



AFRICA PRUDENTIAL PLC
Lagos, Nigeria

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

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AFRICA PRUDENTIAL PLC

CORPORATE INFORMATION

| | | |
|--------------------------|--|------------------------------------|
| Chairman | Chief (Mrs.) Eniola Fadayomi FIOD MFR | |
| Directors | Mr. Obong Idiong | Managing Director |
| | Mr. Samuel Nwanze | Non-Executive Director |
| | Mr. Peter Elumelu | Non-Executive Director |
| | Mrs. Ammuna Lawan Ali | Independent Non-Executive Director |
| | Mr. Peter Ashade | Non-Executive Director |
| | Mr. Emmanuel Nnorom | Non-Executive Director |
| | Mrs. Funmbi Chima | Independent Non-Executive Director |
| | Hajia Zubaida Mahey Rasheed | Independent Non-Executive Director |
| Registered Office | 220b, Ikorodu Road Palmgrove, Lagos | |
| Company Secretary | Joseph Jibunoh FRC/2018/NBA/00000017719 | |
| Auditors | Ernst & Young UBA House, 10 th and 13 th Floors 57 Marina, Lagos | |
| Bankers | United Bank for Africa Plc JAIZ Bank Plc | |
| RC No. | 649007 | |

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| <i>For the period ended in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 March 2020 | 31 December 2020 |
|--|-------|--------------------------|--------------------------|-----------------------------|
| Revenue from contracts with customers | 1.1 | 357,342 | 131,567 | 1,059,189 |
| Interest income calculated using effective interest method | 2.1 | 468,290 | 611,799 | 2,448,944 |
| Gross earnings | | 825,632 | 743,366 | 3,508,133 |
| Other income | 3.1 | 885 | 2,891 | 32,398 |
| Credit loss (expense)/reversal | 4.1 | (545) | - | 7,733 |
| Personnel expenses | 5.1 | (128,647) | (158,105) | (625,065) |
| Other operating expenses | 6.1 | (198,061) | (152,194) | (858,089) |
| Depreciation of property and equipment | 14.1 | (12,841) | (13,983) | (53,641) |
| Depreciation of right of use assets | 15.2 | (1,423) | (3,265) | (5,691) |
| Amortisation of intangible assets | 16.1 | (6,488) | (5,256) | (24,029) |
| Profit before finance costs and tax | | 478,512 | 413,454 | 1,981,749 |
| Finance costs | 7.1 | (310) | - | (1,607) |
| Profit before income tax expense | | 478,202 | 413,454 | 1,980,142 |
| Income tax expense | 8.2 | (96,848) | (71,645) | (534,113) |
| Profit after tax | | 381,354 | 341,809 | 1,446,029 |
| Other comprehensive income | | | | |
| <i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i> | | | | |
| Net gain /(loss) on quoted equity instruments at fair value through other comprehensive income | | (44,098) | (57,093) | 39,340 |
| Net loss on unquoted equity instruments at fair value through other comprehensive income | | - | - | - |
| Revaluation gain on building (net of tax) | | - | - | - |
| Total other comprehensive income/(loss) for the year, net of tax | | (44,098) | (57,093) | 39,340 |
| Total comprehensive income for the year, net of tax | | 337,256 | 284,716 | 1,485,369 |
| Basic and diluted earnings per share (Kobo) | 10.1 | 19 | 17 | 72 |

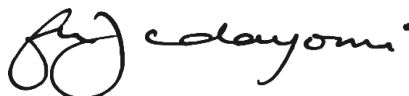
The accompanying notes to the financial statements form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

| <i>As at period ended in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 December 2020 |
|--|-------|--------------------------|-----------------------------|
| Assets | | | |
| Cash and cash equivalents | 11.1 | 13,505,618 | 1,005,752 |
| Equity instruments at fair value through OCI | 12.2 | 243,922 | 288,020 |
| Debt instruments at amortised cost | 12.3 | 13,468,799 | 13,014,137 |
| Deposit for shares | 12.3 | 2,770,000 | 2,770,000 |
| Trade and other receivables | 13.1 | 799,816 | 298,665 |
| Property and equipment | 14.1 | 275,298 | 282,575 |
| Right-of-use-assets | 15.2 | 6,164 | 7,586 |
| Intangible assets | 16.1 | 55,347 | 61,835 |
| Total assets | | 31,124,964 | 17,728,570 |
| Liabilities | | | |
| Customers' deposits | 17.1 | 22,496,805 | 8,639,683 |
| Creditors and accruals | 18.1 | 191,432 | 86,574 |
| Lease liabilities | 15.3 | 7,508 | 7,198 |
| Current income tax payable | 19.1 | 675,931 | 579,083 |
| Deferred tax liabilities | 20.1 | 46,379 | 46,379 |
| Total liabilities | | 23,418,055 | 9,358,917 |
| Equity | | | |
| Share capital | 21.2 | 1,000,000 | 1,000,000 |
| Share premium | 21.3 | 624,446 | 624,446 |
| Fair value reserve | 21.4 | (25,486) | 18,612 |
| Retained earnings | 22.2 | 6,037,353 | 6,655,999 |
| Revaluation reserve | 22.3 | 70,596 | 70,596 |
| Total equity | | 7,706,909 | 8,369,653 |
| Total liabilities and equity | | 31,124,964 | 17,728,570 |

The financial statements and accompanying notes to the financial statements were approved and authorised for issue by the Board of Directors on 22nd April 2021 and were signed on its behalf by:

Chief (Mrs) Eniola Fadayomi FIOD MFR (Chairman)
FRC/2013/IODN/00000002718



Obong Idiong (Managing Director)
FRC/2013/NBA/00000004696



Olufemi Adenuga (Chief Financial Officer)
FRC/2013/ICAN/00000002720



The accompanying notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the period ended

| <i>in thousands of Nigerian Naira</i> | Note | Share capital | Share premium | Fair value reserve | Retained earnings | Revaluation reserve | Total equity |
|---|------|------------------|------------------|-----------------------|----------------------|------------------------|--------------------|
| As at 1 January 2021 | | 1,000,000 | 624,446 | 18,612 | 6,655,999 | 70,596 | 8,369,653 |
| Profit for the year | | - | - | - | 381,354 | - | 381,354 |
| Other comprehensive income for the year (net of tax) | | - | - | (44,098) | - | - | (44,098) |
| Total other comprehensive income for the year, net of tax | | - | - | (44,098) | 381,354 | - | 337,256 |
| Transactions with owners of equity | | | | | | | |
| Dividends declared | 9.1 | - | - | - | (1,000,000) | - | (1,000,000) |
| Total transactions with owners of equity | | - | - | - | (1,000,000) | - | (1,000,000) |
| As at 31 March 2021 | | 1,000,000 | 624,446 | (25,486) | 6,037,353 | 70,596 | 7,706,909 |
| As at 1 January 2020 | | 1,000,000 | 624,446 | (20,728) | 6,609,970 | 70,596 | 8,284,284 |
| Profit for the year | | - | - | - | 1,446,029 | - | 1,446,029 |
| Other comprehensive income/(loss) for the year (net of tax) | | - | - | 39,340 | - | - | 39,340 |
| Total other comprehensive income/(loss) for the year, net of tax | | - | - | 39,340 | 1,446,029 | - | 1,485,369 |
| Transactions with owners of equity | | | | | | | |
| Dividends declared | 9.1 | - | - | - | (1,400,000) | - | (1,400,000) |
| Total transactions with owners of equity | | - | - | - | (1,400,000) | - | (1,400,000) |
| As at 31 December 2020 | | 1,000,000 | 624,446 | 18,612 | 6,655,999 | 70,596 | 8,369,653 |

The accompanying notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

| <i>For the period ended in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 December 2020 |
|--|-------------|--------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| Profit before income tax expense | | 478,202 | 1,980,142 |
| Adjustment to reconcile profit before tax to net cash flows | | | |
| Depreciation of property and equipment | 14.1 | 12,841 | 53,641 |
| Amortization of intangible assets | 16.1 | 6,488 | 24,029 |
| Depreciation of right-of-use asset | 15.2 | 1,423 | 5,691 |
| Impairment reversal on financial assets | 4.1 | 545 | (7,733) |
| (Gain)/Loss from disposal of plant and equipment | 8,11 | - | (6,273) |
| Interest income | 2.1 | (468,290) | (2,448,944) |
| Dividend income | 3.1 | - | (25,758) |
| Finance costs | 7.1 | 310 | 1,607 |
| Changes in working capital | | | |
| Increase in trade and other receivables | | (911,897) | (535,599) |
| Decrease in customers' deposits | | 13,857,122 | (1,004,783) |
| Increase/(decrease) in creditors and accruals | | 104,858 | 54,435 |
| Interest received | | 878,801 | 2,890,786 |
| Interest paid | | (310) | (1,607) |
| Income tax paid | 19.1 | - | (373,477) |
| Net cash generated from operating activities | | 13,960,093 | 606,156 |
| Cash flows from investing activities | | | |
| Purchase of property and equipment | 14.1 | (5,565) | (24,708) |
| Proceeds from sale of plant and equipment | | - | 9,619 |
| Purchase of intangible assets | 16.1 | - | (26,988) |
| Gross purchases and disposal of debt instruments at amortised cost | | (454,662) | 2,970,430 |
| (Investment)/proceeds from Deposit for shares | 12.2 | - | (2,770,000) |
| Dividends received | 3.1 | - | 25,758 |
| Net cash generated from investing activities | | (460,227) | 184,112 |
| Financing activities | | | |
| Dividends paid | 21.1 | (1,000,000) | (1,400,000) |
| Repayment of borrowings | | - | - |
| Payment of principal portion of lease liabilities | 15.3 | - | (6,701) |
| Net cash flows used in financing activities | | (1,000,000) | (1,406,701) |
| Net decrease in cash and cash equivalents | | 12,499,866 | (616,433) |
| Cash and cash equivalents as at 1 January | 11.1 | 1,005,752 | 1,622,185 |
| Cash and cash equivalents as at period end | 11.1 | 13,505,618 | 1,005,752 |

The accompanying notes to the financial statements form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1.1 Revenue from contracts with customers

1.2 Disaggregated revenue information

| <i>in thousands of Nigerian Naira</i> | 31 March 2021 | 31 March 2020 | 31 December 2020 |
|---------------------------------------|--------------------------|--------------------------|-----------------------------|
| Types of services | | | |
| Fees from corporate actions | 164,828 | 15,331 | 427,217 |
| Register maintenance | 93,242 | 38,236 | 210,808 |
| Digital Technology Services | 99,272 | 78,000 | 421,164 |
| | 357,342 | 131,567 | 1,059,189 |
| Geographical markets | | | |
| Nigeria | 357,342 | 131,567 | 1,059,189 |
| Timing of revenue recognition | | | |
| Services transferred over time | 357,342 | 131,567 | 1,059,189 |

Contract assets are initially recognised for revenue earned from Software development contracts and corporate actions as receipt of consideration is conditional on successful implementations of these software projects and completion of corporate actions like declaration of dividends and Annual General Meeting (AGM). Upon completion of the services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities include short-term advances as well as transaction price allocated to unexpired service in respect of delivery of Annual Reports to shareholders for the Annual General Meeting (AGM). The amount is recognised in statement of profit or loss once the delivery services is completed.

1.3 Performance obligations

Information about the Company's performance obligations are summarised below:

Fees from corporate actions

The performance obligation is satisfied over-time and payment is generally due upon completion of declaration of dividends and completion of Annual General Meeting. In some contracts, short-term advances are required before the services are provided.

Register maintenance

The performance obligation is satisfied through regular update of the client register and also attending to shareholders on their various requests. The monthly invoice is raised based on the number of shareholders attended to.

Digital Technology Services

The performance obligation is satisfied overtime upon delivery of digital solutions as a service to our clients. We provide services in software deployment, implementation and supports, systems analysis, design and implementation. The Digital consultancy business also provides training to our clients on the solutions deployed.

2.1 Interest income calculated based on effective interest method

| <i>in thousands of Nigerian Naira</i> | 31 March 2021 | 31 March 2020 | 31 December 2020 |
|---|--------------------------|--------------------------|-----------------------------|
| Interest on loans and advances | 436,362 | 541,875 | 2,163,626 |
| Interest on treasury bills | - | 69,562 | 200,280 |
| Interest on bonds | 27,967 | 362 | 73,099 |
| Interest on short-term deposits | 3,961 | - | 8,797 |
| Interest income (calculated based on effective interest method) earned on staff loans | - | - | 3,142 |
| | 468,290 | 611,799 | 2,448,944 |

NOTES TO THE FINANCIAL STATEMENTS

3.1 Other income

| <i>in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 March 2020 | 31 December 2020 |
|---|-------|------------------|------------------|---------------------|
| Dividend income | | - | - | 25,758 |
| Profit from disposal of plant and equipment | | - | - | 6,273 |
| Others | | 885 | 2,891 | 367 |
| | | 885 | 2,891 | 32,398 |

Others represent income from photocopy for customers and extraordinary income recognized during the period.

4.1 Credit loss reversal/(expenses)

| <i>in thousands of Nigerian Naira</i> | Notes | Stage 1 | Stage 2 | Stage 3 | Total |
|--|-------|---------|---------|---------|---------|
| 2021 | | | | | |
| Cash in banks and short-term deposits | | 1,235 | - | - | 1,235 |
| Debt instruments at amortised cost: | | | | | |
| Treasury bills | | 0 | - | - | 0 |
| State government bonds | | 104 | - | - | 104 |
| Loans and advances | | 4,619 | - | - | 4,619 |
| Deposits with banks with maturity above 90days | | (5,413) | - | - | (5,413) |
| | | (691) | - | - | (691) |
| Trade and other receivables | 13.2 | 1 | - | - | 1 |
| | | 545 | - | - | 545 |
| 2020 | | | | | |
| Cash in banks and short-term deposits | | (1) | - | - | (1) |
| Debt instruments at amortised cost: | | | | | |
| Treasury bills | | (1,933) | - | - | (1,933) |
| State government bonds | | 1,076 | - | - | 1,076 |
| Loans and advances | | 1,334 | - | - | 1,334 |
| Deposits with banks with maturity above 90days | | 881 | - | - | 881 |
| | | 1,359 | - | - | 1,358 |
| Trade and other receivables | 13.2 | (9,090) | - | - | (9,090) |
| | | (7,733) | - | - | (7,734) |

5.1 Personnel expenses

| <i>in thousands of Nigerian Naira</i> | 31 March 2021 | 31 March 2020 | 31 December 2020 |
|---------------------------------------|------------------|------------------|---------------------|
| Wages and salaries | 120,215 | 147,425 | 433,573 |
| Medical expenses | 2,914 | 4,168 | 28,527 |
| Defined contribution plans | 4,816 | 4,663 | 17,785 |
| Other employee benefits | 702 | 1,849 | 13,179 |
| | 128,647 | 158,105 | 493,066 |

NOTES TO THE FINANCIAL STATEMENTS

6.1 Other operating expenses

| <i>in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 March 2020 | 31 December 2020 |
|---------------------------------------|-------|------------------|------------------|---------------------|
| Administrative expenses | | | | |
| Professional fees | | 95,627 | 54,608 | 393,294 |
| Internet and communication | | 26,168 | 23,914 | 96,604 |
| Corporate social responsibility | | 9,850 | - | 85,789 |
| Directors fees and other emoluments | | 20,389 | 19,649 | 47,683 |
| Advert and business promotion | | 2,878 | 2,077 | 35,619 |
| General administrative expenses | | - | - | 34,050 |
| Travel expenses | | 3,708 | 13,070 | 31,264 |
| Business and other entertainment | | 4,693 | 8,846 | 27,312 |
| Rent & Utilities | | 5,315 | 11,464 | 23,525 |
| Repairs and maintenance | | 5,032 | 9,830 | 17,758 |
| Annual dues and subscription | | 4,145 | 1,887 | 15,151 |
| Bank charges | | 2,488 | 764 | 12,933 |
| Audit fees | | 2,500 | 833 | 10,000 |
| Insurance | | 1,027 | 1,428 | 8,085 |
| Training | | 2,077 | 3,377 | 7,617 |
| Legal and professional expenses | | 1,221 | 447 | 5,215 |
| AGM/EGM expenses | | 10,944 | - | 2,758 |
| Inventory written off | | - | - | 3,432 |
| | | 198,061 | 152,194 | 858,089 |

7.1 Finance costs calculated based on effective interest rate

| | | | | |
|------------------------------------|--|-----|---|-------|
| Finance charges on lease liability | | 310 | | 1,607 |
| Interest on borrowings | | - | | - |
| | | 310 | - | 1,607 |

8.1 Income tax expense

The major components of income tax expense for the period:

8.2 Income tax expense

| <i>in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 March 2020 | 31 December 2020 |
|--|-------|------------------|------------------|---------------------|
| Current income tax expense | | | | |
| Income tax | | 90,795 | 67,167 | 542,040 |
| Education tax | | 6,053 | 4,478 | 36,944 |
| Capital gains tax | | - | - | 99 |
| Nigerian Police Trust Fund | | - | - | - |
| (Over)/Under provision in prior period | | - | - | (49,492) |
| | | 96,848 | 71,645 | 529,591 |
| Deferred tax: | | | | |
| Tax impact of temporary differences | 20.1 | - | - | 4,523 |
| | 8.3 | 96,848 | 71,645 | 534,114 |

8.3 Reconciliation of income tax expense

| | | | | |
|---|--|----------|----------|-----------|
| Profit before income tax expense | | 478,202 | 413,454 | 1,980,142 |
| Tax at Nigeria's statutory income tax rate of 30% | | 143,460 | 124,036 | 594,043 |
| Effect of: | | | | |
| Tax exempt income | | (64,163) | (56,869) | (85,264) |
| Non-deductible expenses in determining taxable profit | | 15,274 | - | 37,784 |
| Capital gains tax | | - | - | - |
| Nigerian Police Trust Fund | | - | - | 99 |
| Prior Period under provision | | - | - | (49,492) |
| Education tax @ 2% of assessable profit | | 6,053 | 4,478 | 36,944 |
| Total tax charged for the period | | 96,848 | 71,645 | 534,114 |

NOTES TO THE FINANCIAL STATEMENTS

9.1 Dividends paid and proposed

| <i>in thousands of Nigerian Naira</i> | 31 March 2021 | 31 March 2020 | 31 December 2020 |
|--|--------------------------|--------------------------|-----------------------------|
| Declared and paid during the Period | | | |
| Equity dividends on ordinary shares: | | | |
| Final dividend paid in 2021: ₦0.50 (2020: ₦0.70) | 1,000,000 | - | 1,400,000 |
| Total dividend paid | 1,000,000 | - | 1,400,000 |

10.1 Earnings per share

Basic/diluted earnings per share amounts is calculated by dividing the net profit for the Period attributable to ordinary shareholders by the weighted average number of ordinary share outstanding at the reporting date.

The following reflects the profit and share data used in the basic/diluted earnings per share computations:

| <i>in thousands of Nigerian Naira</i> | 31 March 2021 | 31 March 2020 | 31 December 2020 |
|--|--------------------------|--------------------------|-----------------------------|
| Net profit | 381,354 | 341,809 | 1,446,029 |
| Weighted average number of ordinary shares for basic/diluted earnings per share | 2,000,000 | 2,000,000 | 2,000,000 |
| Basic/diluted earnings per ordinary share (Kobo) | 19 | 17 | 72 |

There have been no other transactions involving ordinary share or potential ordinary share between the reporting date and the date of completion of these financial statements.

11.1 Cash and cash equivalents

| <i>As at in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 December 2020 |
|---|-------|--------------------------|-----------------------------|
| Cash on hand | | 215 | 87 |
| Current accounts with banks | | 13,391,554 | 331,251 |
| Short-term deposits | | 115,083 | 674,542 |
| Allowance for credit loss impairment | 16.1b | (1,235) | (129) |
| | | 13,505,618 | 1,005,752 |

Cash and cash equivalents in the statement of financial position comprise cash in banks and on hand and short term deposits with original maturity of three months or less. The fair value of cash and cash equivalents approximates their carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

12.1 Investment securities

| As at <i>in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 December 2020 |
|--|-------|------------------|---------------------|
|--|-------|------------------|---------------------|

12.2 Equity instruments at fair value through Other Comprehensive Income (OCI)

| | | | |
|----------------------------|--|---------|---------|
| United Bank for Africa Plc | | 187,212 | 229,700 |
| Medview Airline Plc | | 53,460 | 53,460 |
| Transcorp Hotels Plc | | 3,250 | 4,860 |
| | | 243,922 | 288,020 |

The equity instruments at fair value through other comprehensive income (OCI) are all investments in shares of listed companies whose fair values are determined by reference to published price quotations on the Nigerian Stock Exchange market.

The Company has designated its equity investments as equity investments at fair value through other comprehensive income (FVOCI) on the basis that these are not held for trading.

| Movement in carrying amount: <i>in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 December 2020 |
|---|-------|------------------|---------------------|
| At 1 January | | 288,020 | 243,328 |
| Additions | | - | 5,352 |
| Disposal | | - | - |
| Fair value increase/(decrease) recorded in OCI | | (44,098) | 39,340 |
| At period end | | 243,922 | 288,020 |

12.3 Debt instruments at amortised cost

| | | | |
|--|--|------------|------------|
| Treasury bills | | - | - |
| State government bonds | | 963,584 | 935,617 |
| Loans and advances | | 4,328,499 | 4,245,895 |
| Deposits with banks with maturity above 90days | | 8,208,773 | 7,865,372 |
| | | 13,500,856 | 13,046,884 |
| <i>Allowance for impairment</i> | | (32,057) | (32,747) |
| | | 13,468,799 | 13,014,137 |

12.3 Deposit for shares

| As at <i>in thousands of Nigerian Naira</i> | 31 March 2021 | 31 December 2020 |
|--|------------------|---------------------|
| Amount deposited as investment in Heirs Life and Insurance | 2,770,000 | 2,770,000 |

13.1 Trade and other receivables

| As at <i>in thousands of Nigerian Naira</i> | 31 March 2021 | 31 December 2020 |
|--|------------------|---------------------|
| Financial assets | | |
| Trade receivables | 522,530 | 130,343 |
| Allowances for expected credit losses | (30,205) | (30,205) |
| | 492,325 | 100,138 |
| Non-financial assets | | |
| Withholding tax receivables | 49,562 | 45,626 |
| Prepaid directors emolument | 62,068 | 19,125 |
| Prepayments | 195,861 | 133,776 |
| At period end | 799,816 | 298,665 |

NOTES TO THE FINANCIAL STATEMENTS

13.2 Allowances for expected credit losses on trade receivables

| As at in thousands of Nigerian Naira | Notes | 31 March 2021 | 31 December 2020 |
|---|-------|------------------|---------------------|
| At 1 January | | 30,205 | 39,295 |
| Allowance for expected credit losses | 4.1 | - | (9,090) |
| Written off | | - | - |
| | | 30,205 | 30,205 |

14.1 Property and equipment

| in thousands of Nigerian Naira | Buidling | Computer equipment | Motor vehicles | Furniture, fitting & equipment | Total |
|----------------------------------|----------------|-----------------------|-------------------|--------------------------------------|----------------|
| <i>Cost:</i> | | | | | |
| At 1 January 2020 | 200,908 | 128,840 | 74,430 | 188,298 | 592,476 |
| Additions during the Period | - | 10,901 | 400 | 13,407 | 24,708 |
| Disposal | - | (11,799) | (35,069) | (15,753) | (62,621) |
| At 31 December 2020 | 200,908 | 127,942 | 39,761 | 185,952 | 554,563 |
| Additions during the period | - | 484 | - | 5,081 | 5,565 |
| Disposal | - | - | - | - | - |
| At period end | 200,908 | 128,426 | 39,761 | 191,033 | 560,128 |
| <i>Accumulated depreciation:</i> | | | | | |
| At 1 January 2020 | 17,048 | 91,853 | 47,156 | 121,565 | 277,622 |
| Charge for the Period | 5,022 | 13,519 | 10,046 | 25,054 | 53,641 |
| Disposal | - | (11,315) | (32,493) | (15,467) | (59,275) |
| At 31 December 2020 | 22,070 | 94,057 | 24,709 | 131,152 | 271,988 |
| Charge for the period | 1,256 | 3,475 | 1,988 | 6,123 | 12,841 |
| Disposal | - | - | - | - | - |
| At period end | 23,326 | 97,532 | 26,697 | 137,275 | 284,830 |
| <i>Carrying amount</i> | | | | | |
| At 31 March 2021 | - | 177,582 | 30,894 | 53,758 | 275,298 |
| At 31 December 2020 | - | 178,838 | 33,884 | 54,800 | 282,575 |

NOTES TO THE FINANCIAL STATEMENTS

15.1 Lease

Company as a lessee

The Company has lease contracts for various offices used in its operations. Leases of offices space have lease terms between 3 and 5 Periods. There are no lease contracts that include extension and termination options and variable lease payments.

15.2 Right-of-use-assets

| <i>in thousands of Nigerian Naira</i> | Office buidling |
|---------------------------------------|----------------------------|
| Cost | |
| As at 1 January 2021 | 13,278 |
| Disposal | - |
| At period end | 13,278 |
| Accumulated depreciation | |
| As at 1 January 2021 | 5,691 |
| Charged for the Period | 1,423 |
| At period end | 7,114 |
| Carrying amount | |
| At 31 March 2021 | 6,164 |
| At 31 December 2020 | 7,586 |

15.3 Lease liabilities

| | 31 March 2021 | 31 December 2020 |
|--|--------------------------|-----------------------------|
| As at 1 January | 7,198 | 12,292 |
| Accretion of interest | 310 | 1,607 |
| Payments | - | (6,701) |
| | 7,508 | 7,198 |
| At period end | 7,508 | 7,198 |
| Maturity analysis of undiscounted cashflows | | |
| Less than one Period | 1,922 | 7,687 |

15.4 The following are the amounts recognised in profit or loss:

| | | |
|---|--------------|---------------|
| Depreciation expense of right-of-use assets | 1,423 | 5,691 |
| Interest expense on lease liabilities | 310 | 1,607 |
| Expense relating to short-term leases | 868 | 8,128 |
| | 2,601 | 15,426 |

16.1 Intangible assets

| <i>in thousands of Nigerian Naira</i> | Computer software |
|--|------------------------------|
| Cost: | |
| At 1 January 2020 | 138,759 |
| Additions during the Period | 26,988 |
| At 31 December 2020 | 165,747 |
| Additions during the Period | - |
| At period end | 165,747 |
| Accumulated amortisation and impairment | |
| At 1 January 2020 | 79,883 |
| Amortisation charge for the Period | 24,029 |
| At 31 December 2020 | 103,912 |
| Charge for the Period | 6,488 |
| At period end | 110,400 |
| Carrying amount | |
| At 31 March 2021 | 55,347 |
| At 31 December 2020 | 61,835 |

NOTES TO THE FINANCIAL STATEMENTS

17.1 Customers' deposits

| As at <i>in thousands of Nigerian Naira</i> | 31 March 2021 | 31 December 2020 |
|--|-------------------|---------------------|
| Dividend: ordinary shares | 22,324,525 | 8,394,225 |
| Return money - public offers | 129,853 | 189,853 |
| Brokerage: ordinary shares | 2,853 | 2,853 |
| Public offers | 4,558 | 4,558 |
| Interest: debentures | 3,214 | 6,392 |
| Redemption debentures | 31,802 | 31,802 |
| | 22,496,805 | 8,629,683 |

The balance represents dividends, return monies and other interests received on behalf of clients.

17.2 Movement in customer deposits

| | | |
|-----------------------------------|-------------------|------------------|
| Opening Balance | 8,639,683 | 9,644,466 |
| Amount received during the Period | 23,656,227 | 119,078,876 |
| Amount paid out during the Period | (10,803,888) | (120,083,659) |
| | 22,496,805 | 8,639,683 |

18.1 Creditors and accruals

| As at <i>in thousands of Nigerian Naira</i> | 31 March 2021 | 31 December 2020 |
|--|------------------|---------------------|
| Accounts payable | 159,566 | 76,395 |
| Accrued expenses | 31,866 | 10,179 |
| | 191,432 | 86,574 |

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

NOTES TO THE FINANCIAL STATEMENTS

19.1 Current income tax payable

| As at <i>in thousands of Nigerian Naira</i> | Notes | 31 March 2021 | 31 December 2020 |
|--|------------|------------------|---------------------|
| At the beginning of the Period: | | 579,083 | 634,296 |
| Current income tax charge | | | |
| Company income tax | | 90,795 | 542,040 |
| Education tax | | 6,053 | 36,944 |
| Capital gains tax | | - | 99 |
| Nigerian Police Trust Fund | | - | - |
| (Over)/under provision in prior Periods | | - | (49,492) |
| | 8.2 | 96,848 | 529,591 |
| Current income tax payable | | | |
| Payments during the Period | | | |
| Withholding tax credit utilised | | - | (211,327) |
| Payments during the Period | | - | (373,477) |
| | | - | (584,804) |
| Balance at the end of the Period | | 675,931 | 579,083 |

20.1 Deferred tax liabilities/(assets)

| As at <i>in thousands of Nigerian Naira</i> | | 31 March 2021 | 31 December 2020 |
|--|--|------------------|---------------------|
| At the beginning of the Period: | | 46,379 | 41,856 |
| Tax expense during the period recognised in profit or loss | | - | 4,523 |
| Balance at the end of the Period | | 46,379 | 46,379 |

21.1 Share capital and equity reserve

| As at <i>in thousands of Nigerian Naira</i> | | 31 March 2021 | 31 December 2020 |
|--|--|------------------|---------------------|
|--|--|------------------|---------------------|

21.2 Authorised share capital

| | | | |
|--|--|------------------|------------------|
| Two billion ordinary shares of 50k each | | 1,000,000 | 1,000,000 |
| Issued and fully paid: | | | |
| Two billion ordinary shares of 50k each | | 1,000,000 | 1,000,000 |

21.3 Share premium

| | | | |
|----------------------|--|----------------|----------------|
| At period end | | 624,446 | 624,446 |
|----------------------|--|----------------|----------------|

21.4 Fair value reserve

| | | | |
|--|--|-----------------|---------------|
| At the beginning of the Period: | | 18,612 | (20,728) |
| Fair value gain/(loss) on equity instruments | | (44,098) | 39,340 |
| Disposal of unquoted equity | | - | - |
| | | (25,486) | 18,612 |

22.1 Share capital and equity reserve

22.2 Retained earnings

| | | | |
|---------------------------------|--|------------------|------------------|
| At the beginning of the Period: | | 6,655,999 | 6,609,970 |
| Dividends declared and paid | | (1,000,000) | (1,400,000) |
| Profit for the Period | | 381,354 | 1,446,029 |
| | | 6,037,353 | 6,655,999 |

22.3 Revaluation reserve

| | | | |
|---------------------------------|--|---------------|---------------|
| At the beginning of the Period: | | 70,596 | - |
| Revaluation surplus on building | | - | 100,850 |
| Tax on revaluation surplus | | - | (30,254) |
| | | 70,596 | 70,596 |

Securities Trading Policy:

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Africa Prudential Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.