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NCR Nigeria Plc

**HALF YEAR UNAUDITED CONDENSED FINANCIAL STATEMENTS
AS AT 30TH JUNE 2018**

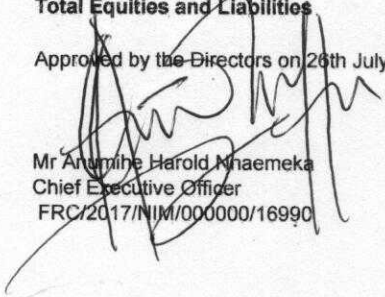
NCR (NIGERIA) PLC
PERIOD ENDED 30 JUNE 2018
UNAUDITED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME

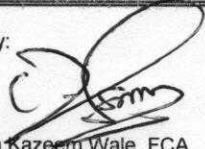
	Note	Jan-Jun 2018 N'000	Jan-Jun 2017 N'000	Apr-June 2018 N'000	Apr-June 2017 N'000
Revenue	3	2,414,945	3,463,111	1,152,828	1,510,084
Cost of Sales		(1,894,644)	(2,969,707)	(868,787)	(1,209,901)
Gross profit		520,302	493,404	284,042	300,183
Distribution Expenses		(126,460)	(122,275)	(88,602)	(67,874)
Administrative Expense		(39,730)	(76,957)	(23,565)	(32,634)
Investment income	4	101,136	64,336	55,607	27,735
Other Gain/ (Loss)		(420)	-	(420)	-
Finance Cost	9	(748,859)	-	(748,859)	-
Foreign Exchange Loss		(72,870)	(337,343)	(63,933)	(221,021)
Fair Value Loss on Financial Derivative		-	-	-	-
Fair Value Gain on Non-Current Intercompany Payable		379,210	-	379,210	-
Profit/ (Loss) before Tax		12,309	21,165	(206,520)	6,389
Income Tax Expense		-	-	-	-
Profit/ (Loss) after Tax		12,309	21,165	(206,520)	6,389
Other Comprehensive Income					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurement Loss on Retirement Benefit		-	-	-	-
Other Comprehensive Loss for the Year, net of Tax		-	-	-	-
Total Comprehensive Income for the Year, net of Tax		12,309	21,165	(206,520)	6,389
Earnings per share data:					
Basic/ diluted earnings/ (loss) per share (Naira)		0.11	0.20	(1.91)	0.06

NCR (NIGERIA) PLC
PERIOD ENDED 30 JUNE 2018
UNAUDITED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30/6/2018 N'000	30/6/2017 N'000
Non-current assets			
Property, plant and equipment	10	611,866	665,624
Retirement benefit assets		23,187	43,720
Deferred Tax Assets		463,216	285,861
Total non-current assets		1,098,269	995,205
Current assets			
Inventories	5	1,072,449	1,631,278
Trade and other receivables	6	2,323,295	3,953,333
Prepayments		37,408	49,585
Financial Derivatives		10,095	1,360,619
Cash and Cash equivalents		4,614,669	4,468,558
Total current assets		8,057,916	11,463,373
Total assets		9,156,184	12,458,579
Equity and Liabilities			
Share capital		54,000	54,000
Retained earnings		439,115	337,421
Other reserves		(37,083)	(2,542)
Total equity		456,032	388,879
Non-current liabilities			
Trade and other payables		2,548,417	4,905,284
Deferred Tax Liability		-	-
Total non-current liabilities		2,548,417	4,905,284
Current liabilities			
Trade and other payables	7	5,802,120	5,941,151
Other liabilities	8	312,001	683,696
Tax Liability		37,615	539,568
Total current liabilities		6,151,736	7,164,415
Total liabilities		8,700,153	12,069,699
Total Equities and Liabilities		9,156,184	12,458,579

Approved by the Directors on 26th July 2018 and signed on its behalf by:


Mr Anumike Harold Nnaemeka
Chief Executive Officer
FRC/2017/NIIM/000000/16990


Mr Usman Kazeem Wale, FCA
Finance Controller
FRC/2016/ICAN/000000/14273

NCR (NIGERIA) PLC

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2018

Equity attributable to equity holders of the Company

	Share Capital	Retained Earnings	Total Equity
	N'000	N'000	N'000
Balance at 1 January 2018	54,000	426,806	480,806
Other Reserves		(37,083)	(37,083)
As restated	54,000	389,723	443,723
Total comprehensive income for the period	-	12,309	12,309
Issue of share capital			
Dividends			
Transfer for bonus issue			
Balance at 30 June 2018	54,000	402,032	456,032

	Share Capital	Retained Earnings	Total Equity
	N'000	N'000	N'000
Balance at 1 January 2017	54,000	316,256	370,256
Other Reserves		(2,542)	(2,542)
As restated	54,000	313,714	367,714
Total comprehensive income for the period	-	21,165	21,165
Issue of share capital			
Dividends			
Transfer for bonus issue			
Balance at 30 June 2017	54,000	334,879	388,879

UNAUDITED STATEMENT OF CASH FLOW
AS AT 30 JUNE 2018

	Note	30/6/2018	30/6/2017
OPERATING ACTIVITIES			
Cash receipt from customer		2,623,487	4,015,572
Payment to supplier & employees		(1,658,986)	(3,622,307)
VAT paid		(125,853)	(62,690)
Income tax paid			
Net cash flows from operating activities		838,648	330,575
INVESTING ACTIVITIES			
Purchase of PPE		(3,381)	(57,047)
Interest received			
Proceed from disposal of PPE			
Net cash flows from operating activities		(3,381)	(57,047)
FINANCING ACTIVITIES			
Dividend paid		-	-
		-	-
Increase/ (decrease) in cash and cash equivalent		835,267	273,528
Net Foreign exchange difference			
At beginning		3,779,402	4,195,030
At end		4,614,669	4,468,558

NCR (NIGERIA) PLC
PERIOD ENDED 30 JUNE 2018
Summary of significant policies

1.1 Revenue

Revenue is measured at the fair value of the consideration received or receivable net of sales taxes and discounts.

Revenue from sale of products - Revenue from the sale of goods is recognised 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 of the transaction can be measured reliably

If the sale of products include a determinable amount for subsequent services (e.g. multiple components contracts) the related revenue are deferred and recognized as income over the period of the contract. Amounts are recognized as income based on the service provision.

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

1.2 Cost of sales

The cost of sales include purchase cost of merchandise and directly attributable overheads.

1.3 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 Area Controllers.

1.4 Dividend income from investment is recognised when the shareholder's right to receive payment has been established (provided that it is probable that economic benefits will flow to the company and the amount of income can be measured reliably).

1.5 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 (foreign currencies) 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 are included in administration

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.

Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the reporting period. Exchange differences are included in the profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary

1.6 Taxation

The tax expense represents the sum of the tax currently payable 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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.

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.

1.7 Earnings per share

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

1.8 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 professional fees and, 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
Buildings	34
Computers	4
Plant Machinery and e	5

1.8 Property plant and equipment (continued)

Land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

1.9 Inventories

Inventory is 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 for inventories less estimated cost to make the sale. Write down of inventory risk is undertaken to an appropriate and adequate extent.

1.10 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. Financial assets are categorized as loans and receivables and are initially measured at fair value and subsequently measured at amortized cost. Non-financial assets are measured in respect to their respective applicable standard.

NCR Nigeria Plc

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2018

2.1 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 Limited Liability company , and is domiciled in Nigeria.

2.2 Principal Activities

NCR (Nigeria) Plc provides technology and services that help business connect, interact and transact with their customers. The company is a technology company that provides innovative products and services to help business build stronger relationships with their customers, through our presence at customer interaction points such as Automated Teller Machines (ATM), Interactive Teller Machine (ITM), Retail Point of Sales (POS), Workstations, Self Service Kiosk, Self check-in/out systems and DVD Kiosks.

2.3 Compliance with applicable Law and IFRS

The condensed financial statements have been prepared in accordance with International Accounting Standards 34 (IAS34) and do not include all of the information required for full annual financial statements.

These are the companies IFRS condensed interim financial statements for the period ----

2.4 Composition of financial statements

The financial statements are drawn up in naira, the functional currency of NCR Nigeria Plc,

and in accordance with IFRS accounting presentation. The financial statements comprise:

- a) a condensed statement of financial position;
- b) a condensed statement or condensed statements of profit or loss and other comprehensive income;
- c) a condensed statement of changes in equity;
- d) selected explanatory notes.

NCR Nigeria Plc

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the period ended 30 June 2018

3.1 Revenue

An analysis of the entity's revenue is as follows:

	30/6/2018 N'000	30/6/2017 N'000
New equipment	1,239,072	2,124,434
Services Income	1,175,873	1,297,752
Media sales	-	40,925
	<u>2,414,945</u>	<u>3,463,111</u>

3.2 Segment Reporting

3.2.1 Products and services

Information reported to the Entity's Chief Operating Decision Maker (Area Controller) for the purposes of resource allocation and assessment of segment performance is based on the products delivered or service rendered to customers. The entity's reportable segments under IFRS 8 are therefore as follows:

Financial Service Group - Revenue is derived from sale of equipments and other hardware devices including Software and Consultancy services

World Customer Services - Revenue is derived from provision of hardware spare parts, hardware and software 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 ATM and Media consumables.

3.2.2 Segment Revenue and Results

	Segment Revenue N'000	Cost of Sales N'000	30/6/2018 Gross Profit N'000
Financial Service Group	1,239,072	(1,432,073)	(193,001)
World Customer Services	1,175,873	(462,403)	713,471
System Media Services	-	(168)	(168)
	<u>2,414,945</u>	<u>(1,894,644)</u>	520,302
Distribution Expenses			(126,460)
Administrative Expenses			(39,730)
Foreign Exchange Loss			(72,870)
Operating Profit			281,241
Investment Income			101,136
Other Gains or (Losses)			(420)
Fair Value Loss on Financial Derivative			
Fair Value Gain on Non-Current Intercompany			379,210
Finance Cost			(748,859)
Profit Before Tax			12,309
Income Tax Expenses			-
Profit After Tax			12,309

	Segment Revenue N'000	Cost of Sales N'000	30/6/2017 Gross Profit N'000
Financial Service Group	2,124,434	(2,206,421)	(81,987)
World Customer Services	1,297,752	(719,245)	578,507
System Media Services	40,925	(44,042)	(3,117)
	<u>3,463,111</u>	<u>(2,969,707)</u>	<u>493,404</u>
Distribution Expenses			(122,275)
Administrative Expenses			(76,957)
Foreign Exchange Loss			<u>(337,343)</u>
Operating Profit			(43,171)
Investment Income			64,336
Other Gains or (Losses)			-
Fair Value Loss on Financial Derivative			-
Fair Value Gain on Non- Current Intercompany			-
Finance Costs			<u>21,165</u>
Profit Before Tax			21,165
Income Tax Expenses			-
Profit After Tax			<u>21,165</u>

The accounting policies of the segments are the same as the Company's accounting policies. Segment profit represents the gross profit earned by each segment without allocation of distribution and administrative expenses, other gains and losses, investment income as well as finance costs. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance.

3.2.3 Segment assets and liabilities

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

NCR Nigeria Plc

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the period ended 30 June 2018

4 Investment Income

	30/6/2018 N'000	30/6/2017 N'000
Rental Income	19,961	8,598
Interest Income	81,175	55,738
	<u>101,136</u>	<u>64,336</u>

5 Inventories

	30/6/2018 N'000	30/6/2017 N'000
Finished Equipment	308,700	931,749
Systems Media Consumable	-	18,232
Service Parts (Reworkable)	726,993	622,007
Service Parts (Non-Reworkable)	36,756	59,290
	<u>1,072,449</u>	<u>1,631,278</u>

6 Trade and Other Receivables

	30/6/2018 N'000	30/6/2017 N'000
Trade Receivables	1,220,256	1,753,798
Withholding Tax Receivables	902,362	1,971,602
Rent Receivables	33,406	56,755
Due from Related Parties	134,211	90,771
VAT Recoverable	24,284	43,199
Others	8,776	37,208
	<u>2,323,295</u>	<u>3,953,333</u>

NCR Nigeria Plc

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the period ended 30 June 2018

7 Trade and Other Payables (Current Liab.)

	30/6/2018 N'000	30/6/2017 N'000
Trade Payables	87,292	101,922
Accruals and other payables	188,047	535,362
Unclaimed Dividend	100,155	100,155
Due to Related Parties	5,426,626	5,203,712
	5,802,120	5,941,151

8 Other Liabilities (Current Liab.)

	30/6/2018 N'000	30/6/2017 N'000
Deferred Income	169,081	170,768
Deposit by Customers	142,920	512,928
	312,001	683,696

9 Finance Cost

	30/6/2018 N'000	30/6/2017 N'000
Unwinding of Interest on Long Term payable	(748,859)	-

(This is half of Fair value gain recognized in 2017, expected to be fully unwinded in 2018)

NOTE 10: PPE

	FURNITURES & FITTINGS		BUILDINGS		COMPUTER EQUIPMENT		PLANT AND MACHINERY		WIP		Total
	N		N		N		N		N		N
<u>COST</u>											
At 1st January 2018		34,409,417		660,080,000		85,381,120		204,859,055		936,569	985,666,160
Additions		-		-		3,381,415		-		-	3,381,414.75
Reclassification		-		-		-		-		(936,568.80)	(936,568.80)
Transfer		-		-		-		-		-	-
Disposal		-		-		(468,284)		-		-	(468,284)
Write off		-		-		-		-		-	-
At 30 June 2018		34,409,417		660,080,000		88,294,250		204,859,055		0	987,642,722
<u>ACCUMULATED DEPRECIATION</u>											
At 1st January 2018											
Charge for the year		28,575,027		149,487,112		46,499,100		132,834,813		-	357,396,050.92
Reclassification		841,819		3,594,414		7,282,889		6,710,383		-	18,429,504.66
Disposal		-		-		-		-		-	-
Write off		-		-		(48,780)		-		-	-48,779.60
At 30 June 2018		29,416,846		153,081,526		53,733,209		139,545,196		-	375,776,776
<u>NET BOOK VALUE</u>											
At 30 June 2018		4,992,571		506,998,474		34,561,041		65,313,859		0	611,865,946
At 31 December 2017		5,834,390		510,592,888		38,882,020		72,024,242		936,569	628,270,110