

NCR Nigeria Plc

**FIRST QUARTER UNAUDITED CONDENSED FINANCIAL STATEMENTS
31 MARCH 2019**

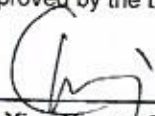
NCR (NIGERIA) PLC
 PERIOD ENDED 31 MARCH 2019
 UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

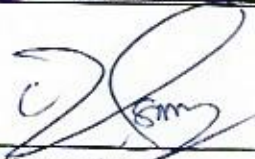
	Notes	31/3/2019 N'000	31/3/2018 N'000
Revenue from contracts with customers	3	1,198,215	1,262,117
Cost of Sales		(679,013)	(1,025,857)
Gross profit		319,202	236,260
Distribution Expenses		(51,577)	(37,858)
Administrative Expense		(34,572)	(16,165)
Other Operating Income	4	11,135	45,529
Other Gain/ (Loss)		-	-
Finance Cost	9	(205,921)	-
Foreign Exchange Gain/(Loss)		5,922	(8,937)
Fair Value Loss on Financial Derivative		-	-
Gain on extinguishment		195,761	-
Profit/ (Loss) before Tax		239,951	218,828
Income Tax Expense		-	-
Profit/ (Loss) after Tax		239,951	218,828
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		239,951	218,828
<u>Earnings per share data</u>			
Basic/ diluted earnings/ (loss) per share (Naira)		2.22	2.03

NCR (NIGERIA) PLC
PERIOD ENDED 31 MARCH 2019
UNAUDITED STATEMENT OF FINANCIAL POSITION

		31/3/2019	31/12/2018
	Note	N'000	N'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	587,734	589,761
Retirement benefit assets		42,497	42,497
Deferred Tax Assets		430,841	430,841
Total non-current assets		1,061,073	1,063,099
Current assets			
Inventories	5	1,386,424	1,583,496
Trade and other receivables	6	2,525,195	3,015,920
Prepayments		38,338	33,178
Financial Derivatives		-	-
Cash and Cash equivalents		4,964,551	4,060,807
Current Tax Receivable		-	3,091
Total current assets		8,914,508	8,696,492
Total assets		9,975,581	9,759,591
Equity and Liabilities			
Share capital		54,000	54,000
Retained earnings		670,815	430,863
Other reserves		(27,285)	(27,286)
Total equity		697,530	457,577
Non-current liabilities			
Trade and other payables		2,827,569	2,842,590
Deferred Tax Liability		-	-
Total non-current liabilities		2,827,569	2,842,590
Current liabilities			
Trade and other payables	7	4,688,002	4,979,199
Other liabilities	8	1,752,643	1,480,225
Tax Liability		9,837	-
Total current liabilities		6,450,482	6,459,424
Total liabilities		9,278,051	9,302,014
Total Equities and Liabilities		9,975,581	9,759,591

Approved by the Directors on 26th April 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 31 MARCH 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	<u>54,000</u>	<u>403,579</u>	<u>457,579</u>
Total comprehensive income for the period	-	239,951	239,951
Issue of share capital			
Dividends			
Transfer for bonus issue			
Balance at 31 March 2019	<u>54,000</u>	<u>643,530</u>	<u>697,530</u>

	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	<u>54,000</u>	<u>389,723</u>	<u>443,723</u>
Total comprehensive income for the period	-	218,828	218,828
Issue of share capital			
Dividends			
Transfer for bonus issue			
Balance at 31 March 2018	<u>54,000</u>	<u>608,551</u>	<u>662,551</u>

NCR (NIGERIA) PLC

UNAUDITED STATEMENT OF CASH FLOW AT 31 MARCH 2019

	Note	31/3/2019	31/3/2018
OPERATING ACTIVITIES			
Cash receipt from customer		1,855,292	1,496,614
Payment to supplier & employees		105,343	(732,187)
VAT paid		(56,066)	(56,680)
Income tax paid			
WHT Credit notes utilized			
Net cash flows from operating activities		<u>1,904,569</u>	<u>707,746</u>
INVESTING ACTIVITIES			
Purchase of PPE		(6,490)	(2,376)
Interest received			
Proceed from disposal of PPE			
Net cash flows from investing activities		<u>(6,490)</u>	<u>(2,376)</u>
FINANCING ACTIVITIES			
Dividend paid		-	-
		<u>-</u>	<u>-</u>
Increase/ (decrease) in cash and cash equivalent		1,898,079	705,371
Net Foreign exchange difference			
At beginning		<u>3,066,472</u>	<u>3,779,402</u>
At end		<u>4,964,551</u>	<u>4,484,773</u>

NCR (NIGERIA) PLC
PERIOD ENDED 31 MARCH 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

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

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 bases:

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 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 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 (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.

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 31 March 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 31 March 2019

3.1 Revenue from contracts with customers

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

	31/3/2019 N'000	31/3/2018 N'000
Financial Service Group	540,353	631,342
World Customer Services	657,862	630,775
System Media Services	-	-
	<u>1,198,215</u>	<u>1,262,117</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	31/3/2019 Gross Profit N'000
Financial Service Group	540,353	(649,778)	(109,425)
World Customer Services	657,862	(229,235)	428,627
System Media Services	-	-	-
	<u>1,198,215</u>	<u>(879,013)</u>	319,202
Distribution Expenses			(51,577)
Administrative Expenses			(34,572)
Foreign Exchange Loss			5,922
Operating Profit			238,975
Other Operating Income			11,135
Other Gains or (Losses)			-
Fair Value Loss on Financial Derivative			-
Fair Value Gain on Non-Current Intercompany			195,761
Finance Cost			(205,921)
Profit Before Tax			239,951
Income Tax Expenses			-
Profit After Tax			239,951

	Segment Revenue N'000	Cost of Sales N'000	31/3/2018 Gross Profit N'000
Financial Service Group	631,342	(739,037)	(107,696)
World Customer Services	630,775	(286,652)	344,123
System Media Services	-	(168)	(168)
	<u>1,262,117</u>	<u>(1,025,857)</u>	<u>236,260</u>
Distribution Expenses			(37,858)
Administrative Expenses			(16,165)
Foreign Exchange Loss			(8,937)
Operating Profit			173,299
Other Operating Income			45,529
Other Gains or (Losses)			
Fair Value Loss on Financial Derivative			
Fair Value Gain on Non- Current Intercompany			
Finance Costs			
Profit Before Tax			218,828
Income Tax Expenses			-
Profit After Tax			218,828

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 31 MARCH 2019

4 Other Operating Income

	31/3/2019 N'000	31/3/2018 N'000
Rental Income	9,981	9,981
Interest Income	1,155	35,548
	11,135	45,529

5 Inventories

	31/3/2019 N'000	31/12/2018 N'000
Finished Equipment	518,104	793,723
Systems Media Consumable	-	-
Service Parts (Reworkable)	806,655	759,679
Service Parts (Non-Reworkable)	61,665	30,094
	1,386,424	1,583,496

6 Trade and Other Receivables

	31/3/2019 N'000	31/12/2018 N'000
Trade Receivables	1,290,491	1,664,015
Withholding Tax Receivables	1,127,160	272,589
Rent Receivables	53,324	25,675
Due from Related Parties	37,706	34,714
VAT Recoverable	16,514	43,110
Others	-	975,817
	2,525,195	3,015,920

NCR Nigeria Plc

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the period ended 31 March 2019

7 Trade and Other Payables (Current Liab.)

	31/3/2019 N'000	31/12/2018 N'000
Trade Payables	53,917	94,435
Accruals and other payables	467,274	461,152
Unclaimed Dividend	100,201	100,155
Due to Related Parties	4,066,610	4,323,457
	<u>4,688,002</u>	<u>4,979,199</u>

8 Other Liabilities (Current Liab.)

	31/3/2019 N'000	31/12/2018 N'000
Deferred Income	157,452	75,070
Deposit by Customers	1,595,191	1,405,155
	<u>1,752,643</u>	<u>1,480,225</u>

9 Finance Cost

	31/3/2019 N'000	31/3/2018 N'000
Unwinding of Interest on Long Term payable	<u>205,921</u>	<u>-</u>

(This is one quarter 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	-	-	2,359,875	-	4,130,212	6,490,087
Reclassification	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Write off	-	-	-	-	-	-
At 31 March 2019	34,409,417	660,080,000	65,203,566	218,939,896	4,130,212	982,763,091
ACCUMULATED DEPRECIATION						
At 1 January 2019	29,805,522	169,594,354	35,315,077	151,807,022	-	386,511,975
Charge for the year	307,624	2,512,155	3,607,046	2,090,042	-	6,516,867
Reclassification	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Write off	-	-	-	-	-	-
At 31 March 2019	30,113,146	172,096,510	38,922,123	153,897,064	-	395,028,842
NET BOOK VALUE						
At 31 March 2019	4,296,271	487,983,490	26,281,444	65,042,832	4,130,212	587,734,249
At 31 December 2018	4,603,895	490,495,646	27,528,516	67,132,874	0	589,761,029