

NCR Nigeria Plc

**SECOND QUARTER UNAUDITED CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019**

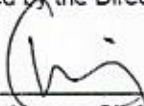
NCR (NIGERIA) PLC
 PERIOD ENDED 30 JUNE 2019
 UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

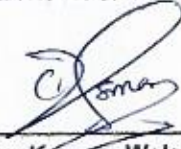
	Note	30/6/2019 N'000	30/6/2018 N'000	Apr-June 2019 N'000	Apr-June 2018 N'000
Revenue from contracts with customers	3	2,412,578	2,414,945	1,214,363.08	1,152,928
Cost of Sales		(1,883,159)	(1,894,844)	(1,004,148.38)	(868,787)
Gross profit		529,419	520,302	210,217	284,042
Distribution Expenses		(124,542)	(126,460)	(72,964.15)	(88,602)
Administrative Expense		(55,281)	(39,730)	(20,689.25)	(23,565)
Other Operating Income	4	22,586	101,136	11,430.61	55,507
Other Gain/ (Loss)		500	(420)	500.00	(420)
Finance Cost	11	(411,841)	(748,859)	(205,920.74)	(748,859)
Foreign Exchange Gain/(Loss)		24,573	(72,870)	18,650.96	(63,933)
Fair Value Loss on Financial Derivative		-	-	-	-
Gain on extinguishment		391,523	379,210	195,761.41	379,210
Profit/ (Loss) before Tax		376,936	12,309	136,986	(206,520)
Income Tax Expense		-	-	-	-
Profit/ (Loss) after Tax		376,936	12,309	136,986	(206,520)
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		376,936	12,309	136,986	(206,520)
<u>Earnings per share data:</u>					
Basic/ diluted earnings/ (loss) per share (Naira)		3.49	0.11	1.27	(1.91)

NCR (NIGERIA) PLC
PERIOD ENDED 30 JUNE 2019
UNAUDITED STATEMENT OF FINANCIAL POSITION

		30/6/2019	31/12/2018
	Note	N'000	N'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	582,896	589,761
Retirement benefit assets		42,497	42,497
Deferred Tax Assets		430,841	430,841
Total non-current assets		1,056,234	1,063,099
Current assets			
Inventories	5	1,733,714	1,583,496
Trade and other receivables	6	1,416,336	2,040,103
Prepayments		47,369	33,178
Financial Derivatives		-	-
Cash and Cash equivalents		6,020,151	4,060,807
Other Current Assets	7	853,447	975,817
Current Tax Receivable		3,091	3,081
Total current assets		10,074,108	8,696,492
Total assets		11,130,342	9,759,591
Equity and Liabilities			
Equity			
Share capital		54,000	54,000
Retained earnings		807,800	430,863
Other reserves		(27,285)	(27,286)
Total equity		834,515	457,577
Non-current liabilities			
Trade and other payables		2,827,656	2,842,590
Deferred Tax Liability		-	-
Total non-current liabilities		2,827,656	2,842,590
Current liabilities			
Trade and other payables	8	5,318,719	4,862,635
Contract Liabilities	9	2,067,343	1,480,225
Provisions	10	82,109	116,564
Current Tax Payable		-	-
Total current liabilities		7,468,171	6,459,424
Total liabilities		10,295,827	9,302,014
Total Equities and Liabilities		11,130,342	9,759,591

Approved by the Directors on 23rd July 2019 and signed on its behalf by:


 Ms Yisa Nnawo Christiana
 Chief Executive Officer


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

(*) Ms. Christiana Nnawo Yisa has been granted a waiver by Financial Reporting Council of Nigeria on March 29, 2019 for the purpose of signing the statutory Financial Report for the quarter ended 31st March 2019 without FRC number

NCR (NIGERIA) PLC

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2019

Equity attributable to equity holders of the Company

	Share Capital	Retained Earnings	Total Equity
	N'000	N'000	N'000
Balance at 1 January 2019	54,000	430,864	484,864
Other Reserves		(27,285)	(27,285)
As restated	54,000	403,579	457,579
Total comprehensive income for the period	-	376,936	376,936
Issue of share capital			
Dividends			
Transfer for bonus issue			
Balance at 30 June 2019	54,000	780,515	834,515

	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

NCR (NIGERIA) PLC

UNAUDITED STATEMENT OF CASH FLOW AT 30 JUNE 2019

	Note	30/6/2019	30/6/2018
OPERATING ACTIVITIES			
Cash receipt from customer		3,697,051	2,623,487
Payment to supplier & employees		(633,036)	(1,658,996)
VAT paid		(96,065)	(125,853)
Income tax paid			
WHT Credit notes utilized			
Net cash flows from operating activities		<u>2,967,950</u>	<u>838,648</u>
INVESTING ACTIVITIES			
Purchase of PPE		(14,271)	(3,381)
Interest received			
Proceed from disposal of PPE			
Net cash flows from operating activities		<u>(14,271)</u>	<u>(3,381)</u>
FINANCING ACTIVITIES			
Dividend paid		-	-
		<u>-</u>	<u>-</u>
Increase/ (decrease) in cash and cash equivalent		2,953,679	835,267
Net Foreign exchange difference			
At beginning		<u>3,066,472</u>	<u>3,779,402</u>
At end		<u>6,020,151</u>	<u>4,614,669</u>

NCR (NIGERIA) PLC
PERIOD ENDED 30 JUNE 2019
Summary of significant policies

1.1 Revenue from contracts with customers

The Company is in the business of providing technology and services that help businesses connect, interact and transact with their customers. It provides innovative products which include, ATM (Automated Teller Machines), Retail Point of Sales terminals, Self Service Kiosks, Self-check-in/out systems and sale of computer consumables. These contracts are divided into three revenue streams namely:

- Financial Service Group - Revenue is derived from sale of equipment and other hardware devices such as ATMs
- World Customer Services- Revenue is derived from provision of hardware and software installation and maintenance services.
- System Media Services - Revenue is derived from sales of media consumables.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Company has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below.

Sale of equipment and other hardware devices

Revenue from sale of equipment and other hardware devices are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment/devices. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of hardware, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

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

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 expenses in the statement of profit.

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 items that are measured

1.6 Taxation

The tax expense represents the sum of the tax currently payable.

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.

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 basis:

Class of assets	Estimated useful lives(years)
Furniture and fittings	5
Buildings	34
Computers	4
Plant Machinery and equipment	5

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 amount.

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 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 a provision for expected credit loss 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 instalment or sales receivable, has been due for 450 days (18 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.

Provision for expected credit losses

Provisions 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.

NCR Nigeria Plc

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2019

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 2019

3.1 Revenue from contracts with customers

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

	30/6/2019 N'000	30/6/2018 N'000
Financial Service Group	1,187,063	1,239,072
World Customer Services	1,225,515	1,175,873
System Media Services	-	-
	<u>2,412,578</u>	<u>2,414,945</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	30/6/2019 Gross Profit N'000
Financial Service Group	1,187,063	(1,062,177)	104,886
World Customer Services	1,225,515	(800,982)	424,533
System Media Services	-	-	-
	<u>2,412,578</u>	<u>(1,883,159)</u>	529,419
Distribution Expenses			(124,542)
Administrative Expenses			(55,261)
Foreign Exchange Gain/(Loss)			24,573
Operating Profit			374,189
Other Operating Income			22,566
Other Gains or (Losses)			500
Fair Value Loss on Financial Derivative			
Fair Value Gain on Non-Current Intercompany			391,523
Finance Cost			(411,841)
Profit Before Tax			376,936
Income Tax Expenses			-
Profit After Tax			376,936

	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>	<u>520,302</u>
Distribution Expenses			(128,460)
Administrative Expenses			(39,730)
Foreign Exchange Gain/(Loss)			(72,870)
Operating Profit			<u>281,241</u>
Other Operating Income			101,136
Other Gains or (Losses)			(420)
Fair Value Loss on Financial Derivative			
Fair Value Gain on Non- Current Intercompany			379,210
Finance Costs			<u>(748,859)</u>
Profit Before Tax			<u>12,309</u>
Income Tax Expenses			-
Profit After Tax			<u>12,309</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 basis.

NCR Nigeria Plc

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2019

4 Other Operating Income

	30/6/2019 N'000	30/6/2018 N'000
Rental Income	19,961	19,961
Interest Income	2,605	81,175
	<u>22,566</u>	<u>101,136</u>

5 Inventories

	30/6/2019 N'000	31/12/2018 N'000
Finished Equipment	1,104,328	793,723
Systems Media Consumable	-	-
Service Parts (Reworkable)	591,241	759,679
Service Parts (Non-Reworkable)	38,145	30,094
	<u>1,733,714</u>	<u>1,583,496</u>

6 Trade and Other Receivables

	30/6/2019 N'000	31/12/2018 N'000
Trade Receivables	1,071,335	1,664,015
Withholding Tax Receivables	239,505	272,589
Rent Receivables	50,769	25,675
Due from Related Parties	45,572	34,714
VAT Recoverable	9,154	43,110
	<u>1,416,336</u>	<u>2,040,103</u>

7 Other Current Assets

	30/6/2019 N'000	31/12/2018 N'000
Withholding Tax Credit Notes Received	<u>853,447</u>	<u>975,817</u>

NCR Nigeria Plc

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2019

8 Trade and Other Payables (Current Liab.)

	30/6/2019 N'000	31/12/2018 N'000
Trade Payables	66,044	94,435
Accruals and other payables	436,173	344,588
Unclaimed Dividend	100,201	100,155
Due to Related Parties	4,716,301	4,323,457
	<u>5,318,719</u>	<u>4,862,635</u>

9 Contract Liabilities

	30/6/2019 N'000	31/12/2018 N'000
Deferred Income	54,245	75,070
Deposit by Customers	2,013,098	1,405,155
	<u>2,067,343</u>	<u>1,480,225</u>

10 Provisions

	30/6/2019 N'000	31/12/2018 N'000
Warranty Obligations	82,109	116,564

11 Finance Cost

	30/6/2019 N'000	30/6/2018 N'000
Unwinding of Interest on Long Term payable	411,841	-

(This is 50% of Fair value gain recognized in 2018, to be fully unwinded in 2019)

	FURNITURES & FITTINGS	BUILDINGS	COMPUTER EQUIPMENT	PLANT AND MACHINERY	WIP	Total
	N	N	N	N	N	N
COST						
At 1 January 2019	34,409,417	660,080,000	62,843,691	218,939,896	-	976,273,004
Additions	-	-	3,303,625	5,759,302.50	5,207,511.75	14,270,639
Reclassification	-	-	-	-	(4,130,211.75)	(4,130,211.75)
Transfer	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Write off	-	-	-	-	-	-
At 30 June 2019	<u>34,409,417</u>	<u>660,080,000</u>	<u>66,147,516</u>	<u>224,699,198</u>	<u>1,077,300</u>	<u>986,413,432</u>
ACCUMULATED DEPRECIATION						
At 1 January 2019	29,805,522	169,584,354	35,315,077	151,807,022	-	386,511,975
Charge for the year	580,335	5,024,311	7,247,313	4,154,001	-	17,005,960
Reclassification	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Write off	-	-	-	-	-	-
At 30 June 2019	<u>30,385,857</u>	<u>174,608,665</u>	<u>42,562,390</u>	<u>165,961,023</u>	<u>-</u>	<u>403,517,935</u>
NET BOOK VALUE						
At 30 June 2019	<u>4,023,560</u>	<u>485,471,335</u>	<u>23,585,127</u>	<u>68,738,175</u>	<u>1,077,300</u>	<u>582,895,497</u>
At 31 December 2018	<u>4,603,655</u>	<u>490,495,646</u>	<u>27,628,615</u>	<u>67,132,874</u>	<u>0</u>	<u>589,761,029</u>