii) Demographic assumptions

Life expectancy

The rates of life expectancy assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK. We have rated this down by one year to more accurately reflect mortality in Nigeria.

Sample age	Number of deaths in year of age out of 10,000 lives	
	2017	2016
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from service:

Age Band	Rate	
	2017	2016
Less than or equal to 30	3%	3%
31 – 39	2%	2%
40 – 44	2%	2%
45 – 50	0%	0%
51 – 60	0%	0%

26b. Defined benefit plan – Continued

		2017	2016
		N'000	N'000
Sensitivity Analysis of Accrued liability on Defined Benefit Obligation			
Base		121,119	80,914
Discount rate	+ 1%	106,866	72,415
	- 1%	138,246	90,992
Salary Increase	+ 1%	138,803	91,521
	- 1%	106,215	71,879
Life Expectancy	+ 1 Year	121,174	81,011
	- 1 Year	121,070	80,826
		2017	2016
		N'000	N'000
Expected benefit payment for the future years			
Within the next one year		1,478	1,305
Between 2 to 5 years		21,254	7,727
More than 5 years		13,245,350	78,950
		13,268,082	87,982

27. Operating activities

Net profit before taxation	620,042	326,938
Adjustments for:		
Depreciation	59,565	52,886
Gain on disposal of property, plant and equipment	(63)	(74)
Write off of property, plant and equipment	-	2,325
Fair value gain on non-current intercompany payable	(1,497,719)	(1,264,413)
Net foreign exchange difference	(74,849)	(2,198,357)
Allowance for slow moving inventory	39,214	53,312
Impairment loss on trade and other receivables	50,958	16,987
Fair value (gain)/loss on financial derivative	(1,672)	388,345
WHT credit note utilized	(1,133,879)	-
Income tax paid	(40,117)	(9,536)
	(1,978,520)	(2,882,499)

	2017 N'000	2016 N'000
Operating activities (continued) B/F	(1,978,520)	(2,882,499)
Change in assets and liabilities		
Decrease in inventories	176,107	575,210
Decrease/ (increase) in trade and other receivables	1,597,682	(566,286)
(Increase)/ decrease in prepayments	(12,706)	6,954
(Decrease)/increase in trade and other payables	(731,163)	4,368,031
Decrease in financial derivative	1,003,758	1,472,807
(Increase)/ decrease in restricted cash	(193,565)	103,563
Increase in retirement benefit assets	(28,812)	(18,083)
(Decrease)/ increase in other liabilities	(121,856)	122,781
Net cash flows (used in) /generated from operating activities	(289,073)	487,776

28. Financial Instruments

28a. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Company's approach to capital management during the year.

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of its capital structure.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings. The Company is not subject to any externally imposed capital requirements.

At the reporting date, the Company's debt to adjusted capital ratios is as below:

	2017 N'000	2016 N'000
Total liabilities	8,525,714	11,418,521
Less: Cash and short term deposits	(4,110,532)	(4,195,030)
Net debt	4,415,182	7,223,491
Total capital	443,723	327,596
Total capital and net debt	4,858,905	7,551,087
Debt to adjusted capital	91%	96%

28b. Categories of financial instruments

The Company's financial assets and financial liabilities as at the reporting date is tabulated below:

	2017 N'000	2016 N'000
Financial assets		
Trade and other receivables**	1,369,429	2,028,190
Financial derivative	82,376	1,084,462
Cash and short term deposits	4,110,532	4,195,030
	5,562,337	7,307,682
Financial liabilities		
Trade and other payables	8,212,166	10,441,047

** This is trade and other receivables excluding Value added tax and Withholding tax receivables.

28c. Financial risk management objectives

The Company is exposed to market risk, credit risk and liquidity risks. The Company's senior management team is responsible for monitoring its exposure to each of the mentioned risks. The risk framework comprises a treasury policy approved by the Board. This policy provides guidance over all treasury and finance-related matters and is underpinned by delegated authority guidelines and detailed procedures. The main objective of the policy are to ensure that sufficient liquidity exists to meet the operational needs of the business and the impact of foreign exchange on the Company's net profit.

28c.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk affecting the entity is the foreign exchange risk.

Foreign exchange risk management

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. The Company's exposure to the risk of changes in foreign exchange rates is high as some of its transactions are carried out mostly in US dollar with other related parties. Foreign exchange exposure is monitored by the Company's treasury unit. During the year, the Company entered into a forward contract with two Nigerian Banks to manage foreign exchange risk.

The Naira carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2017 N'000	2016 N'000
Monetary assets (USD)		
Trade receivables	45,704	8,783
Bank balance	74,849	30,610
	120,553	39,393
Monetary liabilities (USD)		
Trade payables	(7,706,256)	(9,512,035)

Foreign currency sensitivity analysis

The Company undertakes transactions denominated in foreign currencies with related sister companies; consequently, exposures to exchange rate fluctuations arise. The Company is mainly exposed to the US Dollars.

The following table details the Company's sensitivity to a 10%, increase and decrease in Naira against US Dollars. 10 percent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items. A positive number below indicates an increase in profit where Naira strengthens by 10% against the relevant currency, there would be comparable impact on the profit, where naira weakens by 10% and the balances below would be negative.

	2017 N'000	2016 N'000
Naira strengthens by 10% against the US Dollar	758,631	947,264
Naira weakens by 10% against the US Dollar	(758,631)	(947,264)

The exposure to dollar is mainly due to outstanding trade receivables and trade payables. The trade receivables and payables are mainly amounts due from and to related entities to NCR.

28c.2 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 is exposed to credit risk from its operating activities primarily trade receivables and deposits with banks and other financial institution. The Company has a credit control function that weekly monitors trade receivables and resolves credit related matters. Weekly collection report is also done at the country level to the Financial Controller representing its parent Company.

Maximum exposure to credit risks

The carrying value of the Company's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	2017 N'000	2016 N'000
Trade receivables	1,291,593	1,956,016
Other receivables	77,836	72,174
Cash and short term deposits	4,110,532	4,195,030
	5,479,961	6,223,220

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. A sales representative is attached to each customer and outstanding customer receivables are regularly monitored by the representative. The requirement for impairment is analysed at each reporting date on an individual basis for all customers. The Company evaluates the concentration of risk with respect to trade receivables as Medium as customers consists of large and reputable financial institutions that are subjected to financial scrutiny by various regulatory bodies.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within treasury limits assigned to each of the counterparty. Counterparty treasury limits are reviewed by the Company's Financial Controller periodically and may be updated throughout the year subject to approval of the Financial Controller. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The company's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

28c.3 Liquidity risk management

Liquidity risk is the risk that the Company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost. The Company has access to a sufficient funding that can be rolled over with its related parties.

28d. Maturity analysis of financial liabilities

The Company monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. To manage liquidity risk, bills of collection are used for trade purchases and most of the purchases are from related entities who can allow an extended credit period if necessary.

Maturity analysis of financial instruments

The maturity profile of the Company's recognised financial liabilities is detailed below:

31 December 2017	0 – 3 months N'000	3 - 6 months N'000	6 months – 1 year N'000	1-5 years N'00	Over 5 years N'00	Total N'000
Financial liabilities						
Trade payables	104,012	-	-	-	-	104,012
Other payables	2,319,555	-	-	7,286,270	-	9,605,825
	2,423,567	-	-	7,286,270	-	9,709,837

31 December 2016	0 – 3 months N'000	3 - 6 months N'000	6 months – 1 year N'000	1-5 years N'00	Over 5 years N'00	Total N'000
Financial liabilities						
Trade payables	99,476	-	-	-	-	99,476
Other payables	5,454,725	-	-	6,151,259	-	11,605,984
	5,554,201	-	-	6,151,259	-	11,705,460

Notes to the Financial Statements *Cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2017

28e. Fair value of financial instruments carried at amortised cost

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values except for trade and other payables.

	2017		2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	N'000	N'000	N'000	N'000
Financial assets				
Trade receivables	1,291,593	1,291,593	1,956,016	1,956,016
Financial derivative	82,376	82,376	1,084,462	1,084,462
Other receivables	77,836	77,836	72,174	72,174
Cash and short term deposits	4,110,532	4,110,532	4,195,030	4,195,030
	5,562,337	5,562,337	7,307,682	7,307,682
Financial liabilities				
Trade and other payables	8,212,166	6,714,447	10,441,047	8,290,440
	8,212,166	6,714,447	10,441,047	8,290,440

Fair value hierarchy

As at 31 December 2017

	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	N'000	N'000	N'000	N'000
Asset / Liabilities measured at fair value				
Asset measured at fair value				
Financial derivative**	82,376	-	82,376	-
Liability for which fair value is disclosed				
Trade and other payables	6,714,447	-	-	6,714,447

** The inputs used in the valuation are notional amount, spot FX as at year end (NIFEX), risk free/ interest rates and strike rate.

As at 31 December 2016

	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	N'000	N'000	N'000	N'000
Asset / Liabilities measured at fair value				
Asset measured at fair value				
Financial derivative	1,084,462	-	1,084,462	-
Liability for which fair value is disclosed				
Trade and other payables	8,290,440	-	-	8,290,440

The fair value of the financial derivative has been determined using proprietary and third party valuation models and market data obtained from independent market data providers (Such as Bloomberg, Super derivatives, and FMDQ) for the year ended 31 December 2017. The fair value of the financial liabilities has been determined using a market related interest rate and a discounted cash flow valuation technique.

29. Related party information

29a. Ultimate controlling party

NCR Corporation USA

NCR Corporation USA holds 61.76% of the Company's equity and it is the ultimate controlling party.

29b. Nature of related party transactions

During the year, the Company purchased goods from NCR Corporation and its affiliates. The Company recorded total revenue of N6.91 billion (2016: N7.06 billion). Out of this amount, N4.6 billion (2016: N5.2 billion) relates to the supply and installation of Automated Teller Machines (ATMs) which were purchased from NCR Global Solution, the parent Company. The Company realized a gross profit of N1.9 billion (2016: N2.6 billion) from the transaction during the year.

The Company also transacts with fellow subsidiaries in respect of exchange of spare parts and other service functions. The values of these transactions for the year and the related balances as at the reporting date are as follows:

	2017 N'000	2016 N'000
Purchase of goods		
NCR Global solutions - Hardware	3,642,979	3,174,976
NCR Global Holdings Limited - Consumables	39,608	61,924
	3,682,587	3,236,900

29c. Related party outstanding balances

Analysis of the outstanding to/from fellow subsidiaries at the reporting date are:

	2017 N'000	2016 N'000
29c(i) Due to related parties		
NCR Global Solution Enterprise	7,025,641	6,461,148
NCR Global Solution Limited	-	1,828,459
NCR WSPC Peachtree	19,987	16,205
NCR Dubai	48,859	77,469
NCR Middle East	68,266	46,088
NCR Egypt	27	116,068
NCR Shajar	466,221	653,139
NCR Pakistan	6,419	85,084
NCR European Logistics Centre	-	11,315
NCR North Africa	-	100,758
NCR Corporate	-	31,705
NCR Dundee	-	3,464
Other related companies	70,836	81,133
	7,706,256	9,512,035

	2017 N'000	2016 N'000
29c (i) Due from related parties		
NCR Ghana	11,856	6,762
NCR South Africa	1,945	1,642
Other related companies	31,903	379
	45,704	8,783

Due from related parties arises as a result of support services rendered by the Company for implementation and installation requiring special engineering expertise as well as cost of shipping ATM machines to meet urgent customer demands by related parties.

The above entities are all affiliates of NCR Corporation USA, the entity's parent Company and ultimate controlling party.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

There are no outstanding loans to key management personnel as at the reporting date.

29d. Identity of key management personnel

The directors (both executive and non-executive) and key management personnel are:

Otunba Adekunle Ojora OFR, CON, FNIM, JP	Chairman
Mr. Harold Nnaemeka Anumihe	Executive Director (Appointed 12 May 2017)
Mr. Ahmed Abdel Aziz Hamda (Egyptian)	Executive Director/Chief Executive Officer (Resigned 28 April 2017)
Mr. George Flouros (Cypriot)	Non-Executive Director (Resigned 30 June 2017)
Mr. Michael Vallier (American)	Non-Executive Director
Mr. Matthew Akinlade (FCA)	Independent Non-Executive Director
Mrs. Olufunke Hussain	Executive Director
Ms. Louise Georgiou (Cypriot)	Non-Executive Director (Appointed 18 July 2017)

The table below shows the number of Directors of the Company (excluding the Chairman) whose emoluments during the year, excluding pension contributions, fell within the bands shown below:

Range (N)	Number	Number
1,000,000 – 2,000,000	-	-
12,000,000 and above	1	1
	1	1

30. Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2017 N'000	2016 N'000
The director's emoluments comprise:		
Fees	2,500	1,500
Short-term benefits	29,279	30,670
Post-employment benefit	6,782	3,662
	38,561	35,832
Chairman	2,500	1,500
Highest paid Directors	29,278	28,688

31. Commitments and contingencies

The directors are of the opinion that all known commitments and liabilities which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of these financial statements.

The Company had an Advance Payment Guarantee of N331 million as at 31 December 2017 from a Bank in favour of a customer for the supply and upgrade of Automated Teller Machines (2016: N138 million).

32. Events after the reporting date

No events or transactions have occurred since the reporting date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order to make them not misleading as to the financial position or results of operations.

33. Information relating to employees

- (a) The average number of persons employed full time by the Company during the year, excluding Directors were as follows:

	2017 Numbers	2016 Numbers
Controllership	5	5
Financial Service Group	4	5
Worldwide Customer Services	102	86
Professional Services	12	8
Interactive Printers Solutions	-	-
	123	104

Notes to the Financial Statements *Cont'd*

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 N'000	2016 N'000
Salaries and wages including staff bonuses	592,740	519,255
Contributions to pension scheme	73,969	33,979
	666,709	553,234

- (b) Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

	2017 Numbers	2016 Numbers
N - N		
420,001 - 900,000	1	2
900,001 - 2,000,000	38	49
2,000,001 - 4,000,000	64	37
4,000,001 - 6,000,000	9	8
6,000,001 - 8,000,000	5	3
Above 8,000,001	6	5
	123	104

Value Added Statement

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 N'000	%	2016 N'000	%
Revenue	6,907,926		7,058,196	
Bought-in-materials and services – Local	(5,744,215)		(6,176,818)	
	1,163,711		881,378	
Other operating income	182,605		51,680	
Value added	1,346,316		933,058	
Applied as follows:				
To pay employees:				
- as salaries, wages and other benefits	666,709	50	553,234	59
To pay Government:				
- as Company taxes	631,925	47	579,686	62
To provide for enhancement of assets and expansion:				
- for assets replacement (depreciation)	59,565	4	52,886	6
- deferred tax	(162,551)	(12)	(319,237)	(32)
- profit for the year	150,668	11	66,490	5
	1,346,316	100	933,058	100

The value added represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, government and that retained for future creation of wealth.

	31 December				
	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	Restated N'000
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets					
Property, plant and equipment	628,270	623,933	642,727	632,282	647,292
Retirement benefit assets	23,187	43,720	28,158	37,752	30,479
Deferred tax assets/(liabilities)	463,216	285,861	(33,376)	164,584	217,262
Trade and other payables- non current	(5,788,599)	(4,886,846)	(2,004,867)	(1,123,883)	-
Net Current assets/(liabilities)	5,117,649	4,260,928	1,630,985	549,207	(786,060)
Net assets	443,723	327,596	263,627	259,942	108,973
SHAREHOLDERS FUNDS:					
Issued share capital	54,000	54,000	54,000	54,000	54,000
Retained earnings	426,806	276,138	209,648	191,038	33,650
Other reserve	(37,083)	(2,542)	(21)	14,904	21,323
Total equity	443,723	327,596	263,627	259,942	108,973
STATEMENT OF PROFIT OR LOSS:					
Revenue	6,907,926	7,058,196	6,303,787	6,642,862	6,107,931
Profit/ (loss) before taxation	620,042	326,938	226,107	215,027	(66,785)
Income tax (expense)/credit	(469,374)	(260,448)	(207,497)	(57,639)	18,088
Profit/ (loss) for the year	150,668	66,490	18,610	157,388	(48,697)
Dividend proposed	-	-	-	-	-
PER 50K SHARE DATA: Naira					
Basic earnings/ (loss)	1.40	0.62	0.17	1.46	(0.45)
Diluted earnings/ (loss)	1.40	0.62	0.17	1.46	(0.45)
Dividend	-	-	-	-	-

NOTES

Earnings/ (loss) per share are based on the profit/ (loss) after taxation and the number of issued and fully paid ordinary shares at the end of each financial year.

Dividend per share is based on dividend declared and number of issued and fully paid ordinary shares at the end of each financial year.

I. SHARE CAPITAL HISTORY

The capital of the company is One Hundred Million Naira (N 100,000,000) divided into Two Hundred Million (200,000,000) ordinary shares of fifty kobo (50 kobo) each

1. The capital of the Company at incorporation in 1949 was £10,000.
2. The capital of the Company was increased from £10,000 to £25,000 in shares of £1 each by Special Resolution passed on 15th November, 1954.
3. The capital of the Company was increased from £25,000 to £35,000 in shares of £1 each by Special Resolution passed on 10th September, 1956.
4. The capital of the Company was increased from £35,000 to £70,000 in shares of £1 each by Special Resolution passed on 17th October, 1959.
5. The capital of the Company was increased from £70,000 to £170,000 in shares of £1 each by Special Resolution passed on 16th June, 1964.
6. The capital of the Company was increased from £170,000 to £200,000 in shares of £1 each by Special Resolution dated 29th, October, 1965.
7. The capital of the Company was increased from £200,000 to £400,000 in shares of £1 each by Special Resolution passed on 12th August, 1967.
8. Each of the existing shares of the N2 (£1) each in the capital of the Company was sub-divided into four shares of 50K each by Special Resolution passed on 19th , September, 1977.
9. The capital of the Company was increased from N 800,000 to N 4,500,000 in shares of 50 kobo each by Special Resolution passed on 19th, September, 1977.
10. The capital of the Company was increased from N 4,500,000 to N 9,000,000 in shares of 50 kobo each by Special Resolution passed on 28th June, 1990.
11. The capital of the Company was increased from N 9,000,000 to N 27,000,000 in shares of 50 kobo each by Special Resolution passed on 5th August, 1993.
12. The capital of the Company was increased from N 27,000,000 to N 100,000,000 in shares of 50 kobo each by Special Resolution passed on 16th July, 1996.

II. BONUS HISTORY

Since becoming a Public Company in 1990, the Company had declared and issued a number of Script Shares

S/N	DATE ISSUED	NARRATION	RATIO
1	November 7, 1990	BONUS	1:1
2	March 3, 1994	BONUS '93	1:3
3	July 4, 1996	BONUS '96	5:4
4	July 6, 1998	BONUS '98	1:1

III. TEN YEAR DIVIDEND HISTORY

S/No	Div. Year	Div. Pmt. No.	Dividend declared/ share
1	2007	NIL	NIL
2	2008	NIL	NIL
3	2009	NIL	NIL
4	2010	25	0.05k
5	2011	26	300k
6	2012	27	300k
7	2013	NIL	NIL
8	2014	NIL	NIL
9	2015	NIL	NIL
10	2016	NIL	NIL

III. UNCLAIMED DIVIDENDS

Our records show that some dividend warrants have not been presented to the Bank for payment while others have been returned to the Registrar as unclaimed because the addresses could not be traced. Members affected are advised to contact the Company Secretary or the registrars, Apel Capital & Trust (Registrars) Limited, 8, Alhaji Bashorun Street, Off Norman Williams Crescent, South West Ikoyi, Lagos State. Tel: 01293 2121 & 0704 612 6698

Affix
Current
Passport

(To be stamped by Bankers)

Write your name at the back of
your passport photograph

E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

Please complete all section of this form to make it eligible for processing
and return to the address below

The Registrar,

Apel Capital Registrars Limited
8, Alhaji Bashorun Street
Off Norman Williams Str, S.W Ikoyi Lagos.

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to
me\us from my\our holdings in all the companies ticked at the right hand
column be credited directly to my \ our bank detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname / Company's Name First Name Other Names

Address :

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1


Mobile Telephone 2

Email Address

Signature(s)

Company Seal (If applicable)

Joint\Company's Signatories

TICK	NAME OF COMPANY	SHAREHOLDER'S ACCOUNT NO.
	ABACUS MONEY MARKET FUND	
	ANINO INT'L PLC	
	CHAPEL HILL DENHAM MONEY MARKET FUND	
	EQUITY ASSURANCE PLC	
	FIRST ALUMINUM PLC	
	INTERLINKED TECHNOLOGIES PLC	
	LASACO ASSURANCE PLC	
	LEAD UNIT TRUST SCHEME	
	MBA MUTUAL TRUST SCHEME	
	MASS TELECOM INNOVATION PLC	
	NCR (NIGERIA) PLC	
	NEM INSURANCE PLC	
	PARAMOUNT EQUITY FUND	
	PHARMA DEKO PLC	
	THE INITIATES PLC	

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BACK OF S/H INFO

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Rivers State.