Africa Prudential
RC 649007

2018
ANNUAL REPORT

Registrars

Investor Services

Digital Technology

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Africa Prudential

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 6th Annual General Meeting (**AGM**) of Africa Prudential Plc (**the Company**) will hold on Tuesday, March 26, 2019 at Balmoral Hall, Federal Palace Hotel, Victoria Island, Lagos at 2.00pm to transact the following businesses:

A. ORDINARY BUSINESS

1. To lay before the Members, the Audited Financial Statements of the Company for the year ended December 31, 2018 together with the reports of the Directors, Auditors and the Audit Committee thereon;

2. To declare a Dividend;

3. To approve the appointment of a Director, Mr. Obong Idiong;

4. To re-elect two Directors retiring by rotation -

4.1. Mr. Emmanuel Nnorom
4.2. Mr. Samuel Nwanze

5. To authorize the Directors to fix the remuneration of the Auditors;

6. To elect members of the Statutory Audit Committee.

Dated this 26th Day of February 2019.

By Order of the Board

Joseph Jibunoh, Esq
Company Secretary,
FRC/2018/NBA/00000017719
220B, Ikorodu Road, Palmgrove
Lagos, Nigeria

NOTES:

A. PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A Proxy Form must be completed and deposited at the office of the Company's Registrar, **Africa Prudential Plc**, 220B Ikorodu Road, Palmgrove, Lagos, not later than 48 hours before the time fixed for the meeting. In Accordance with the Stamp Duties Act, the Proxy Form shall be stamped for efficacy.

B. DIVIDEND

The Directors have recommended the declaration of a dividend of 50 Kobo per share. If the Dividend recommended by the Directors is approved by the Members at the Annual General Meeting, Dividend will be paid on 26th March 2019 to the Shareholders whose names appear in the Company's Register of Members at the close of business on Wednesday, 13th March 2019.

C. NOMINATION OF MEMBERS TO THE AUDIT COMMITTEE

Pursuant to Section 359(5) of the Companies & Allied Matters Act, Cap C20 Laws of the Federation of Nigeria, 2004, any member may nominate another member as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. The Securities & Exchange Commissions Code of Corporate Governance for Public Companies has indicated that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements. We therefore request that nominations be accompanied with a copy of the nominee's curriculum vitae.

D. CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from 14th March to 20th March, 2019 both days inclusive for the purpose of updating the Register of Members.

E. BIOGRAPHICAL DETAILS OF DIRECTORS FOR RE-ELECTION

The biographical details of the Directors standing for re-election are provided in the 2018 Annual Report and posted on the Company's website at *www.africaprudential.com*

F. E-DIVIDEND

Notice is hereby given to all Shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable application form for e-dividend is attached to this Annual Report to enable all shareholders furnish their accounts to the Registrars expeditiously.

G. E-REPORT

In order to improve delivery of our Annual Report, we have inserted a detachable Form to the Annual Report and hereby request shareholders who wish to receive the Annual Report of Africa Prudential Plc in an electronic format to complete and return the form to the Registrars for further processing. In addition, the electronic version of the 2018 Annual Report is available online for viewing and download from our website at www.africaprudential.com

H. RIGHTS OF SECURITIES HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company on or before Monday 25th March, 2019.

ABOUT THE COMPANY

Africa Prudential Plc is a leading Registrar, Investor Services and Business Support Solutions provider with close to five decades of top-class experience in data management and Investor services business in Nigeria. The Company is highly reputed for automation and innovation within it business niche.

Our purpose is to transform the African continent through innovative solutions, superior investor relations, and business support services. The Company is primed to Maximising Mutual Possibilities.

A LEADING REGISTRAR WITH 5 DECADES TRACK RECORD OF INNOVATION

BEST-IN-CLASS **VIRTUAL SHARE REGISTRATION** SERVICES

Certified on the NSE **CGRS** Corporate Governance Rating System

MILESTONES

3 million
Aggregate shareholders supported on our platform

10 million
User-capacity IT plaform

Consulting development partner to COOP International Co-operative Alliance

First online investors services portal in Nigeria

The only listed investor services firm in West Africa
Listed on the Nigerian Stock Exchange with **260,000 shareholders**

Acquired UAC Registrars; the biggest conglomerate registrar company in Nigeria in 2013.

First USSD-based solution in the Nigerian Capital Market
(Personal Registrar *4018#)

cfn Co-operative Federation of Nigeria
Development Partner to CFN, the apex regulatory body in Nigeria

Strategic partner to Lagos State Cooperative Federation (LASCOFED)
COOP LASCOFED

600,000
Aggregate lives on EasyCoop Automated Cooperative Management Solution

Excellence | Enterprise | Execution

About the Company cont'd

Board of Directors	**Chief (Mrs.) Eniola Fadayomi,** MFR, FIOD	-	Chairman
	Mr. Obong Idiong	-	Managing Director
	Ammuna Lawan Ali	-	Independent Non-Executive Director
	Mr. Samuel Nwanze	-	Non-Executive Director
	Mr. Peter Elumelu	-	Non-Executive Director
	Mr. Peter Ashade	-	Non-Executive Director
	Mr. Emmanuel Nnorom	-	Non-Executive Director

Registered Office	220B, Ikorodu Road, Palmgrove, Lagos
Company Secretary	Joseph Jibunoh
Auditors	Ernst & Young UBA House, 10 th and 13 th Floors 57 Marina, Lagos
Banker	United Bank for Africa Plc
RC No	649007
Capital base	N1,000,000,000.00
Date Listed	January 11, 2013
Email Address	cfc@africaprudential.com
Website	www.africaprudential.com
Branch Offices	**Abuja** Infinity House (2nd Floor), 11 KauraNamoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
	Port Harcourt Oklen Suite Building (2nd Floor) No. 1A, Evo Road, GRA Phase 2.

OUR PURPOSE

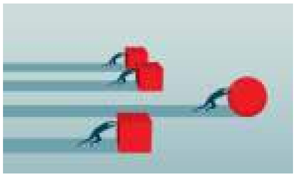
Transforming the African continent through innovative solutions, superior investor relations and business support services.

CORE VALUES

At Africa Prudential, we share a common DNA founded in our 3E core values. They drive us towards a common sense of purpose to create long-lasting value for our stakeholders.

EXECUTION

A burning desire to always see things through to completion in a timely, efficient and effective manner. We believe in hard work and seeing through ideas from conception all through to achieving excellent results.



ENTERPRISE

Having the willingness and determination to do whatever it takes to get the job done. In a competitive business environment, what sets us apart is our individual and collective responsibility to take ownership of our deliverables and lead innovative initiatives.

EXCELLENCE

Delivering in an outstanding manner, consistently. Excellence is a mantra embedded in the heart of every employee. We go several steps beyond the norm to deliver measurable value to our stakeholders.

01

ABOUT THE COMPANY

Board of Directors

Chief (Mrs.) Eniola Fadayomi, *MFR, FIoD*
Chairman

Chief (Mrs.) Eniola Fadayomi, *MFR, FIoD*
Chairman

Chief (Mrs.) Eniola Fadayomi holds a LL.B Hons from the University of Lagos, and was called to Nigerian Bar in 1972. Her professional experience spans several years in both the Public and Private Sectors. She was the Attorney General and Commissioner for Justice of Lagos State the first Commissioner for Women Affairs & Poverty Alleviation, and the Commissioner for Establishment, Training & Pensions at different times in the State.

She is the Principal Partner at Eniola Fadayomi and Co., and was the Legal Adviser to First Bank of Nigeria, and Chairman Board of Directors, Afribank Nigeria Plc. She currently serves on several boards, in the Public and Private Sectors.

Obong Idiong
Managing Director/CEO

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Managing Director/CEO

Mr. Obong Idiong is the Managing Director/CEO of Africa Prudential Plc. Prior to joining Africa Prudential, Obong was the Company Secretary/Legal Adviser of Afriland Properties Plc. He previously served in the same position at Heirs Holdings Ltd, an African proprietary investment company where he oversaw the legal responsibilities of the company's investment portfolios in Oil & Gas, Real Estate, Financial Services, Agri-business, Health Care and Hospitality. Specific responsibilities included transaction advisory, implementation and institutionalisation of governance frameworks, mergers and acquisitions, business incubation, compliance, and regulatory.

Obong Idiong worked as the Special Assistant to the Chairman of United Bank for Africa Plc (UBA Plc), and in that position, he was responsible for business development, strategy, research, customer service and legal advisory. Prior to this, he held senior positions at Alpha Juris Chambers, Lagoon Home Savings & Loans Limited, and Standard Trust Bank (now UBA Plc). With over 16 years of post-call working experience in corporate, commercial legal practice, banking and financial advisory services, he is a member of the Nigerian Bar Association and the Society of Corporate Governance of Nigeria. He holds an LLM degree (International Finance and Banking), MBA, LL.B (Hons), and BL.

Board of Directors cont'd

Ammuna Lawan Ali
Independent Non-Executive Director

Ammuna Lawan Ali

Independent Non-Executive Director

Ammuna Lawan Ali holds a BA (Hon.) Degree and M.Sc. Degree in Public Admin. She is a retired Federal Permanent Secretary, who commenced her civil service career as a Planning Officer in the Borno State Ministry of Lands and Survey, Maiduguri. She rose to the position of Permanent Secretary, and in that capacity, served in the State Ministries of Education, Women Affairs, Commerce, Industries and Tourism.

She later moved to the Federal Civil Service as Director, and then the Ministries of Women Affairs, Social Development and Finance. She was later appointed a Federal Permanent Secretary and served in various Ministries, including those of Commerce, Petroleum Resources, Transportation, Works, Environment, Housing and Urban Development, and briefly in the Office of Head of the Civil Service of the Federation, and Ministry of Information and Communications.

She is a recipient of National Honours (OON), and a member of the National Institute for Policy and Strategic Studies (NIPSS) Kuru, among many others.

Peter Ashade
Non-Executive Director

Peter Ashade

Non-Executive Director

Peter is an astute investment banker with close to 3 decades' cognate experience in Nigeria's money and capital market. He is the Group CEO of United Capital Plc. Until recently, he was the MD/CEO of Africa Prudential Plc. During his twelve year term, Peter led the transformation of the business from a subsidiary of UBA Plc to the only listed Registrars' company on the Nigerian Stock Exchange achieving over 8000% growth in profitability within 8 years. He championed disruptive innovation in the registrars' business in Nigeria pioneering many e-products and successfully implemented a major diversification strategy for the business. Peter was the founding CEO of Great Africa Registrars Limited (Now Meristem Registrars & Probate Services Limited), Assistant Registrar at First Registrars & Investors Services Ltd, and Account Manager at Union Bank Plc. Peter has diverse academic and professional background, including MBA, Marketing; MSc, Finance; Fellow, Institute of Chartered Accountants of Nigeria; and Fellow, Chartered Institute of Bankers. Others are Fellow, Institute of Capital Market Registrars; Associate, Chartered Institute of Taxation of Nigeria; and Associate, Institute of Directors. He is an alumnus of the prestigious Lagos Business School (CEP23, LBS).Peter is currently the Treasurer of the Institute of Capital Market Registrars (ICMR); and Vice President 1 of the Chartered Institute of Bankers of Nigeria (CIBN), Lagos.

Board of Directors cont'd

Mr. Samuel Nwanze
Non-Executive Director

Mr. Samuel Nwanze
Non-Executive Director

Mr. Samuel Nwanze holds a M.Sc. Degree in Finance and Management from Cranfield School of Management, United Kingdom. He is the Director, Finance and Investments at Heirs Holdings Limited, where he is responsible for the administration and management of the group's overall financial activities and investment programs.

Prior to joining Heirs Holdings, Samuel served as Group Treasurer with Bank PHB Plc, Lagos, Nigeria. He was responsible for the overall management of Treasury for the Bank PHB Group (including five banks and several non-bank subsidiaries). He led the restructuring of the trading desk, dealing in financial markets: Money Markets, Bonds, Treasury Bills, Currencies, Bankers' Acceptance and Commercial Papers, as well as liquidity and capital management. Before taking the role at Bank PHB, he served as the Head of Financial Performance Management and Budgets in UBA Plc.

He has also worked on a number of projects and start-ups including Nigeria's first credit bureau, an insurance company, group shared services model, and the acquisition and set-up of various banks in Africa, as well as other projects in the US, UK and India. His other key distinctions include the prestigious annual award, bestowed by the Association of Corporate Treasurers (ACT) of the United Kingdom.

Mr. Peter Elumelu
Non-Executive Director

Mr. Peter J. Elumelu
Non-Executive Director

Mr. Peter Elumelu holds a Bachelor of Science (B.Sc.) degree in Business Management from Rivers State University of Science and Technology, Port Harcourt, an LL.B (Hons) Law degree from National Open University of Nigeria, and a Master of Science (M.Sc.) degree in Financial Management Technology from Federal University of Science and Technology Owerri, (FUTO) Imo State.

Mr. Peter Elumelu is an astute businessman with over 29 years' experience cut across the private and public sector of the economy. He currently sits on the Board of several companies including Africa Prudential Plc, Transcorp Hotels Plc, and Pet- Jibson & Company Limited, where he is the Chairman / CEO. He was formerly the Chairman, Board of Directors of Delta State Urban Water Board, Asaba during which he successfully managed and executed various laudable projects. He is a member of the Institute of Directors (MIOD). Mr. Peter Elumelu has attended several local and international courses on Corporate Governance, Risk Management, and Project Management.

Board of Directors cont'd

Emmanuel N. Nnorom
Non-Executive Director

Emmanuel N. Nnorom
Non-Executive Director

Emmanuel N. Nnorom is the CEO of Heirs Holdings. Prior to joining the Heirs Holdings Group, served as CEO of Transnational Corporation of Nigeria Plc, overseeing the Transcorp businesses, including Transcorp Power, Transcorp Hilton, Transcorp Hotel, Calabar and Transcorp Energy.

Prior to Transcorp, Emmanuel had held senior positions at Heirs Holdings and had served as an Executive Director at UBA and Managing Director of UBA Africa, overseeing the Group's African subsidiaries and executing corporate strategy in 18 African countries. Other senior roles within UBA included Group COO UBA, followed by his appointment as UBA's Group CFO, with responsibility for Finance and Risk. Emmanuel is qualified as a chartered accountant, and brings over 3 decades of professional experience in the corporate and financial sectors, working with publicly listed companies. He is an alumnus of Oxford University's Templeton College, and a prize winner and Fellow of the Institute of Chartered Accountants of Nigeria.

Management Team

Obong Idiong
Managing Director/CEO

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Managing Director/CEO

Mr. Obong Idiong is the Managing Director/CEO of Africa Prudential Plc. Prior to joining Africa Prudential, Obong was the Company Secretary/Legal Adviser of Afriland Properties Plc. He previously served in the same position at Heirs Holdings Ltd, an African proprietary investment company where he oversaw the legal responsibilities of the company's investment portfolios in Oil & Gas, Real Estate, Financial Services, Agri-business, Health Care and Hospitality. Specific responsibilities included transaction advisory, implementation and institutionalisation of governance frameworks, mergers and acquisitions, business incubation, compliance, and regulatory.

Obong Idiong worked as the Special Assistant to the Chairman of United Bank for Africa Plc (UBA Plc), and in that position, he was responsible for business development, strategy, research, customer service and legal advisory. Prior to this, he held senior positions at Alpha Juris Chambers, Lagoon Home Savings & Loans Limited, and Standard Trust Bank (now UBA Plc). With over 16 years of post-call working experience in corporate, commercial legal practice, banking and financial advisory services, he is a member of the Nigerian Bar Association and the Society of Corporate Governance of Nigeria. He holds an LLM degree (International Finance and Banking), MBA, LL.B (Hons), and BL.

Management Team cont'd

Catherine Nwosu
Chief Operating Officer

Catherine Nwosu
Chief Operating Officer
Catherine majors in Banking and Finance and also holds a degree in Management Science from University of Education, Winneba, Ghana. She equally has a Masters' degree in Business Administration (MBA Management).
Catherine is an investment banker of repute with over 21 years' experience in Share Register Administration. She is a tested member of professional bodies, which include among others, Fellow of Institute of Capital Market Registrars (FCMR), a member of the Chartered Institute of Administration of Nigeria (MCIA), Associate, Certified Pension Institute of Nigeria (ACPIN), Institute of Cost Management, Nigeria (ACMI).

Dominic Ogar
Chief Information Officer

Dominic Ogar
Chief Information Officer
Dominic is an accomplished professional with over 15 years of cognate experience in Management Information Systems at Senior Management Executive level.
He holds the expert level certification in IT Infrastructure Library (ITIL) and certifications in several technologies including Microsoft, Oracle, and Hewlett-Packard. Drawing from his strong pedigree for collaborative approach to project management, he has led the deployment of IT solutions within the Sub-Saharan Africa. Before joining Africa Prudential Plc, among others, he led the team which defined and harmonized ITIL processes across the entire business network of Computer Warehouse Group, including all its offices across Africa (Nigeria, Ghana, and Uganda); also designed control mechanisms to ensure they stay within specification. He implemented group wideITIL service delivery and management process across the same geographical region. Dominic is a global thought leader on IT Infrastructure Library as best practice for service management. He joined the management team of Africa Prudential Plc in 2016.

Management Team cont'd

Olufemi Adenuga

Chief Finance Officer

Olufemi Adenuga
Chief Finance Officer
Olufemi is a renowned Accountant and Finance expert with over fifteen years post-qualification experience spanning Nigeria's Manufacturing and Capital Market Industry.

Olufemi holds a Higher National Diploma (HND) in Accountancy from Federal Polytechnic Offa, Kwara State and a Post Graduate Diploma (PGD) and MSc in Accountancy from Crawford University. He is also an Associate Member of the Institute of Chartered Accountant of Nigeria (ACA) and Fellow of the Institute of Capital Market Registrars (FCMR).

Olufemi has attended various training courses during his career in finance and treasury management, tax management, audit and internal control. He has attended various professional trainings ranging from strategic leadership, corporate governance, project management amongst others.

Joseph Jibunoh

Company Secretary/Legal Adviser

Joseph Jibunoh
Company Secretary/Legal Adviser
Joseph is a versatile Corporate Counsel with over two decades multi-sectoral experience acquired from general law practice, investment banking, insurance, mortgage banking, real estate, oil and gas, and capital market sectors. He holds a Bachelor of Laws (LL. B Hons) degree from the University of Lagos and a B.L from the Nigerian Law School. He is a member of the Nigerian Bar Association, Chartered Institute of Taxation, World Future Society and Associate membership of the Chartered Institute of Arbitrators Nigeria (ACIArb).
During his career, Joseph attended numerous Executive Education trainings in investment banking, bond insurance underwriting, corporate strategy, public –private partnerships, alternative dispute resolutions, risk management, credit administration and human resources. He is an alumni of Lagos Business School (EMP) on Corporate Strategy.

Management Team cont'd

Patrick Ukanah
Head, Regional Operations

Patrick Ukanah
Head, Regional Operations
Patrick's client-friendly disposition reflects an array of experience in investment banking which spans over 20 years.

He holds a Bachelor of Science degree (HONS) in Business Administration from University of Abuja, and an M.Sc in Corporate Governance from Leeds Beckett University (formerly Leeds Metropolitan University), United Kingdom. His membership of professional bodies include among others: Chartered Institute of Bankers of Nigeria (CIBN), Associate, Institute of Capital Market Registrars (ACMR), and Nigerian Institute of Management (NIM).

In his Capacity as Head, Regional Operations, his oversight spans Abuja and Port-Harcourt branch offices, and the company's e-Commerce business.

Opeyemi Onifade
Chief Strategy Officer

Opeyemi Onifade
Chief Strategy Officer
Opeyemi has amassed nearly a decade investment banking experience. Before joining Africa Prudential Plc he had worked extensively across the print and electronic media industry, with capital market bias. He is an Associate Registered Practitioner of Advertising (arpa).

He majors in Mass Communication. He is an Associate Registered Practitioner of Advertising. He had held forth at the Business Development department and latter at the Marketing and Strategic Business Development with impressive results.

Bridget Bayo-Ajayi
Head, Business Development

Bridget Bayo-Ajayi
Head, Business Development
Bridget is a proven share registration professional with over 14 year's cognate experience in customer service, business development, relationship management, and financial operations. She holds a HND in Business Administration and Management from Federal Polytechnic Offa, Kwara State, and an MBA from National Open University of Nigeria. She is an Associate Member of the Institute of Capital Market Registrars (ICMR).

Bridget has also attended various training courses including personal effectiveness, capital market operations, and social networking for executives. Before joining Africa Prudential Plc in 2014, she had worked with various top range registrar companies where she held senior positions.

Management Team cont'd

Omoniyi Edward
Head, Human Capital Management

Omoniyi Edward
Head, Human Capital Management
Omoniyi holds a B.Sc. in Chemical Engineering from the University of Lagos and a Master's degree in Human Resource Management from the Manchester Metropolitan University Business School, UK where she graduated with a distinction.
She is a seasoned HR Professional with key skills in resourcing, organisational design, learning and development, reward management, performance management, HR Administration and Employee relations. She had worked with Zenith Bank for many years as HR generalist across Africa before joining Africa Prudential Plc.
She is an Associate member of Chartered Institute of Personnel Development (CIPD), UK and Chartered Institute of Personnel Management (CIPM), Nigeria.

David Ubaka
Head, Audit & Control

David Ubaka
Head, Audit & Control
David is a Chartered Accountant with a wealth of experience spanning over 20 years. He holds a B.Sc. in Accounting from University of Lagos, Akoka, and a Fellow of the Institute of Chartered Accountants of Nigeria (FCA).

David started his accounting career with Arthur Young &Osindero Chartered Accountants. He then moved on to play key roles at various financial services companies, including Deputy Head, Internal Audit, Control& Compliance at UBA Insurance Ltd. He moved to UBA Plc in 2007 where he was involved in various audit functions, including commercial banking operations, investment banking, Pension Custody, Insurance, Property and Registrars businesses within the group. He joined Africa Prudential Plc as Head, Audit and Control in 2014.
He has attended various training courses spanning major corporate strata, as it relates to Finance, Accounts, Investment, Banking Operations, Internal Control, Internal Audit, and Compliance.

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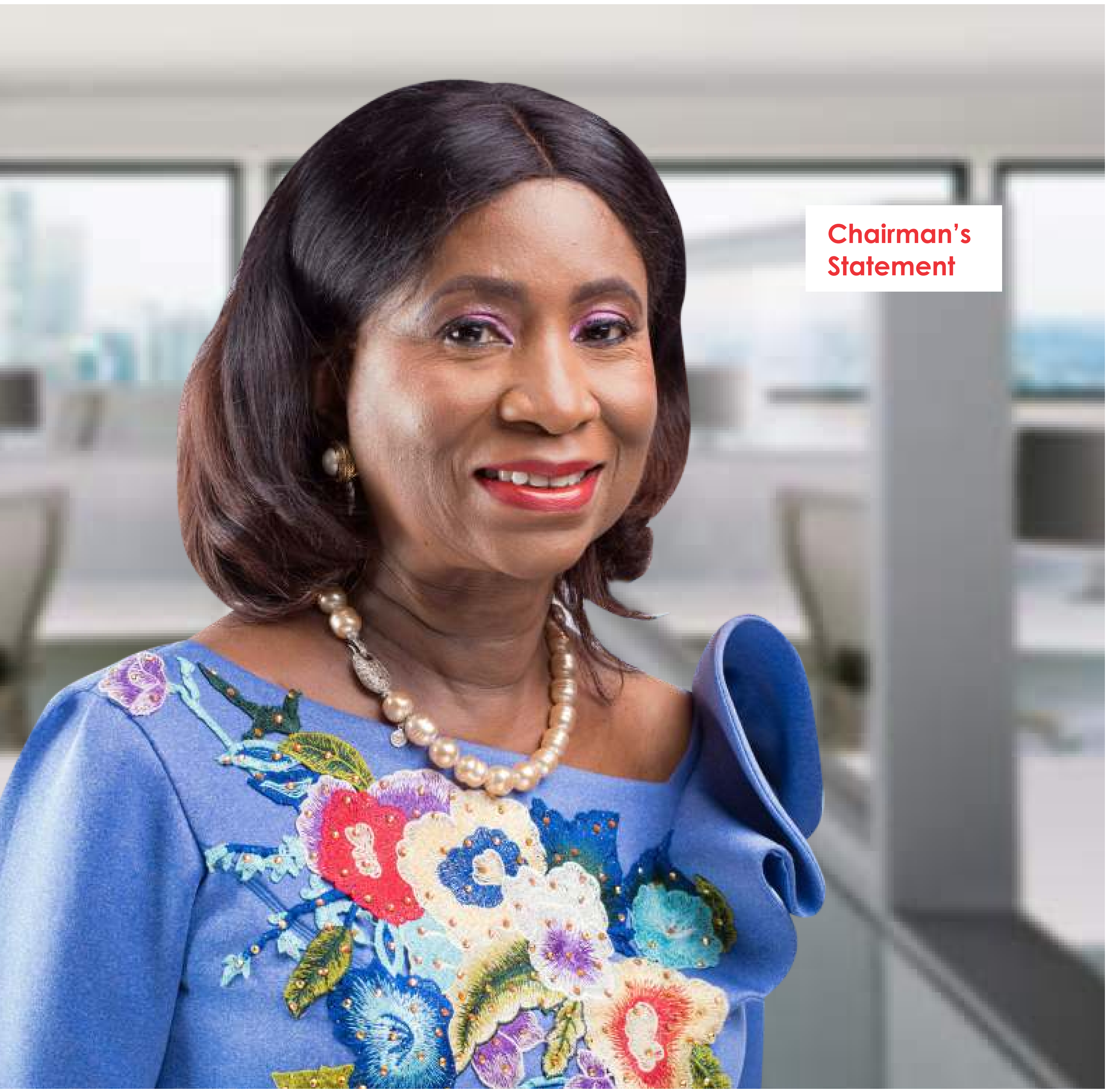
STRATEGY AND BUSINESS REVIEW



Chairman's Statement

Distinguished shareholders, members of the Board of Directors, Ladies and Gentlemen, welcome to the 6th Annual General Meeting of our Company. I am delighted to present to you the Company's Annual Report and Financial Statements for the period ended December 31, 2018.

THE GLOBAL ECONOMY IN 2018

In the year under review, the global economy grew by 3% and was characterised by trade disputes precipitated by President Donald Trump of the United States which imposed very high tariffs on selected Chinese imports with the aim of reducing the wide balance of trade deficit of $323 Billion between the U.S. and China. There was reciprocal action from China which imposed counter tariffs on premium United States exports to China. A new trade agreement called United States –Mexico – Canada Agreement (USMCA) was signed by the U.S, Mexico and Canada in November 2018 to replace the North American Free Trade Agreement (NAFTA) from which the US had unilaterally withdrew from in early 2018. The biggest changes in the USMCA include higher rules-of-origin requirements for the auto sector, marginally greater U.S. access to the Canadian dairy market, and a scale-back of the Investor-State Dispute Settlement (ISDS) rules.

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In August 2018, the British Prime Minister, Mrs. Theresa May visited Nigeria with a large business delegation as part of her Brexit consultations. While in Nigeria, Mrs. May paid a working visit to the FMDQ OTC Securities Exchange, Victoria Island, Lagos and held a meeting with the Nigerian business community with a view to deepening the bilateral economic relationship between the United Kingdom and Nigeria. This of course signals increased interest in doing business with Nigeria.

Other notable international headline events in the year were, the Yellow Vest Protests in France, the U.S unilateral withdrawal from the Joint Comprehensive Plan of Action (JCPOA) agreement otherwise known as the Iran Nuclear Deal and the re - imposition of economic sanctions on Iran as well as the, first-time ever meeting between President Trump and Chairman Kim Jung – Un of North Korea for discussions towards denuclearization of the Korean Peninsula.

THE DOMESTIC ECONOMY

According to Central Bank of Nigeria sources, major global developments of importance to the domestic economy in 2018 included: the international Monetary Fund's (IMF) Mid-Year Staff Consultations with Nigeria held from June 27-July 9, 2018; the Afrexim Bank Annual Meetings (AAM), held in Abuja, Nigeria from July 11 –14, 2018;and the 2018 Mid-Year Statutory Meetings of the West African Monetary Zone (WAMZ), West African Monetary Agency (WAMA) and the West African Institute for Financial and Economic Management (WAIFEM) held in Abuja, Nigeria from September 6 –14, 2018.

In the financial sector, broad money supply fell by 2.4% reflecting the 3.4 % decrease in domestic credit (net) of the banking system by mid-year 2018. Narrow money supply fell by 6.9 percent due to decrease in both currency outside banks and demand deposits components. Developments in banks' deposit rates were mixed, while the lending rates trended downward in the end of September 2018. The value of money market assets outstanding rose above the level in the preceding period.

Across the Nigerian economy, the Gross Domestic Product (GDP) grew by 1.93 % in 2018 compared to 0.82 per cent in 2017. The non-oil sector contributed 91.4 % of the country's GDP in 2018 compared to 91.33 % in 2017 while the oil sector contributed 8.6 % in 2018 compared to 8.67 % in 2017.

CAPITAL MARKET

Nigeria's Equities Market closed 2018 Year Till Date (YTD) performance on a bearish note with NSE - All Share Index (ASI) decreasing by 8.70 % from 34,848.45 on August 31, 2018 to 32,058.28 on November 16, 2018. There was no new capital market offer throughout the year, although several companies got listed on the Nigerian Exchange by way of introduction.

On market development, regulation and investors' protection, the Securities and Exchange Commission (SEC) proposed new Rules on Green Bonds and sundry amendments on the inclusion of Bank Verification Numbers as a means of identification of individual clients in the Capital Market, Rules on Investment Advisory Services, Nominee Accounts and Investment Advisers.

The SEC's regulation to the effect that only shareholders with E- Mandates on their Bank Accounts shall receive dividend payment became effective on February 28, 2018. The Commission also introduced amongst other market improvement initiatives; Interpretive Guidance Note (IGN) to assist Capital Market Operators in understanding and fostering of compliance with the Investment and Securities Act (ISA), SEC Rules and Regulations and other issues within the Commission's regulatory purview.

REVIEW OF OPERATIONS

The Company continued to improve on the quality of its core business of registrar services, through deployment of its *GreenPole* software and a range of other value adding products and services to facilitate the ease of its Clients in carrying out transactions on their share accounts. These include, *E-Accredit* for accreditation of meeting attendees, the *Personal Register USSD 4018#* which enables shareholders to make routine share enquiries using their Mobile Phones, *E- Dividend* which allows direct crediting of investors' bank accounts, *E-Offer*, which facilitates direct crediting of investors' CSCS account with allotted units of investment subscriptions, E- Registrars Solutions which allow shareholders online access to account information and *E – Replacement* which enables direct crediting of investors' CSCS account with the unit value of a lost certificate.

In a conscious effort to diversify its income base and insulate the Company from the uncertainties and risks of depending on a single line of business income, the Company took measured steps to grow its Business Solutions segment. Moreover, in order to improve product efficiency and drive patronage, the Company carried out a product review of its cooperative society management software called *EasyCoop* and with the enhanced features of the software, it is expected that the product's appeal to subscribers will rise significantly especially in this financial year.

In view of the disruptive effects of new technologies and fast tempo transition to the digital economy, the Company also took strategic measures by aggressively developing new business segments covering innovative E- Business Solutions, E – Commerce and Excellent Customer Service. It is our earnest expectation that sales and income from these new lines of business will grow in the next few years to balance the earnings from the traditional streams of registrar and investment income and put the Company on the path to sustainability.

FINANCIAL PERFORMANCE

Despite the challenging operating environment in 2018, our Company ended the year with an impressive performance. The Company recorded a turnover of N4,485 billion, a growth of 35% over the previous fiscal financial year and a Profit Before Tax of N2.39 billion which represents an increase of 16% over the previous year.

DIVIDEND

As a result of the impressive financial performance recorded in 2018 and in line with our Dividend Policy, the Board is pleased to recommend for your approval, a dividend of N0.50 Kobo per ordinary share of 50 Kobo.

BOARD CHANGES

During the year under review, the Board appointed Mr. Obong Idiong as Managing Director/Chief Executive to replace Mr. Peter Ashade who retired from that position with effect from July 1, 2018. However, Mr. Peter Ashade remains on the Board as a Non – Executive Director. Accordingly, the appointment of Mr. Obong Idiong as a Director would be presented for your approval at this Annual General Meeting.

OUTLOOK FOR 2019

The successful conclusion of the Presidential, National Assembly, Gubernatorial and State House of Assemblies elections and the re-election of the ruling party at the Federal level, will no doubt entrench stable political environment which is key to sustaining Nigeria's economic recovery, We expect an improved economic environment and faithful implementation of the 2019 Federal Government Budget called *"Budget of Continuity"*, with a target revenue of N6.97 trillion and provision and N8.83 trillion for capital projects. The fundamentals of the Capital Market sector are still good given the size of the market and the potentials for growth. The Capital Market remains an attractive investment destination for investors with long term profit vision and a cheap source of corporate finance for corporations and governments respectively. Regardless of the challenges facing the sector, some positive trends, in recent times signpost, impending rebound in the market, and our Company is positioned to leverage the emerging opportunities in 2019. These include, the issuance of Green Bonds, proposed listing of some big-time telecom companies on the Nigerian Stock Exchange and Central Bank of Nigeria unfolding of new regulatory framework for Fintech business in Nigeria.

APPRECIATION

I wish to thank you, our esteemed Shareholders, for your unwavering interest in our Company. I also thank all our customers and other stakeholders for your continuing support. Finally, I thank the Management and my colleagues on the Board for providing the required and effective direction for the Company.

I thank you all for your attention.

Fadayomi

Chief (Mrs) Eniola Fadayomi, *MFR, FIOD*
CHAIRMAN

Dear Esteemed Shareholders, I am pleased to report to you on the performance of Africa Prudential Plc .

The 2018 fiscal year was historic for us as it marked the end of a remarkable era and the commencement of another great journey.

I am happy to state that the year was another successful one for us. However, I will commence my address by reviewing the operating environment in 2018.

The Global Economy in 2018

The global economy slowed down in 2018 amidst divergent growth despite the strong synchronized growth recorded in the first quarter of the year. Growth in the US remain the largest contributor to global growth as the Eurozone, the UK, China and Japan slowed down in 2018.

The US economic growth was driven largely by an increase in consumer spending resulting from rising wages and the implementation of fiscal stimulus in 2018. Growth in the Eurozone receded in 2018, dragged down by regional powerhouse, Germany as the economy's mighty export sector faltered. While negotiation is ongoing for a Brexit deal between the UK and EU, the likelihood of a no-deal Brexit beclouds investors' confidence in the UK.

China's economic growth slowed more than expected, the weakest since the financial crisis of 2008 as trade tension with the U.S puts pressure on growth. The Chinese economy grew by 6.6% in 2018, down from 6.8% in 2017. Economic growth is expected to slow further down to 6.5% percent in 2019.In Latin America, despite spillovers from solid U.S. growth, lingering weaknesses in Argentina, Brazil and Venezuela dampened growth.

Oil producers in the OPEC block were expected to have benefitted from higher oil prices in the aftermath of the US withdrawal from the Iran deal and subsequent imposition of sanctions on the country. This was however constrained by the increased supply from the US and Russia. In the Sub-Saharan Africa region, growth was aided by higher prices for key commodity exports as rate normalization in advanced countries exert pressure on the currencies of emerging and developing economies.

The Nigerian Economy in 2018

The Nigerian Gross Domestic Product (GDP) grew by 1.93% in 2018 compared to 0.82% in 2017 having grown by 1.95% in Q1, 1.50% in Q2, 1.81% in Q3 and 2.38% in Q4 2018. The non-oil sector contributed 91.4% of the country's GDP in 2018 compared to 91.33% in 2017 while the oil sector contributed 8.6% in 2018 compared to 8.67% in 2017 as oil GDP growth difference slowed by 3.55% from 4.69% in 2017 to 1.14% in 2018. The service sector remain the largest contributor to the country's non-oil GDP at 53.62%, followed by Agriculture at 26.15% and Industries at 20.24%.

Headline inflation (CPI) dropped 369 basis points in 2018 from 15.13% in January to 11.44% in Dec. 2018. Core inflation declined by 230 basis points from 12.10% in January 2018 to 9.80% as at December 2018. This implies that energy and food prices is a major contributor to the country's inflation level being above the single digit inflation targeted by CBN.

The Country's foreign reserve (CBN FX-Reserve) which rose from $38.9bn as at 3rd Jan. 2018

The total value of capital importation into Nigeria stood at $16.81bn in 2018, indicating a 37.50% growth Year on Year compared to $12.23bn capital imported in 2017.

to $47.8bn as at 2nd July 2018 due to rising oil prices and stability in the country's oil production, closed the year at $43.1bn. Exchange rate stabilized around N360/USD for the most part of the year on government approved windows. This has impacted significantly the increasing offers of CBN to manufacturing companies and Bureau de change firms thereby stimulating the economy given our positive skewness as an import dependent economy. However, increasing foreign exchange pressure forced it to approx N370/USD by Dec. 2018 due to significant pullout in foreign capital as uncertainty mounts on the approaching general elections in Q1 2019.

The total value of capital importation into Nigeria stood at $16.81bn in 2018, indicating a 37.50% growth Year on Year compared to $12.23bn capital imported in 2017. In 2018, the largest amount of capital importation by classification was received through Foreign Portfolio Investment (FPI), which accounted for 70.20% ($11.80bn) of total capital importation, followed by Other Investment (trade credit, loans, currency deposit) which accounted for 22.69% ($3.82bn) of total capital imported, and then Foreign Direct Investment FDI, which accounted for 7.11% ($1.19bn) of total capital imported.

By composition of Foreign Portfolio Investment (FPI), equity investment accounted for 20%, money market investment constituted 72% and bond 8%. Equity investment dropped by 35.04% while Money Market Instruments grew by 164.03% when 2017 is compared with 2018. This further reveal investor's disposition for sustainable and better returns from money market as against the bearish market trend in the capital market in 2018.

The United Kingdom emerged as the top source of capital investment in Nigeria in 2018 with $6.01bn. This accounted for 35.74% of the total capital inflow in 2018.

On the ease of doing business the country dropped a point on the ranking from 145 in 2017 to 146 in 2018, indicating weaker reforms in business regulations, quality and strength of legal framework, protection of property rights and their effect on businesses, especially small and medium sized domestic firms.

The Nigerian Capital Market in 2018

Bearish sentiments dominated the Nigerian Stock Exchange (NSE) in 2018 having emerged as one of the top 3 best performers in 2017. Equity investors on the Exchange lost N1.89trn in investment owing to sell pressure induced by rising

GROSS EARNINGS FOR THE PERIOD UNDER REVIEW GREW BY 35% FROM N3.31BN IN 2017 TO N4.48BN IN 2018

rates in developed countries and heightened uncertainty as the general election approaches.

There was no Initial Public Offer (IPO) on the Nigerian Stock Exchange in 2018 as the much-anticipated listing by MTN was delayed. However, the market recorded 8 new listings from quoted companies during the course of the year. Notore Chemical Industries Plc listed by introduction, Flour Mills Nig. Plc, Morison Industries Plc, Lafarge Africa Plc, UACN Plc, Consolidated Hallmark Insurance Plc and Union Bank of Nigeria Plc all listed via supplementary rights issue and Stanbic IBTC Holdings Plc listed through supplementary bonus issue. The market is expecting the return of IPOs in 2019.

The cumulative transactions from January to December on the Nigerian Stock Exchange (NSE) reduced by 5.44% from N2.542 trillion recorded in 2017 to N2.404 trillion in 2018. Total Foreign Investment Inflow on the NSE declined by 25.3% from N772.25bn in 2017 to N576.45bn in 2018. Total Foreign Investment Outflow increased by 47.6% from N435.31bn in 2017 to N642.65bn in 2018. Net foreign investment in 2018 was a deficit of N66.2bn.

HIGHLIGHTS OF 2018

Highlights of the year include:

Change in Leadership: The Company's longest servingMD/CEO, Mr. Peter Ashade retired from the company after 12 meritorious years of service. He was instrumental to the transformation of the company from a unit bank registrar department to a listed company on the NSE pioneering many innovative products in the capital market and culminating in many local and international recognitions. However, Peter has been appointed a Non-Executive Director of the Company.

CEO's REPORT cont's

I replaced Mr. Ashade in July 2018 as Managing Director/CEO with the task of building on his successes to evolve a more diversified, more viable and more profitable Africa Prudential Plc. I can assure our esteemed shareholders of my team's commitment to delivering on this all-important mandate while offering increasing returns on investment to them.

Financial Performance Highlights

Gross Earnings

Gross earnings for the period under review grew by 35% from N3.31bn in 2017 to N4.48bn in 2018 due to growth in professional fee income, subscription income for our solutions and investment income.

Profitability

Operating profit for the period grew by 50% from N2.19bn in 2017 to N3.29bn in 2018. Profit before tax grew by 16% from N2.06bn in 2017 to N2.39bn in 2018 while profit after tax grew by 14% from N1.71bn in 2017 to N1.95bn. Also, basic and diluted earnings per share grew by 14% from 86 kobo in 2017 to 98 kobo in 2018. We will continue to explore new innovative ways to deliver superior values and experience to our clients while leveraging technology to drive greater cost efficiency in our operations.

Financial Position

While the company's balance sheet size reduced slightly by 3% during the period under review, retained earnings and shareholders' fund grew by 21% and 24% respectively during the period under review. We remain undaunting in our commitment to protecting and growing the wealth of our shareholders while offering competitive returns on investment.

Dividend

The company's Board of Directors has recommended the declaration of a dividend payout of 50 Kobo per share for the full financial year 2018. This represent a 25% increase compared to the 40 Kobo per share dividend declared in 2017.

Africa Prudential Plc Share Performance

Despite the bearish trend occasioned by massive sell-offs in the Nigerian Capital market in 2018, the Company shares was able to outperform the NSE Market Capitalization which declined by 13.90% (open Year-N13.6trn: close year-N11.7trn) as against 10.00% of the Company (open year-N4.30 kobo; close year-N3.87 kobo). Similarly, the Company shares attained its highest value on 26th February 2018 at N5.19 kobo while it attained its lowest value on 14th December 2018 closing at N3.51 kobo even as a total of 538,350,547 units of the Company shares valued at N2.3bn was traded in 2018 on the NSE.

CEO's REPORT cont's

Business Lines:

In furtherance of the previous approval of change of name from Africa Prudential Registrars Plc to its current name, a cardinal reason is the diversification strategy for the company thereby bringing more and sustainable value to her shareholders, I am glad to inform you that our company now has evolved from unitary to three main business lines; Registrars Business, Digital Technology Business, and the Cooperative Business.

Registrars Business:

Registrars Business: While still our core flagship business, we remain unrelenting in our determination to continually explore value adding innovative solutions to issues affecting shareholders, listed companies and other critical stakeholders in the Nigerian Capital Market. So far we are automating the entire registrar process from solution conceived, designed and developed in-house due to our continuous leverage and investment on digital technology. This will position us as the leading technology driven Registrar Company in Nigeria while delivering delightful experience to all stakeholders. We are currently positioning for penetration into other viable African Countries.

Digital Technology Business:

Digital Technology Business: The main thrust of this business is to innovatively leverage technology to create comfort and bring about change through the deployment of digital solutions in strategically selected markets. Our clear intent in this space will be seen via the enhancement of our existing product range to offer great value and comfort to our clients. Also, to chart a common course with other industry players on the application of beneficial technology to advance various sectors of the Nigerian economy, of Africa Prudential Plc joined the Fintech Association of Nigeria in 2018.

Cooperative Business:

Cooperative Business: We are convinced of the immense potential of the Cooperative Space in Nigeria and Africa to provide automation and aid financial inclusion through the provision of non-formal financial services, hence our engagements with cooperatives to enhance the productivity and efficiency of the cooperative sector through the application of technology. To achieve this, our EasyCoop Cooperative Managers Solution has been upgraded with many value adding features to deliver great values to all class of cooperatives anytime and anywhere. We are also collaborating more with critical stakeholders in the cooperative landscape in Nigeria and across Africa to collectively change the narratives of cooperatives on the continent.

Product Redesign

In line with our unending desire to continually improve the service experience and value offerings to our different categories of clients, our product range has been redesigned and upgraded. Our product are designed to create convenience at optimal value for our clients as they remain the central focus of our product development and improvement activities.

People Development

At Africa Prudential Plc, our people are critical stakeholders in our business. We have increased the provision of adequate functional trainings across all levels to equip our staff on current trends and skillset requirements to delivering exceptionally in their roles and also providing enabling environment for their career advancement. As a merit driven organization, we will continue to offer equal opportunities to all deserving persons regardless of sex, tribe, race and religiousaffiliation.

Outlook for 2019

While the global economy is expected to slow down in 2019 as growth decelerates across the world's largest economies, downside risk factors to the outlook in 2019 include the likely escalation in trade tension, expected slowdown in commodity prices, rate normalization in advanced economies, likelihood of no-deal Brexit, escalating security situation in the Middle East and Sub-Saharan Africa, and political development in Italy, Germany and Nigeria.

The Nigerian economy is projected to grow at 2.3% in 2019 driven largely by growth in the information and communication sector, the agricultural sector, the manufacturing sector and stability in oil production.The Nigeria Stock Exchange (NSE) is expected to sustain its mixed performance in H1 2019 due to uncertainty around the general election coupled with the impressive corporate results and corporate action activities of listed companies. The market is expected to experience a mild rally in H2, 2019 as we expect improved foreign capital investment inflow in the aftermath of a successful general election.

In 2019, Africa Prudential Plc will continue to leverage technology to enhance the experience of our clients across the company's business lines:

Registrar Business:

The main focus for the registrar business is the relentless pursuit of exceptional experience to shareholders, client companies, stock brokers and other critical capital market stakeholders through continuous process improvement, deployment of our enhanced digital solutions and collaboration for improved technology application across the Nigerian capital market.

Cooperative Business:

We will intensify effort to enhance the adoption of applicable technology by cooperatives to drive improved productivity, cost efficiency and value creation in the cooperative space in Nigeria and across Africa. We will continue to be a worthy partner in the enhancement of financial inclusion by improving the productivity of cooperatives both in the urban and rural spread across the country. Our enhancedEasyCoop Solution will be a game changer in the delivery of great experience and value creation for cooperatives on the continent.

Digital Technology Business:

This business will focus on creating convenience through the application of technologyacross different markets.We will continue to innovatively explore the application of digital technology to provide secured solutions for both retail and corporate users.

Appreciation

Let me seize this opportunity to appreciate my predecessor, Mr. Peter Ashade, the Board of Directors and entire staff of Africa Prudential Plc for making my onboarding seamless. Your support has been magnificent.

To our esteemed shareholders, we appreciate your continued support. We remain undaunting in our commitment to protect and increase your wealth by building a leading, more viable, sustainable and profitable company. We are counting on your unalloyed support to deliver another exceptional performance in 2019. Thank you for the confidence reposed in us.

Obong Idiong
Managing Director/CEO

Result At A Glance

For the year ended 31 December 2018

in thousands of Nigerian Naira	2018	2017	Change	%
Revenue from contracts with customers	1,416,699	935,434	481,265	51%
Interest income	3,068,868	2,380,382	688,486	29%
Gross earnings	**4,485,567**	**3,315,816**		
Other income	532,251	49,195	483,056	982%
Credit loss expenses	-153,831	-	-153,831	100%
Impairment on goodwill	-98,693	-157,296	58,603	-37%
Personnel expenses	-565,193	-327,144	-238,049	73%
Other operating expenses	-832,866	-630,848	-202,018	32%
Depreciation of property and equipment	-51,299	-42,143	-9,156	22%
Amortisation of intangible assets	-21,656	-9,983	-11,673	117%
Profit before finance costs and tax	**3,294,280**	**2,197,597**	1,096,683	50%
Finance costs	-899,541	-130,703	-768,838	588%
Profit before tax	**2,394,739**	**2,066,894**	327,845	16%
Income tax expense	-441,839	-352,116	-89,723	25%
Profit after tax	**1,952,900**	**1,714,778**		
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):				
Fair value gain on available-for-sale instruments	-	1,273,933	-1,340,995	-105%
Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):				
Net gain on unquoted equity instruments at fair value through other comprehensive income	614,815	-		
Total other comprehensive income for the year, net of tax	**614,815**	**1,273,933**		
Total comprehensive income for the year, net of tax	**2,567,715**	**2,988,711**		
Basic and diluted earnings per share (Kobo)	98	86		

As at 31 December 2018

in thousands of Nigerian Naira	2018	2017	Change	%
Assets				
Cash and cash equivalents	2,559,899	4,177,568	(1,617,669)	-39%
Equity instruments at fair value through OCI	5,055,257	-	5,055,257	100%
Debt instruments at amortised cost	12,436,863	-	12,436,863	100%
Financial assets - Available-for-sale	-	4,440,442	(4,440,442)	-100%
Financial assets - Held-to-maturity	-	8,929,733	(8,929,733)	-100%
Loans and advances	-	3,639,712	(3,639,712)	-100%
Trade and other receivables	875,056	329,177	545,879	166%
Inventory	3,432	16,578	(13,146)	-79%
Property and equipment	210,975	223,683	(12,708)	-6%
Intangible assets	71,471	176,614	(105,143)	-60%
Deferred tax assets	58,797	-	58,797	100%
Total assets	**21,271,750**	**21,933,507**	**(661,757)**	**-3%**
Liabilities				
Customers' deposits	10,122,131	10,792,264	(670,133)	-6%
Creditors and accruals	63,104	330,913	(267,809)	-81%
Borrowings	2,042,439	3,612,328	(1,569,889)	-43%
Current income tax payable	447,487	224,407	223,080	99%
Deferred tax liabilities	-	34,110	(34,110)	-100%
Total liabilities	12,675,161	14,994,022	(2,318,861)	-15%
Equity				
Share capital	1,000,000	1,000,000	-	0%
Share premium	624,446	624,446	-	0%
Fair value reserve	1,043,202	428,387	614,815	144%
Retained earnings	5,928,941	4,886,652	1,042,289	21%
Total equity	8,596,589	6,939,485	1,657,104	24%
Total liabilities and equity	**21,271,750**	**21,933,507**	**(661,757)**	**-3%**

03

GOVERNANCE

Report of the Directors

DIRECTORS' REPORT

The Directors are pleased to present their report on the affairs of Africa Prudential Plc (" the Company"), together with the Audited Financial Statements for the year ended 31 December 2018 .

LEGAL FORM AND PRINCIPAL ACTIVITIES

Africa Prudential Plc was originally incorporated as UBA Registrars Ltd in March 2006. The Company subsequently changed its name to Africa Prudential Registrars Plc in August 2011 and was listed on the Nigerian Stock Exchange in January 2013 . To expand its business portfolio, the Company acquired UAC Registrars Ltd in June 2013 .

Again, the Company changed its name to Africa Prudential Plc following a special resolution passed by the Members in General Meeting on 28 March 2017 to enhance its market competitiveness and diversified business interests.

Africa Prudential Plc carries on the business of registrar and investor relation service in accordance with its Memorandum and Articles of Association. As part of its strategy to remain No. 1 in terms of automation and innovation, the Company continues to develop unique software to aid the administration of Cooperative Societies in Nigeria and other business solutions.

RESULTS FOR THE YEAR

The following is the summary of the performance of the Company during the year under review as compared with the previous year:

in thousands of Nigerian Naira	**2018**	2017
Gross earnings	4,485 ,567	3,315 ,816
Operating expenses	(1,471 ,014)	(1,010 ,118)
Profit before tax	2,394 ,739	2,066 ,894
Income tax expenses	(441 ,839)	(352 ,116)
Profit after tax	1,952 ,900	1,714 ,778
Declared Dividend	1,000 ,000	800 ,000

DIVIDEND

The Directors recommend to the Shareholders, the payment of a gross dividend of ₦1,000,000,000.00 (One Billion) that is 50 Kobo per share payable to Shareholders on the Company's Register of Members as at 13 March 2019. The dividend is subject to the deduction of appropriate withholding tax. If members at the Annual General Meeting approve this recommendation, the appropriation of the profit as at the end of the financial year would be as follows:

in thousands of Nigerian Naira	2018
Proposed Dividend	1,000 ,000
Retained Profit at the end of the year	952 ,900

DIRECTORS

Record of Directors' Attendance at Meetings

Pursuant to Section 258 (2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 , the records of Director's attendance at Board meetings during the year under review will be available for inspection at the Annual General Meeting.

Resignation

No Director resigned from the Board during the year under review.

Appointment

Mr. Obong Idiong was appointed to the Board as Managing Director & Chief Executive Officer on 1 July 2018 . He replaced Mr. Peter Ashade who resigned as Managing Director but retained his position on the Board as a Non – Executive Director. The appointment of Mr. Obong Idiong as Chief Executive Officer was approved by the Securities and Exchange Commission and shall be presented to the Members for ratification at the Annual General Meeting.

Directors Interests in Contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act of any declarable interest in Contracts in which the Company is involved.

Directors and Their Interests in the Shares of the Company

Directors' interests in the issued share capital of the Company as recorded in the Register of Members and/ or as notified by the Directors in compliance with Sections 275 and 276 of the Companies and Allied Matters Act, CAP C20 , LFN 2004 and the Listing Requirements of the Nigerian Stock Exchange were as follows:

NAME	31 December 2018		31 December 2017	
	DIRECT	INDIRECT	DIRECT	INDIRECT
CHIEF (MRS) ENIOLA FADAYOMI	4,006 ,060	NIL	4,006 ,060	NIL
MR. OBONG IDIONG	587 ,058	NIL	NIL	NIL
MR. PETER ASHADE	2,703 ,864	NIL	730 ,764	NIL
MR. SAM NWANZE	83 ,009	NIL	83 ,009	NIL
MR. PETER ELUMELU	13 ,891	NIL	13 ,891	NIL
MR. EMMANUEL NNOROM	NIL	10 ,000 ,000	903 ,970	7,179 ,339
MRS. AMMUNA LAWAN ALI	NIL	NIL	NIL	NIL

The details of indirect shareholding of Directors in the issued share capital of the Company is as below:

NAME	Company	Indirect Holding	Total Indirect Holding
MR. EMMANUEL NNOROM	VINE FOODS LTD	10 ,000 ,000	10 ,000 ,000

Alternate Directorship

There was no alternate directorship during the year under review.

SHAREHOLDING

The issued and fully paid up share capital of the Company is ₦1,000 ,000 ,000 (One Billion Naira divided into 2,000 ,000 ,000 of Ordinary shares of N0.50 k each).

In terms of significant shareholding (5% and above), the Register shows that International Equit y Capital is the largest shareholder with 519 ,000 ,000 units of shares. The table below is instructive

SHAREHOLDING ANALYSIS

PARTICULARS OF SHAREHOLDER	NUMBER OF SHARES	%
INTERNATIONAL EQUITY CAPITAL	519 ,000 ,000	25.95

CATEGORY OF SHAREHOLDER	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD
CORPORATES	5,515	1,344 ,298 ,058
GOVERNMENT	22	2,403 ,927
INDIVIDUALS	255 ,943	646 ,369 ,135
INSTITUTION	170	3,211 ,548
JOINT	593	2,976 ,631
PENSION	2	740 ,701
TOTAL	**262 ,245**	**2,000 ,000 ,000**

ANALYSIS OF SHAREHOLDINGS

The details of shareholding of the Company as at 31 December 2018 is as stated below;

Ran			*No. of*	*Holders*	*Holders*	*Units*	*Units*	*Units Cum.*
1	-	1,000	230 ,601	88%	230 ,601	44,367	2%	44,367
1,001	-	5,000	22,748	9%	253 ,349	48,402	2%	92,770
5,001	-		3,628	1%	256 ,977	25,942	1%	118 ,712
10,001	-		3,513	1%	260 ,490	76,195	4%	194 ,908
50,001		100	685	0%	261 ,175	50,019	3%	244 ,928
100 ,001		500	745	0%	261 ,920	155 ,939	8%	400 ,867
500 ,001	-		143	0%	262 ,063	107 ,547	5%	508 ,415
1,000 ,001	-		182	0%	262 ,245	1,491 ,584	75%	2,000 ,000
Grand Total			**262 ,245**	**100 %**		**2,000 ,000**	**100**	

CORPORATE GOVERNANCE

The Board of Directors of the Company is cognizant of its responsibilities under the Code of Corporate Governance issued by the Securities and Exchange Commission and the Nigerian Code of Corporate Governance in the administration of the Company and is ensuring that the Company consistently complies with the Codes.

In furtherance of the Board's commitment to strong Corporate Governance, the Company successfully concluded the process and was awarded a corporate governance rating from the Nigerian Stock Exchange (NSE) in January 201 8 under the Corporate Governance Rating System (CGRS) in partnership with the Convention on Business Integrity (CBI). Consequently, the Company has satisfied one of the criteria required to be listed on the Premium Board of the NSE.

COMPLAINT MANAGEMENT FRAMEWORK

The Company has a Complaint Management Policy and Framework in place in accordance with the SEC directives on resolution of complaints. This policy has also been uploaded on the Company's website for public access.

INSIDER TRADING AND PRICE SENSITIVE INFORMATION

The Company has in place a Securities Trading Policy which prohibits the directors and employees from trading on the Company's shares during periods they are in possession of price sensitive information. The Company was in compliance with the Securities Trading Policy during the year under review.

WHISTLE BLOWING POLICY

The Company has a Whistle Blowing Policy in place. This was extensively reviewed by the Board and it covers among other things, the procedures for the receipt, retention and treatment of information received from whistle blowers and the custodian of the dedicated line.

ACQUISITION OF OWN SHARES

The Company did not purchase any of its own shares during the year.

HUMAN RESOURCES

The Company makes it a paramount objective to hire individuals based on standards of merit and competence. Also, the Company upholds a sound culture of providing continued development and training for its Staff to address knowledge gaps and provide new skill sets along the Company's lines of responsibiliies. Annually, trainings are identified for staff and followed through in accordance with an approved training plan meant to ensure that this objective is achieved. The Company encourages easy interaction between Management and other staff of the Company so as to foster an atmosphere of warmth at work and also to kindle the necessary synergy required for the Company's success.

EMPLOYMENT OF DISABLED PERSONS

The Company operates a non-discriminatory policy on recruitment. Applicat ions by disabled persons are always fully considered bearing in mind the respect ive aptitudes and abilities of the applicants concerned.

During the year under review, there was no disabled person in the Company's employment.

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

The Company approaches Health, Safety and Welfare issues affecting Staff with every sense of seriousness and therefore maintains an insurance health care scheme with Avon Healthcare Limited, a Health Maintenance Organization (HMO), licensed by the National Health Insurance Scheme (NHIS) to provide health insurance to employees in the private sector.

Through this arrangement, each employee, their respective spouses, and dependents below the age of eighteen (18) years are entitled to medical treatments in well-equipped, qualitative network of hospitals under the Scheme. Safety regulations are in place within the Company's premises and employees are regularly informed of the regulations.

There are contributory retirement benefit schemes for both management and employees of the Company in conformity with the Pension Reform Act 2004 .

EMPLOYEES' INVOLVEMENT AND TRAINING

The Company has an effective employer/ employee communication system aimed at enhancing industrial harmony. Employees are kept fully informed as much as practicable of the Company's activities which particularly affect them as employees and are also encouraged to communicate any information useful to management through use of suggest ion boxes and other channels.

Regular training programmes are usually arranged for employees locally and where applicable, overseas for the improvement of skills and enhancement of career prospects.

EVENT AFTER THE REPORTING DATE

There were no events after the reporting date that requires disclosure or adjustment in the financial statements that has not been disclosed or adjusted.

PROPERTY AND EQUIPMENT

In the opinion of the Directors, the market value of the Company's property and equipment is not less than as shown in the Financial Statements.

AUDITORS

The Auditors, Messrs. Ernst & Young indicated their willingness to continue in office in compliance with Section 357 (1) of the Companies and Allied Matt ers Act, CAP C20, Laws of the Federation of Nigeria 2004 .

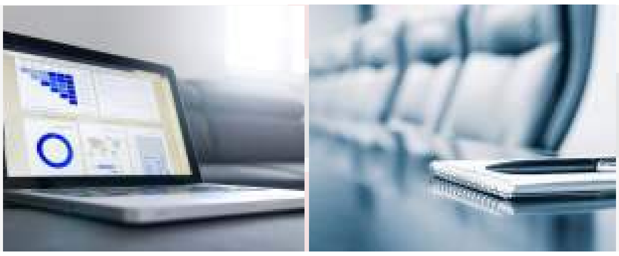
By order of the Board

Joseph Jibunoh

FRC/ 2018 / NBA/ 00000017719

Company Secretary
220 B Ikorodu, Road,
Palmgrove, Lagos
Date: 20 February, 2019

Corporate Governance Report



Africa Prudential Plc (the "Company") has in place an effective governance mechanism that ensures proper oversight of its business by the Directors and other principal organs of the Company. This is demonstrated by the fact that the Company recognises and believes in the importance of committing to the highest standards of Corporate Governance for Public Companies in Nigeria.

During the 2018 financial year, the Company complied with the provisions of the Code of Corporate Governance issued by the Securities and Exchange Commission, its Board Charter, all Company Policies and applicable rules and regulations.

1. The Board

1.1 General

The Board is responsible for developing the Company's strategy and ensuring that its available assets are utilized towards the attainment of its set strategy and plans. The Board performs supervisory oversight over Management activities making certain that the affairs of the Company are conducted in a manner that increases the value of shareholders' investments and is also beneficial to all other stakeholders of the Company.

As at 31 December 2018 , the Board comprised a Non-Executive Chairman, Executive Managing Director/ CEO and five other Non-Executive Directors one of whom is an Independent Director. The Board members are professionals and business persons with vast experience and credible track records who all have the requisite integrity, skills and experience to bring independent judgment to bear on Board deliberations and discussions.

The Directors attend regular trainings on Corporate Governance and related issues. In addition, the Company Secretary provides advice to the Board on Corporate Governance best practices from time to time.

1.2 Chairman and CEO Positions

Responsibilities at the top level are well defined and the Company has separated the roles of the Managing Director/ CEO and Chairman. The Chairman is not involved in the day-to day operations of the Company and is not a member of any committee of the Board.

1.3 Non-Executive Directors

The Non-Executive Board members possess strong knowledge of the Company's business and contribute actively at Board meetings.

1.4 Board Changes

During the year under review, Mr. Obong Idiong was appointed to the Board as the Managing Director/ CEO effective July 1, 2018 . He replaced Mr. Peter Ashade who retired as the Managing Director but remained on the Board as a Non-Executive Director. His appointment as a Director will be presented to the members at General Meeting for ratification.

Corporate Governance Report cont'd

The appointment of Mr. Obong Idiong as Managing Director was also approved by the Securities and Exchange Commission while the Nigerian Stock Exchange and the Corporate Affairs Commission were notified accordingly.

1.5 Proceedings and frequency of meetings

The Board meets at least once in every quarter or as frequently as the Board's attention may be required on any situation which may arise. Sufficient notices with clear agenda and reports are usually given prior to convening such meetings. In 2018, the Board continued with its adoption of the use of an electronic portal for the notification of Board and Board Committee meetings and as well as circulation meeting papers.

In addition to the Board meetings, the Board & Management had a Strategy Session in December 18 , 2018 where the Management presented to the Board, in detail, key business and operational strategies for the 2019 financial year.

1.6 Board Meeting Attendance

KEY:

P Present
A Absent
NA Not applicable

A total of six (6) Board Meetings were held in the 2018 Financial Year. The table below shows Directors' attendance at the meetings.

Members	21 .02.18	18 .04.18	29 .06.18	27 .07.18	18 .10.18	18 .12.18
1. Chief (Mrs) Eniola Fadayomi	P	P	P	P	P	P
2. Mr. Obong Idiong	NA	NA	NA	P	P	P
3. Mr. Peter Elumelu	P	P	P	P	P	P
4. Ammuna Lawan Ali	P	P	P	P	P	P
5. Mr. Samuel Nwanze	P	P	P	P	P	P
6. Mr. Emmanuel Nnorom	P	P	P	P	P	P
7. Mr. Peter Ashade	P	P	P	P	P	P

1.7. Board Committees

1.7.1 Board Audit & Governance Committee

The Board Audit & Governance Committee is responsible for ensuring that an effective system of internal and financial control are in place, and also provides oversight on governance related matters.

The Committee is currently constituted as follows:

1.	Mr. Peter Elumelu	Chairman/ Non-Executive Director
2.	Mr. Samuel Nwanze	Member/ Non-Executive Director
3.	Mrs. Ammuna Lawan Ali	Member/ Independent Non-Executive Director
4.	Mr. Emmanuel Nnorom	Member/ Non-Executive Director

Its Terms of Reference include ensuring an effective system of financial and internal control are in place; evaluating the independence and performance of the External Auditor; reviewing the audited financial statements with the Management and the External Auditor before its presentation to the Board; approving human resources related policies; ensuring proper composition, training and evaluation of board members.

The Committee met five (5) times in the year under review. The table below shows Directors' attendance at the meetings.

Members	20 .02.18	17 .04.18	29 .06.18	26 .07.18	17.10.18
1. Mr. Peter Elumelu	P	P	P	P	P
2. Mr. Samuel Nwanze	P	P	P	P	P
3. Ammuna Lawan Ali	P	P	P	P	P
4. Mr. Emmanuel Nnorom	P	P	P	P	P

1.7.2 Board Finance and Investment Committee

The Board Finance and Investment Committee is responsible for strategic planning, periodic budgeting and performance monitoring, supervision of assets, investment matters and providing oversight on risk matters, financial matters and performance of the Company.

The Committee is currently constituted as follows:

1. Mr. Samuel Nwanze	Chairman/ Non-Executive Director
2. Mr. Obong Idiong	Member/ Managing Director
3. Mr. Peter Ashade	Member/ Non-Executive Director
4. Mr. Peter Elumelu	Member/ Non-Executive Director
5. Mr. Emmanuel Nnorom	Member/ Non-Executive Director

The Committee met four (4) times in the year under review. The table below shows Directors' attendance at the meetings.

Members	20 .02.18	17 .04.18	26 .07.18	17 .10.18
1. Mr. Samuel Nwanze	P	P	P	P
2. Mr. Obong Idiong	NA	NA	P	P
3. Mr. Peter Ashade	P	P	P	P
4. Mr. Peter Elumelu	P	P	P	P
5. Mr. Emmanuel Nnorom	P	P	P	P

1.7.3 Board Projects Committee

The Board Projects Committee was formally constituted by the Board in July 2018 and this was done to enable the Board exercise oversight in the sound and robust management of all the Company's projects as it relates to product innovation and development. The aim is to drive the Company's diversification implementation strategy by providing advice and direction where appropriate.

The Committee is currently constituted as follows:

1. Mr. Peter Ashade	Chairman/ Non-Executive Director
2. Mr. Obong Idiong	Member/ Managing Director
3. Mr. Peter Elumelu	Member/ Non-Executive Director
4. Mr. Samuel Nwanze	Member/ Non-Executive Director
5. Mr. Emmanuel Nnorom	Member/ Non-Executive Director

The Committee met 2 (two) times in the year under review. The table below shows Directors' attendance at the meetings.

Members	26 .07.18	17 .10.18
1. Mr. Peter Ashade	P	P
2. Mr. Obong Idiong	P	P
3. Mr. Peter Elumelu	P	P
4. Mr. Samuel Nwanze	P	P
5. Mr. Emmanuel Nnorom	P	P

2. The Statutory Audit Committee

The Statutory Audit Committee was set up in accordance with the provisions of the Companies and Allied Matters Act, CAP 20 , 2004 . It consists of a combination of Non – Executive Directors and Ordinary shareholders elected at the Annual General Meeting. Its terms of reference include the monitoring of processes designed to ensure compliance by the Company in all respects with legal and regulatory requirements, including disclosure, controls and procedures and the impact (or potential impact) of development thereto. It evaluates annually, the independence and performance of the External Auditors. The Committee also reviews with Management and the External Auditors the annual audited financial statement before its submission to the Board.

The Committee is currently constituted with 6 (Six) members as follows:

1. Mr. Nonso Okpala	Chairman/ shareholder
2. Alhaji Kabiru Tambari	Shareholder
3. Mr. Tajudeen Adeshina	Shareholder
4. Mr. Samuel Nwanze	Non- Executive Director
5. Mr. Peter Elumelu	Non- Executive Director
6. Ammuna Lawan Ali	Non- Executive Director

The Committee met four (4) times in the year under review. The table below shows Members' attendance at the meetings.

Members	20 .02.18	17 .04.18	27 .07.18	17 .10.18
Mr. Nonso Okpala	P	P	P	A
Mr. Tajudeen Adeshina	P	P	P	P
Alhaji Kabiru Tambari	P	P	P	P
Mr. Samuel Nwanze	P	P	P	P
Mr. Peter Elumelu	P	P	P	P
Ammuna Lawan Ali	P	P	P	P

3. Accountability, Audit and Control

Financial reporting

The Directors make themselves accountable to shareholders through regular publication of the Company's financial performance and annual reports.

The Board is mindful of its responsibilities and is satisfied that in the preparation of its financial report it has presented a balanced assessment of the Company's position and prospects in accordance with its obligations under the Code of Corporate Governance.

Ernst & Young acted as external auditors to the Company during the 2018 financial year.

Control environment

The Company has consistently improved its internal control system to ensure effective management of risks. The Directors review the effectiveness of the system of internal control through regular reports and reviews at Board and Audit & Governance Committee Meetings.

The Board has continued to place emphasis on risk management as an essential tool for achieving the Company's objectives. Towards this end, it has ensured that the Company has in place robust risk management policies and mechanisms to ensure the identification of risks and effective controls.

The Board approves the annual budget for the Company and ensures that a robust budgetary process is operated with adequate authorization levels put in place to regulate capital expenditure.

4. The Company Secretary

The Company Secretary ensures adequate dissemination of information among Board members and between the Board and the Management of the Company. In furtherance of Board and Committee meetings, the Company Secretary undertakes the preparation of the necessary papers and other documents requisite for the success of deliberations. The Company Secretary is responsible for the induction of new Directors and the provision of ongoing training for the Non-Executive Directors.

The Office of the Company Secretary ensures that the Company complies with the relevant regulatory laws including the Investment and Securities Act, the Securities and Exchange Commission (SEC Rules) and Regulations, the Securities and Exchange Commission (SEC) Code of Corporate Governance, the Companies and Allied Matters Act and the Nigeria Stock Exchange Rules and Regulations.

The procedure for the appointment and removal of the Company Secretary is a matter for the Board.

5. Shareholders

The Company ensures the existence of adequate interaction amongst the Shareholders, the Management and the Board of the Company. The Company's General Meetings provide Shareholders with a platform to contribute to the administration of the Company. The Annual General Meetings (AGMs) are held in accessible locations and are open to Shareholders or their proxies. The AGMs are conducted in a manner that facilitates Shareholders' participation in accordance with relevant regulatory and statutory requirements.

The Company encourages Shareholders to attend these meetings by ensuring that notices of meetings and other information required by Shareholders to make informed decisions are dispatched in a timely manner. The office of the Company Secretary additionally affords Shareholders channels of communication to the Board and the Management of the Company.

It is the responsibility of the Shareholders to approve the appointment of Directors and to grant other approvals that are required by law or the Articles of Association of the Company.

The Shareholders through its representatives on the Statutory Audit Committee in line with section 359 of the CAMA and the SEC Code also assume responsibility for the integrity of the Company's audited accounts.

6. Guidelines for Trading in the Company's Securities

General Rule

Except in exceptional circumstances, all key personnel (Directors and all Staff) must not deal in securities of the Company during the following " Closed Periods" .

(a) The period from 15 days immediately preceding the announcement to the Nigerian Stock Exchange of the Company's annual results and 24 hours after the release has been made;

(b) The period from 15 days immediately preceding the announcement to the Nigerian Stock Exchange of the Company's half year results and 24 hours after the release has been made;

C) The period from 15 days immediately preceding the announcement to the Nigerian Stock Exchange of each of the Company's quarterly results and 24 hours after the release has been made;

(d) A period of two trading days before and 24 hours after any other Nigerian Stock Exchange announcement by the Company; and

(e) Such other periods as the Board may from time to time by notice in writing designate as a closed period; for example, a period commencing when the Company is considering a significant acquisition or disposal under an incomplete proposal and expiring two trading days after details of the final proposal are announced to the Nigerian Stock Exchange or the proposal is abandoned.

Africa Prudential Plc Complaint Management Policy

In accordance with the SEC Rules relating to Complaint Management Framework of the Nigerian Capital Market (the "Framework") 201 5 and the Nigerian Stock Exchange directive, every listed company is required to establish a clearly defined Complaints Management Policy (the **"Policy"**)to handle and resolve complaints within the scope of the Framework It is pursuant to the above mentioned SEC Rule and NSE Directive that Africa Prudential Plc has formulated the Policy.

This Policy is designed to effectively and efficiently handle and resolve complaints in a fair, impartial, timely and objective manner.

All complaints should be addressed as follows:

The Company Secretary

Africa Prudential Plc 220 B, Ikorodu Road Palmgrove, Lagos.
Email: cfc@africaprudential.com
The Policy is available on the Company's website (www.africaprudential.com)

DCSL Corporate Services Limited
235 Ikorodu Road
Ilupeju, Lagos

P. O. Box 965, Marina
Lagos, Nigeria
Tel: +234 9 1271 7817
www.dcsl.com.ng

Abuja Office:
Statement Hotel, Plot 1002
1st Avenue, Off Shehu Shagari
Way, Abuja

Tel: +234 9 461 4902
RC NO. 352393

February 19, 2019

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF AFRICA PRIDENTIAL PLC. FOR THE YEAR ENDED 31 DECEMBER 2019

DCSL Corporate Services Limited (DCSL) was engaged by Africa Prudential Plc. to undertake an appraisal of its Board of Directors, for the year-ended December 31, 2018 in line with the provisions of **Section 15.1 of the Securities & Exchange Commission Code of Corporate Governance (the SEC Code), Section 14.1 of the Nigerian Code of Corporate Governance (the NCCG)** and global Best Practices on Corporate Governance. The appraisal entailed a review of the Company's corporate and statutory documents, the Minutes of its Board and Committee meetings, policies and other ancillary documents made available to us. We also administered electronic surveys and conducted interviews with the Directors to ascertain the level of the Board's compliance with the provisions of the SEC and NCCG Codes, relevant legislation as well as global Best Practice. Our appraisal covered the following seven key corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure.

Our review of the corporate governance practices and procedures in place at Africa Prudential Plc indicates that the Board has taken commendable steps towards complying with the provisions of the SEC and NCCG Codes and other relevant legislation. We affirm that the Board is indeed well on course in the drive towards enthroning best practice in all aspects of its business activities.

We commend the Board on the achievements it has recorded thus far in its journey towards a complete adoption of governance principles and encourage the Board to ensure that Corporate Governance at the Company transforms from being a compliance objective, to becoming a culture that permeates the entire organization.

We have identified a few areas of improvement and made recommendations which, if implemented, will further assist in strengthening the corporate governance culture and practice in the Company and better position the Company towards achieving its set goals and objectives in line with its mission and vision. Details are contained in our Report.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director

Directors: Abel Ajayi (Chairman) • Obi Ogbechi • Adeniyi Obe • Adebisi Adeyemi (Managing Director)

DCSL Corporate Services Limited

Statement Of Directors Responsibilities In Relation To Preparation Of The Financial Statements

For The Year Ended 31 December 2018

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, Cap C20 , Laws of the Federation of Nigeria, 200 4 (" CAMA"), the Directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Company and of the profit or loss and other comprehensive income for the year ended 31 December 2018 , and in so doing they ensure that:

- Proper accounting records are maintained;
- Applicable accounting standards are followed;
- Suitable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent;
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business; and
- Internal control procedures are instituted which as far as reasonably possible, safeguard the assets of the Company and prevent and detect fraud and other irregularities.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of CAMA and FRC Act.

The Directors are of the opinion that the 2018 audited financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss and other comprehensive income. The Directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve (12) months from the date of these financial statements.

Signed on behalf of the Directors by:

Mr. Obong Idiong
Managing Director/ CEO
FRC/ 2013 / NBA/ 00000004696

Date: 19 February 2019

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

Date: 19 February 2019

Report of the Statutory Audit Committee

for the year ended 31 December 2018

To The Members of Africa Prudential Plc

In compliance with Section 359 (6) of the Companies and Allied Matters Act Cap C20 LFN 200 4 ("CAMA"), we, the members of the Statutory Audit Committee of Africa Prudential Plc ("the Company"), hereby report as follows:

- The Audit Committee met in exercise of its statutory responsibilities in accordance with section 359 (6) of CAMA;
- We have examined the auditors' report including the financial statements for the year ended 31 December 2018 ;
- We have also deliberated with the external auditors, reviewed their findings and recommendations and confirm that the auditors' report for this period is consistent with our review; and
- We are satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and meet ethical standards.

Nonso Okpala
Chairman, Audit Committ ee
FRC/2013/ICAN/00000004697

Date: 18 February 2019

Members of the Statutory Audit Committee are as follows;

Mr. Nonso Okpala	Chairman
Mr. Adeshina Tajudeen	Member
Mr. Kabiru Tambari	Member
Mr. Samuel Nwanze	Member
Mrs. Ammuna Lawan Ali	Member
Mr. Peter Elumelu	Member

DIGITAL TECHNOLOGY SERVICES

Virtual Reporting System

Virtual Reporting System (VRS)

The solution enable our clients to send personalized communication and documents such as Notice of meetings, annual reports, and marketing contents to their shareholders, customers, and prospects. Message targeting is possible (e.g networth). Distribution channels include email, SMS, and push notifications. VRS is environmentally friendly; generates delivery and read report; saves over 20% cost on corporate actions (AGM, report circulation).

GreenPole

GreenPole

GreenPole is our proprietary enterprise registrar operating software. It is web-enabled, which makes it more robust. The solution is flexible and scalable; can be tailored to suit various client's needs. GreenPole is highly responsive to search queries; offline workability (works without the internet); and easy connectivity with third party applications through APIs. There is 100% in-house technical support; no vendor key-man risk. On-demand technical support is available 24/7.

Audience Response System

Audience Response System (ARS)

A solution for eliciting and collating responses from a group of people at business conference, class room, Electoral College, or any other gathering where audience response is required.

e-Public Offer

e-PO

The e-Public Offer is an online share registration office designed to automate/simplify the Public Offer subscription and payment made online for subscribers worldwide.

SharePortal

SharePortal

This is an online share registration office. It allows investors 24/7 online access to details, and manage their capital market investment. Investors are able to carry out online change of address, view details of shareholding, certificate history, dividend history, statement of account, and manage their mandate, among other features.

Event Management Solution

This is an online Event management system with technology driven registration process. 24/7 up time accreditation service.

PERSONAL Registrar *4018#

Personal Registrar; USSD *4018#

Right on their mobile phone, shareholders can make routine enquiries. Available 24/7 on any mobile phone and on all networks. Saves money; saves time; no internet data required; just dial *4018# for swift response to enquiries within seconds.

EasyCoop COOPERATIVE MANAGER

EasyCoop

EasyCoop, the automated cooperative management solution which takes care of end-to-end digitisation of the administration of cooperative societies. Subscribers can initiate all types of cooperative requests from anywhere and at any time—at home, at work, on the farm, in the office or in transit. Apply for loan and track the progress on the go; monitor contribution and loan balances; savings withdrawal; download account statement in one click; plus, shop at exclusive discounts in the EasyCoop Mart—the largest e- commerce hub for the cooperative community in Africa.

The secure payment platforms on EasyCoop allow for value-added services, including airtime top-up, bills payment, and Paycode which allows fund withdrawal from any Paycode-enabled ATM, agent, or bank across the country. EasyCoop is built with advanced data security infrastructures which prevent fraud and unauthorized accesses. On-demand technical support is available 24/7.

BrokerOnline

Enterprise Broker Application

The broker solution acts as a core application for brokers, managing their day-to-day activities; It automates operations of stockbrokers and seamless interface with third party (investors, CSCS, registrars); Promotes investor confidence due to system transparency and analytics; Scalable, flexible, and customisable to respective needs of CMOs; E-wallet for investors

04

CORPORATE RESPONSIBILITY

Sustainability & Corporate Social Responsibility Report

Africa Prudential Plc as a leading Registrar and Investor relations services firm, recognizes the importance of integrating sustainability principles to business strategy and it is against this backdrop that our overall aim is to achieve positive impact on the society while maximizing the creation of shared value for all stakeholders. To achieve this objective, our focus has been to conduct our business in line with the utmost sustainability principles.

At Africa Prudential Plc, we understand our responsibility in ensuring that our products and business activities do not harm the environment. We believe that the success of our Company is linked with the livelihoods and resilience of the communities we operate in and as such, we will continue to work with our stakeholders to ensure that they understand and comply with relevant environmental protection laws and guidelines.

Employment and Labor Relations

The heart of every organization is its people, and this is no different at Africa Prudential Plc. The importance of people in an organizational structure cannot be overemphasized and that is why we focus on the recruitment and retention of the best brains. To retain our employees, we develop and reward talented individuals.

Sustainability Report cont'd

We maintain a robust orientation programme for new employees. The orientation programme provides a smooth and seamless transition for new employees. All aspects of our business operations, procedures, processes and policies are taught to new employees. The orientation programme also places special emphasis on the ethics, rules and regulations governing the Capital market.

For existing employees, we maintain a reward system by giving out long service awards to employees who have remained and are committed to the organization for more than 5 years and also recognise high performers.

We also have male and female representation in the workforce. The Company offers equal remuneration for men and women who are at the same level and for work of equal value as all staff in the organization receives the same remuneration across the same level irrespective of gender. Recruitment is carried out without prejudice and with respect for the human rights of all parties involved.

Employees have equal access to training and career advancement without any form of discrimination.

Social and Environmental Impact

We continuously work towards improving energy efficiency, reduction of pollution, optimization of resource utilization and improvement in the quality of life of our stakeholders.

We have continued in our efforts by adhering strictly to electronic workflows and filings which help to minimize printing and paper works. The use of emails, teleconferencing, portals, shared folders and other channels is encouraged as work tools for members of staff. Information to shareholders are usually sent electronically via emails, text messages and phone calls.

We derived value from the use of Microsoft Teams. This was used to collaborate in a couple of our meetings. This greatly dispensed with the need for our upcountry staff to travel all the way down to Lagos for meetings.

We have greatly improved our efforts in ensuring that Shareholders bank accounts are credited with their dividends through the e-dividend payment portal. We work with NIBSS and the banks to ensure e-dividend mandate forms are processed speedily.

Also, annual reports are now distributed electronically to shareholders who have indicated their willingness to receive them. This greatly reduce the cost of printing hard copy annual reports and enhance faster communication.

We understand that a sustainable business is one that continues to manage its direct and indirect operational impact on its stakeholders in order to achieve responsible growth and in our bid to improve customer engagement and service experience, we enhanced our traditional and operating channels to enrich the robustness of our customer engagement.

We also provided a USSD service for self-service options such as: shareholding balance, dividend enquiry, AGM accreditation etc. We further strengthened our social media footprints by being active on all our social media platforms- Instagram, Facebook, Twitter and LinkedIn to boost customer engagement and access.

Our products are the focus of innovation and iteration so that they meet and exceed customer's expectations.

We also maintain an inclusive and robust procurement policy that not only improves our corporate responsibility through continuous interaction with our contractors and service providers, but also assists them in improving their standards of service and quality of delivery.

Procurement decisions are made in a fair and impartial manner by a duly constituted Vendor Selection Committee as they are based upon competitive bidding and follow a transparent procurement process.

Human Rights

At Africa Prudential Plc, we respect human rights in our business activities. We understand that social equity refers to a fair and equitable distribution of economic and environmental costs and benefits, and the ability to participate in decision-making processes; and this is thoroughly integrated into our working conditions, both internally (as it affects our staff) and externally.

The Company is careful not to engage in transactions that harbor human rights risks, such as child labour, human trafficking and all forms of discrimination on the basis of gender and religion.

Health and Safety

The Company maintains business premises and work environments that guarantee the safety and health of its employees and other stakeholders. The Company's rules and practices in this regard are reviewed and tested regularly.

Safety regulations are in place within the Company's premises and employees are regularly informed of the regulations. The Company ensures that visitors undergo security checks before gaining access into its offices. The Company undertakes annual wellness checks for its employees to ensure they are in perfect health as human capital is vital for our sustainability going forward.

The Company also undertakes fire drills every quarter for all staff in order to ensure that they are kept abreast of steps to take in the event of an actual fire outbreak.

Community Support / Economic Empowerment

The Company in its quest to contribute to the improvement of life in its operating environment, encourages entrepreneurship by making donations to the Tony Elumelu Foundation, Africa's largest business incubator which launched the TEF Entrepreneurship Programme. The TEF Entrepreneurship programme is comprised of a 10 year $100 million commitment to train, mentor and fund 10 ,000 entrepreneurs across all 54 African countries.

Corporate Governance on Environmental and Social life

This is a vital part of our commitment to sustainable practices as a public company. We strive to achieve a high level of corporate governance as it is essentially to balance the interest of all our stakeholders. We note that it is not sufficient for a company to be only profitable without striving to demonstrate a global standard practice of corporate governance. Typically, the Board is charged with overseeing corporate governance practices.

One of the tenets of corporate governance is ensuring that there are clear lines of responsibility, authority and accountability and making sure appropriate responsibilities and measures are in place.

At Africa Prudential Plc, we will remain focused and committed to achieving sustainable performance. This translates into taking measures to minimize harm in the communities we operate in. We would continually communicate our progress and create more awareness. It is our belief that for sustainability initiatives to thrive within the Nigerian Capital market, a firm commitment by and robust collaboration with all industry stakeholders is necessary and we are committed to achieving this.

Corporate Social Responsibility (CSR)

Africa Prudential Plc's Corporate Social Responsibility (CSR) programme is run on its behalf by its Technical Partner, Tony Elumelu Foundation (TEF). In view of this, the company supported the Foundation during the course of the year in furtherance of its CSR objectives. This initiative affords Africa Prudential Plc the opportunity to be part of an audacious transformation agenda for Africa.

Among other projects and engagements in 2018, the flagship CSR programme of the Foundation is the Tony Elumelu Foundation Entrepreneurship Programme which identifies, trains, mentors and provides seed capital of up to $5,000 each to 1,000 African entrepreneurs every year, for 10 years. The goal is that these entrepreneurs will create 1 million jobs and contribute $10 billion in revenue to the African economy. The Programme is currently in its fifth year, having 4,470 recipients so far. Partnering with the TEF on the CSR project affords Africa Prudential opportunity to be part of something very impactful across Africa.

In 2018, over 1,000 African entrepreneurs were selected for the 2018 TEF Entrepreneurship Programme bringing the total beneficiaries of the Programme to 4,470. A report of the over 150,000 applications received indicated that entrepreneurs applied with ideas spanning various sectors including but not limited to agriculture, manufacturing, technology and ICT, education, fashion, healthcare, media, and so many other sectors.

The number of applications into the TEF Entrepreneurship Programme keep increasing. In 2015, 20,000 African entrepreneurs applied into the Programme; 2016 saw the number double to 45,000 applications; in 2017, 93,000 African entrepreneurs applied; and in 2018, 150,000 applications were received into the Programme.

The Tony Elumelu Foundation also drives advocacy across the African continent on the scale of impact that entrepreneurship and African entrepreneurs can achieve in catalyzing sustainable social and economic development.

The TEF hosted Africa's Largest Gathering of Entrepreneurs at the 4th Annual TEF Forum in October. More than 2,000 participants from 54 African countries—making it the most diverse and inclusive gathering of African entrepreneurs on the continent—were in attendance.

Speakers at the event discussed topics that educated, empowered and inspired the entrepreneurs, addressing the key stages needed to successfully launch and manage a business, as well as challenges with entrepreneurship policies on the continent. Speakers included President Nana Akufo-Addo, President of Ghana; President Uhuru Kenyatta, President of Kenya; among others.

In addition to the successes recorded in the Entrepreneurship programme, over the years of its advocacy, the Foundation has also participated at the World Economic Forum (WEF), Davos, Switzerland; Wall Street Journal's Investing in Africa's conference, London; World Economic Forum on Africa, Durban, South Africa; Global Corporate Venture Symposium, London; Europe Development Days Conference, Brussels, Belgium. Others are Young African Leaders Initiative (YALI) Summit, Washington, DC; 17th International Economic Forum on Africa 2017, Paris; She Trades workshop for Women Entrepreneurs, Accra, Ghana; 6th EU-Africa Business Forum, Abidjan, Côte d'Ivoire; XL Africa Policy Workshop, Cape Town, South Africa; and Annual Africa Forum, Sharm El Sheikh, Egypt.

In 2018, the Tony Elumelu Foundation hosted an interactive dialogue between President Emmanuel Macron, President of France and young African entrepreneurs were key policies were discussed and debated. This has set a precedent for further policy deliberation bringing the key stakeholders to the table.

Managing Director/CEO, Africa Prudential Plc, Mr. Obong Idiong (left); and formerManaging Director/CEO, Africa Prudential Plc, Mr. Peter Ashade during thehanding over ceremony at the farewell – welcome dinner held in their honour inAugust 2018.l-r: Non-Executive Director, Africa Prudential Plc, Ammuna Lawan Ali; Non-Executive Director, Africa Prudential Plc, Mr. Peter Elumelu; new ManagingDirector/CEO, Mr. Obong Idiong and wife, Mrs. Olabisi Idiong; Chairman, AfricaPrudential Plc, Chief (Mrs.) Eniola Fadayomi; former Managing Director/CEO,Africa Prudential Plc, Mr. Peter Ashade and wife, Mrs. Christiana Ashade; Non-Executive Director, Africa Prudential Plc, Mr. Emmanuel Nnorom; and Non-Executive Director, Africa Prudential Plc, Mr. Samuel Nwanze at the farewell –welcome dinner held in honour of the company's former and new MD/CEOs inAugust 2018.

Managing Director/CEO, Africa Prudential Plc, Mr. Obong Idiong (left); and former Managing Director/CEO, Africa Prudential Plc, Mr. Peter Ashade during thehanding over ceremony at the farewell – welcome dinner held in their honour in August 2018.

r-l: Managing Director/CEO, Africa Prudential Plc, Mr. Obong Idiong; Chairman, Africa Prudential Plc, Chief (Mrs.) Eniola Fadayomi; Regional Director/CEO, International Cooperative Alliance-Africa, Dr. (Mrs.) Chiyoge Sifa; and Non-Executive Director, Africa Prudential Plc, Mr. Peter Elumelu at the 12th African Ministerial Co-operative Conference (AMCCO) hold at Abuja in October 2018.

l-r: Former National Coordinator, Independent Shareholders Association of Nigeria, Sir Sunny Nwosu; Chairman, Pragmatic Shareholders Association of Nigeria, Mrs. Bisi Bakare; Director, Africa Prudential Plc, Mr. Sam Nwanze; former Managing Director/CEO, Africa Prudential Plc, Mr. Peter Ashade; Director, Africa Prudential Plc, Mr. Emmanuel Nnorom; President, Nigeria Shareholders Solidarity Association, Chief Timothy Adesiyan; and Stock Analyst and Television presenter, Mr. Nonah Awoh, during the launch of Personal Registrar with *4018# by Africa Prudential in January 2018.

l-r: Non-Executive Director, Africa Prudential Plc, Mr. Peter Ashade; Non-Executive Director, Africa Prudential Plc, Mr. Peter Elumelu; Chairman, Africa Prudential Plc, Chief (Mrs.) Eniola Fadayomi; Chief Risk Officer, Nigerian Stock Exchange, Mr. Tunji Kazeem; Managing Director/CEO, Africa Prudential Plc, Mr. Obong Idiong; and Chief Operating Officer, Africa Prudential Plc, Mrs. Catherine Nwosu at the Closing Gong Ceremony in honour of the Company at the Nigerian Stock Exchange August 2018.

l-r: Head, Business Development and Product Sales, Africa Prudential Plc, Mrs. Bridget Bayo-Ajayi received the membership certificate of theFinTech Association of Nigeria (FinTechNgr) from President, Chartered Institute of Bankers of Nigeria (CIBN), Dr.UcheOlowuon behalf of the Company at the induction ceremony in November 2018.


Africa Prudential
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MAXIMISING MUTUAL POSSIBILITIES
We Connect Tomorrow's **Possibilities,** Today.
Developing industry experts.
Registrars
Investor Services
Digital Technology
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HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: +234813 984 0850-4
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT: 1A, Evo Road, Oklen Suite (2nd Floor), GRA Phase II, Port Harcourt, Rivers State. Tel: 084-303457
www.africaprudential.com
cfc@africaprudential.com
Africa Prudential
@afriprud

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FINANCIAL STATEMENTS

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Ernst & Young
10 th Floor
UBA House
57, Marina
P. 0. Box 2442, Marina
Lagos.

Tel: +234 (01) 6314500
Fax: +234 (01) 463 0481
Email: Services,,nng.ey. com
www.ey.com

Independent Auditors' Report

To The Members Of Africa Prudential Plc
Report On The Audit Of The Financial

statements Opinion

We have audited the accompanying financial statements of Africa Prudential Pie ("the Company"), which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements , including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Africa Prudential Pie present fairly , in all material respects, the financial position of the Company as at 31 December 2018 and of its financial performance and cash flows for year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis of Opinion

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

Key Audit Matters

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

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

Key Audit Matters	How the matter was addressed in the audit
Expected Credit Loss (ECL) assessment of debt instruments measured at amortised cost The Company has significant debt instruments in its portfolio of financial assets which are measured at amortized cost. This represent about 75% of total financial assets and about 71% of total assets. This was considered a Key Audit Matter as IFRS 9 is a new and complex accounting standard which requires significant judgement to determine the impairment loss. The general approach to ECL was adopted. This approach involves identification of significant changes in credit risks using a multi factor model, for the purpose of determining whether financial assets will be classified as stage 1, stage 2 or stage 3. While twelve months ECLs are computed for financial assets in stage 1, lifetime ECLs are computed for financial assets in stage 2 and 3. Calculating ECL for these class of financials assets also involves determination of risk parameters such as probability of default (PD), loss given default (LGD) and exposure at default (EAD). The approach also involves considerable level of judgements and estimation in determining inputs for ECL calculation such as: Determination of PD and LGD Adjusting the PD for forward looking information Selecting macroeconomics variables Incorporating multiple scenarios Considered cash flow estimation including timing and amount as well as collateral valuation Adopting IFRS 9 for the first time also requires some judgements in taking certain key decisions which will impact the transitional disclosures as at 1 January 2018 (Refer to Note 2.7.1 to the summary of significant accounting policies). ECL assessment is disclosed in Notes 9 and 17 to the financial statements.	We performed the following procedures: · Reviewed the IFRS 9 ECL model prepared by management for computation of ECL on debt instruments in line with the requirements of IFRS 9. · Gained an understanding of how the PD's and LGD's were derived by performing a walkthrough using live data. · Tested the historica l accuracy of the model by assessing the historical projections versus actual losses. Focused on the most significant model assumptions including Probability of Default (PD) and Loss Given Default (LGD). · Performed detailed procedures on the completeness and accuracy of the information used. Other areas of complexities which include consideration of multiple scenarios and incorporating forward looking information such as macro-economic indicators that includes inflation, unemployment, exchange rate, Gross Domestic Product (GDP), etc. were equally challenged for reasonableness taking into consideration available information in the public domain. We reviewed the qualitative and quantitative disclosures for reasonableness to ensure conformity with IFRS 7- Financial Instruments : Disclosures.

Other information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, Five-year Financial Summary and Statement of Value Added as required by the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, Corporate Governance Report as required by the Code of Corporate Governance issued by the Securities and Exchange Commission (SEC) and Report of the Statutory Audit Committee as required by Section 359(6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004. The other information were obtained prior to the date of this report, and the Annual Report, is expected to be made available to us after that date. The other information does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal contro l relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's int ernal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors .

Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;

iii. the Company's statement of financial position, and statement profit or loss and other comprehensive income are in agreement with the books of account;

iv. in our opinion, the financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 so as to give a true and fair view of the state of affairs and financial performance.

Jamiu Olakisan, FCA

FRC/2012/ICAN/00000003918

For: Ernst & Young Lagos, Nigeria

Date: **25 February, 2019**

Statement Of Profit Or Loss And Other Comprehensive Income

For the year ended 31 December 2018
in thousands of Nigerian Naira

	Notes	2018	2017
Revenue from contracts with customers	6	1,416 ,699	935 ,434
Interest income	7	3,068 ,868	2,380 ,382
Gross earnings		**4,485 ,567**	**3,315 ,816**
Other income	8	532 ,251	49 ,195
Credit loss expenses	9	(153 ,831)	-
Impairment on goodwill	21	(98 ,693)	(157 ,296)
Personnel expenses	10	(565 ,193)	(327 ,144)
Other operating expenses	11	(832 ,866)	(630 ,848)
Depreciation of property and equipment	20	(51 ,299)	(42 ,143)
Amortisation of intangible assets	21	(21 ,656)	(9,983)
Profit before finance costs and tax		**3,294 ,280**	**2,197 ,597**
Finance costs	12	(899 ,541)	(130 ,703)
Profit before tax		**2,394 ,739**	**2,066 ,894**
Income tax expense	13 .1	(441 ,839)	(352 ,116)
Profit after tax		**1,952 ,900**	**1,714 ,778**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Fair value gain on available-for-sale instruments		-	1,273 ,933
Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):			
Net gain on unquoted equity instruments at fair value through other comprehensive income		614 ,815	-
Total other comprehensive income for the year, net of tax		**614 ,815**	**1,273 ,933**
Total comprehensive income for the year, net of tax		**2,567 ,715**	**2,988 ,711**
Basic and diluted earnings per share (Kobo)	15	98	86

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

Statement of Financial Position

As at 31 December 2018 *in thousands of Nigerian Naira*	Notes	31 December **2018**	31 December **2017**
Cash and cash equivalents	16	2,559 ,899	4,177 ,568
Equity instruments at fair value through OCI	17 .1	5,055 ,257	-
Debt instruments at amortised cost	17 .2	12 ,436 ,863	-
Financial assets - Available-for-sale	17 .3	-	4,440 ,442
Financial assets - Held-to-maturity	17 .4	-	8,929 ,733
Loans and advances	17 .5	-	3,639 ,712
Trade and other receivables	18	875 ,056	329 ,177
Inventory	19	3,432	16 ,578
Property and equipment	20	210 ,975	223 ,683
Intangible assets	21	71 ,471	176 ,614
Deferred tax assets	26	58 ,797	-
Total asset s		**21 ,271 ,750**	**21 ,933 ,507**
Liabilit ies			
Customers' deposits	22	10 ,122 ,131	10 ,792 ,264
Creditors and accruals	23	63 ,104	330 ,913
Borrowings	24	2,042 ,439	3,612 ,328
Current income tax payable	25	447 ,487	224 ,407
Deferred tax liabilities	26	-	34 ,110
Total liabilit ies		12 ,675 ,161	14 ,994 ,022
Equity			
Share capital	27	1,000 ,000	1,000 ,000
Share premium	27	624 ,446	624 ,446
Fair value reserve	27	1,043 ,202	428 ,387
Retained earnings	27	5,928 ,941	4,886 ,652
Total equity		8,596 ,589	6,939 ,485
Total liabilit ies and equity		**21 ,271 ,750**	**21 ,933 ,507**

Authorised for issue by the Board of Directors on 19 February 2019 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 Cash Flows

For the year ended 31 December 2018

in thousands of Nigerian Naira	Notes	**2018**	**2017**
Cash flows from operating activities			
Profit before tax		2,394,739	2,066,894
Adjustment to reconcile profit before tax to net cash flows			
Depreciation	20	51,299	42,143
Amortization	21	21,656	9,983
Impairment on financial assets	9	153,831	-
Impairment on goodwill	21	98,693	157,296
Profit from disposal of plant and equipment	8	(4,388)	-
Inventory written off	11	12,632	-
Interest income	7	(3,068,868)	(2,380,382)
Finance costs	12	899,541	130,703
Changes in working capital			
Changes in inventories		514	(868)
Changes in trade and other receivables		630,550	992,552
Changes in customers' deposits		(670,133)	(950,433)
Changes in creditors and accruals		(317,039)	(76,782)
Changes in debt instruments at amortised cost		(114,048)	(4,432,651)
Interest received		1,696,494	1,404,057
Interest paid		(981,014)	-
Income tax paid	25	(84,303)	(199,339)
Net cash from/ (used in) operating activities		720,157	(3,236,827)
Cash flows from investing activities			
Purchase of property and equipment	20	(38,591)	(63,557)
Proceeds from sale of plant and equipment		4,388	-
Purchase of intangible assets	21	(15,206)	(70,662)
Net cash flows used in investing activities		(49,409)	(134,219)
Financing activities			
Dividends paid	14	(800,000)	(600,000)
Proceeds from borrowings	24.1	1,989,475	3,481,625
Repayment of borrowings	24.1	(3,477,891)	
Net cash flows (used in)/ from financing activities		(2,288,416)	2,881,625
Net decrease in cash and cash equivalents		(1,617,669)	(489,421)
Cash and cash equivalents as at 1 January	16	4,177,568	4,666,989
Cash and cash equivalents as at 31 December	16	**2,559,899**	**4,177,568**

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

Statements of Changes in Equity

For the year ended 31 December 2018

in thousands of Nigerian Naira	Note	Share capital	Share premium	Fair value reserve	Retained earnings	Total equity
As at 1 January 2018		1,000,000	624,446	428,387	4,886,652	**6,939,485**
Impact of adopting IFRS 9	2.7.1	-	-	-	(110,611)	**(110,611)**
Restated opening balance under IFRS 9		1,000,000	624,446	428,387	4,776,041	**6,828,874**
Profit for the year		-	-	-	1,952,900	**1,952,900**
Other comprehensive income for the year (net of tax)		-	-	614,815	-	**614,815**
Total other comprehensive income for the year, net of tax		-	-	614,815	1,952,900	**2,567,715**
Transactions with owners of equity						
Dividends declared and paid	14	-	-	-	(800,000)	**(800,000)**
Total transactions with owners of equity		-	-	-	(800,000)	**(800,000)**
As at 31 December 2018		**1,000,000**	**624,446**	**1,043,202**	**5,928,941**	**8,596,589**
As at 1 January 2017		1,000,000	624,446	(845,546)	3,771,874	**4,550,774**
Profit for the year		-	-	-	1,714,778	**1,714,778**
Other comprehensive income for the year		-	-	1,273,933	-	**1,273,933**
Total other comprehensive income for the year, net of tax		-	-	1,273,933	1,714,778	**2,988,711**
Transactions with owners of equity						
Dividends declared and paid	14		-	-	(600,000)	**(600,000)**
Total transactions with owners of equity		-	-	-	(600,000)	**(600,000)**
As at 31 December 2017		**1,000,000**	**624,446**	**428,387**	**4,886,652**	6,939,485

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

Notes to the Financial Statements

1 Corporate information

Africa Prudential Plc. (" the Company") ,formerly UBA Registrars Ltd was incorporated as a private limited liability company on 23r d March 200 6 to take over the registrar services formally operated as a department by its former parent - UBA Global Market Limited. The company was listed on 17 January, 2013 .The Company renders share registration services to both public and private companies. The Company's registered off ice address is 220 B, Ikorodu Road, Palmgrove, Lagos Nigeria.

2 Significant accounting policies

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial assets carried at fair value through other comprehensive income which has been measured at fair value.

Basis of measurement

The financial statements are prepared according to uniform accounting policies and valuation principles. The financial statements of the Company are based on the principle of the historical cost of acquisition, construction or production, with the exception of the items reflected at fair value.

Statement of Compliance

The financial report of Africa Prudential Plc has been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by Financial Reporting Council of Nigeria for the financial year starting from 1 January 2014 . The financial statements comply with the requirements of Companies and Allied Matt ers Act CAP C20 LFN 2004 .The financial statements comprises of the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, summary of significant accounting policies and the notes to the financial statements. The financial statements values are presented in Nigerian Naira (?), which is the functional currency of the Company, rounded to the nearest thousand (?'000), unless otherwise indicated.

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months aft er the reporting date (no more than 12 months) and more than 12 months aft er the reporting date (more than 12 months) is presented in the respective notes.

Financial period

These financial statements cover the financial year from 1 January to 31 December 2018 , with comparative figures for the financial year from 1 January to 31 December 2017 .

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity.

Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements

Summary of significant accounting policies

Revenue from contracts with customers
Accounting policies applicable from 1 January 2018
The Company is in the business of rendering share registration services to both public and private companies. Revenue from contracts with customers is recognised when 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 services. The Company concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer. Revenue from contracts with customers are largely registrar fees which comprise of fixed periodic administration fees, annual retainership fee, fees for managing corporate actions. Administration fees are recognised evenly over the service period. Revenues from corporate actions are recognised in line with the stage of completion while fees in relation to administration of client funds are recognised as they accrued.

Accounting policies applicable prior to 1 January 2018
Fees income comprises fixed periodic administration fees, retainership fee, fees for managing corporate actions, fees for professional and IT services and fees earned on the administration of client funds which is value added tax inclusive. Administration fees are recognised evenly over the service period. Transaction based fees are recognised at the time of processing the related transactions. Revenues from corporate actions are recognised in line with the stage of completion and fees in relation to administration of client funds are recognised as they accrue.
Taxes

Income tax expense
Income tax expense comprises curr ent and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax
Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can beutilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to sett le current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents, as defined above are considered an integral part of the Company's cash management.

Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I Financial assets

Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under IFRS 15 .

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Compay's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in three categories:

- o Financial assets at amortised cost (debt instruments)
- o Financial assets designated at fair value through OCI with no recycling of cumulative gains a n d losses upon derecognition (equity instruments)
- o Financial assets at fair value through profit or loss (the company however has no financial instrument in this category)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- o The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- o The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, and loan to staff, bonds and treasury bills included under other non-curr ent financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by- instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss and other comphrensive income when the right of payment has been established, except when the Group benefits from such proceeds asa recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its listed and non-listed equity investments under this category.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- o The rights to receive cash flows from the asset have expired Or
- o The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arr angement? and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of financial assets - Continued

The Company considersa financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, customers' deposit and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and customer's deposit.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Borrowings

Aft er initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Customers' deposit

This represents dividend, return monies and other interests received from clients but yet to be claimed orremitt ed.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is acurrently enforceable legal right to offset the recognised amounts and there is an intention to sett le on a net basis, or to realise the assets and sett le the liabilities simultaneously.

Financial instruments - Accounting policies applicable prior to 1 January 2018

a Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as, fair value through profit or loss (FVTPL), available for sale (AFS), loans and receivables and held to maturity investments as appropriate. The company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly att ributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

The company's financial assets include cash and cash equivalents, fixed deposits, treasury bills, government bonds, trade and other receivables and loans.

b Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. Aft er initial measurement, loans and receivables are measured at amortized cost, using the Effective Interest Rate, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortization is included in interest income in the income statement.

Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the company has the intention and ability to hold until maturity. Aft er initial measurement, held to maturity financial assets are measured at amortized cost, using the Effective Interest Rate, less impairment. The Effective Interest Rate amortization is included in 'investment income' in the income statement. Gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortization process.

Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in the statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the statement of comprehensive income is recognised in the income statement. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement in 'Dividend income' when the company's right to receive payment is established.

c Impairment of financial assets

Assets carried at amortised cost

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred aft er the initial recognition of the assets (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The following factors are considered in assessing objective evidence of impairment:

(i) Whether the obligations is more than 90 days past due;

(ii) The entity consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments; or

(iii) There is an observable data indicating that there is a measurable decrease in the estimated future cash flows of a Company of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and collectively for financial assets that are not individually significant.

If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

Assets carried at fair value through other comprehensive income

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred aft er the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For Available-for-Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- o significant financial difficulty of the issuer or counterparty; or
- o breach of contract, such as a default or delinquency in interest or principal payments; or
- o it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- o the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include Africa Prudential Plc's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

c Impairment of financial assets - Continued

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an Available-for-Sale (AFS) financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, ina subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring aft er the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring aft er the recognition of the impairment loss.

2.6.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories in based on a weighted average principle and include expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Property and equipment

Recognition and measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. The cost of Property and Equipment includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected patt ern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-curr ent Assets Held for Sale and Discontinued Operations.

The estimated useful lives for the current and comparative period are as follows:

Leasehold improvements	Over the shorter of the useful life of item or lease period
Buildings	40 years
Computer equipment	5 years
Furniture, fittings and equipment	5 years
Motor vehicles	5 years
Capital work - in - progress	Not depreciated

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Intangible asset

a Software

Software acquired by the entity is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the entity is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

b Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

The excess of the cost of acquisition over the value of the share of the identifiable net assets is recorded as goodwill. If the cost of acquisition is less than the value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of profit or loss.
For the purposes of impairment testing, goodwill is allocated to each of Africa Prudential Plc's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognized directly in the statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.
On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is writt en down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects curr ent market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows aft er the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Employee benefits

Short-term benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses when the associated services are rendered by the employees of the Company.

Post-employment benefits - Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as an expense in the statement of Profit or Loss when they are due. The contribution payable toa defined contribution plan is in proportion to the services rendered to the entity by the employees and is recorded as an expense under "Personnel expenses". Unpaid contributions are recorded as liability.

Share capital and reserves

Ordinary Share Capital: The ordinary share capital of the entity is classified as equity. Incremental costs directly att ributable to the issue of ordinary shares are recognized as a deduction from equity net of any tax effects.

Earnings per share

The entity presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the entity by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018 , but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

iIFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures (see note 6).

The Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018 . Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 January 2018 . Therefore, the comparative information was not restated and continues to be reported under IAS 11 , IAS 18 and related Interpretations.

There are no significant impacts from the adoption of IFRS 15 in relation to the timing of when the Company recognises revenues or when revenue should be recognised gross as a principal or net as an agent. Therefore, Africa Prudential Plc will continue to recognise fee for services provided by the Company as the services are provided (for example on completion of the underlying transaction). Revenue recognition for interest income are recognised based on requirements of IFRS 9. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements.

Notes to the Financial Statements cont'd

New and amended standards and interpretations

ii FRS9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or aft er 1 January 2018 , bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied IFRS 9 prospectively, with an initial application date of 1 January 2018 . The Company has not restated the comparative information, which continues to be reported under IAS 39 . Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.

IFRS 9 transition disclosure

A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of 1 January 2018 is, as follows:

		IAS 39 Measurement		Re-	Remeasurement		IFRS 9	
in thousands of Nigerian Naira	Rf	Category	Amount	Classification	ECL	Other	Amount	Category
Cash and cash equivalents		L&R	9,192 ,490	(5,014 ,923)	(1,883)	-	4,175 ,684	AC
To: Debt instrument at amortised cost	A		-	(5,014 ,923)	-	-		
Debt instrument at amortised cost			-	12,569 ,445	(156 ,091)	-	12,413 ,354	AC
From: cash and short-term deposits	A		-	5,014 ,923	-	-		
From: financial instruments - HTM	B		-	7,554 ,522	-	-		
Financial instrument - AFS (unlisted equity investment)		AFS	4,101 ,257	(4,101 ,257)	-	-	-	
Financial instrument - AFS (listed equity investment)		AFS	339 ,186	(339 ,186)			-	
To: Equity instruments at fair value through OCI	C		-	(4,440 ,443)	-	-		
Equity instruments at fair value through OCI			-	4,440 ,443	-	-	4,440 ,443	FVOCI
From: financial instruments - AFS	C		-	4,440 ,443	-	-		
Financial instrument - HTM			7,554 ,522	(7,554 ,522)			-	
To: Debt instruments at amortised cost	B		-	(7,554 ,522)	-	-		
Trade receivables		L&R	128 ,793	-	-	-	128 ,793	AC
			21 ,316 ,248	**-**	**(157 ,974)**	**-**	**21 ,158 ,274**	
Financial liabilities			AC	3,612 ,328	-	-	3,612 ,328	AC
Interest bearing borrowing				3,612 ,328	-	-	3,612 ,328	

L&R - Loans and Receivables FVOCI - Fair value through Other Comprehensive Income AC - Amortised costs AFS - Available for sale

ii IFRS 9 transition disclosure

As of 1 January 2018 , the Company's analysis of cash and equivalent highlighted that certain short-term deposits have maturity above 90days from the date of origination. Therefore, the

A Company reclassified these short-term deposits to debt instruments at amortised cost.

As of 1 January 2018 , the Company did not have any debt instruments that did not meet the SPPI criterion within its held-to-maturity portfolio. Therefore, it elected to classify all of these

B instruments as debt instruments measured at amortised cost.

C The Company has elected the option to irrevocably designate some if its previous AFS equity instruments as Equity instruments at FVOCI.

in thousands of Nigerian Naira	**earning**
Closing balance under IAS 39 (31 December 2017)	4,886 ,652
Recognition of IFRS 9 ECLs including trade receivables (see below)	(157 ,974)
Deferred tax in relation to the above	47 ,363
Opening balance under IFRS 9 (1 January 2018)	4,776 ,041
Total change in equity due to adopting IFRS 9	(110 ,611)

ii IFRS 9 transit ion disclosure

The following table reconciles the aggregate opening provision allowances under IAS 39 and provisions for debt instrument at amotised cost and trade receivable to the ECL allowances under IFRS 9 and also remeasurement impact of relcassifying treasury bills and bonds financial assets held at amortised costs to FVPL.

	Impact of recognition of IFRS 9 ECLs		
in thousands of Nigerian Naira	**Provision under IAS 39**	**Re-measurement**	**ECLs under IFRS 9 1 Jan 2018**
Loans and trade receivables and held to maturity securities per IAS 39 / financial assets at amortised cost under IFRS 9			
Short-term	-	1,883	1,883
Debt instrument at amortised cost under IFRS 9			
Treasury bills	-	58	58
Bonds	-	38	38
Deposits with banks with maturity above 90days	-	2,621	2,621
Loan and advance	-	153 ,374	153 ,374
Trade receivables	4,997	-	4,997
	4,997	**157 ,974**	**162 ,971**

ii ***IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations***

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

iii ***Amendments to IAS 40 Transfers of Investment Property***

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

iv ***Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions***

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-sett led share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash sett led to equity sett led. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Company does not have share-based payment transactions. Therefore, these amendments do not have any impact on the Company's financial statements.

v ***Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts***

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are not relevant to the Company.

vi ***Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice***

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments are not relevant to the Company.

3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both curr ent and future periods.

Changes in accounting policies or measurement principles in light of new or revised standards are applied retrospectively, except as otherwise provided in the respective standard. The statement of profit or loss and other comprehensive income for the previous year and the opening statement of financial position for that year are adjusted as if the new accounting policies and/ or measurement principles had always been applied.

i Impairment losses on debt instruments other than trade receivables measured at amortised cost

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal/ external credit grading model, which assigns Probability of Defaults (PDs) to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Life Time Expected Credit Loss (LTECL) basis and the qualitative assessment

- Development of ECL models, including the various formulas and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

ii Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e.,customer type).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the various sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

iii Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a Discounted Cashflow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

iv Valuation of unquoted equity

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as discount rate (cost of capital), cashflows forecast and terminal growth rate.

4 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise, customer deposits, borrowings and creditors and accruals. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include quoted and unquoted equity instruments, debt instruments measured at amortised costs and include treasury bills, bonds and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

I ***Market risk***

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

Currency risk

The Company's principal transactions are carried out in Naira and has no exposure to foreign exchange risk. The balance in the domiciliary bank account is $50 (2017 :$50).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed interest rate instruments expose the Company to fair value interest risk. Company has no exposure to cash flow interest risk, because it does not have floating rate financial instruments.

Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or curr ency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The analysis below is performed for reasonably possible movements in key variables (share price) with all other variables held constant, showing the impact on equity (that reflects adjustments to profit before tax and changes in fair value of Equity instruments at fair value through OCI). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

in thousands of Nigerian Naira	31 December 2018		31 December 2017
	Change in Variable	impact on equity	impact on equity
Nigerian Stock Exchange	-5%	(13 ,606)	(16 ,959)
	5%	13 ,606	16 ,959
	-10%	(27 ,212)	(33 ,919)
	10%	27 ,212	33 ,919

ii Credit risk

Credit risk is the risk that a counterparties will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The company has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults.

Management of risk

The Company's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting specific high standards. Credit risk is monitored on a monthly basis by the Finance and Management Service (FMS) unit in accordance with the policies and procedures in place. Principal policies set in place include:

a Establishing an appropriate credit risk management environment

b Maintaining an appropriate credit administration, measurement and monitoring processes, including strict adherence to the investment rules and regulations set by the Securities and Exchange Commission (SEC); and

c Establishing an appropriate approval limits for investment of certain types and tenors.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	< 90 days	90 -180 days	180 -270 days	270 -360 days	> 360 days	Total
Expected credit loss rate	2.23%	30 .85%	53 .00%	100 .00%	100 .00%	
Estimated total gross arrying amount at default	143 ,741	8,604	8,298	2,019	8,661	
Expected credit loss as at 31 December 2018	3,210	2,654	4,398	2,019	8,661	20 ,942
Expected credit loss rate	1.09%	8.39%	8.83%	48 .46%	100 .00%	
Estimated total gross arrying amount at default	100 ,858	8,822	2,031	1,498	2,255	
Expected credit loss as at 31 December 2017	1,095	740	179	726	2,255	4,995

Notes to the Financial Statements cont'd

ii Liquidit y risk

Liquidity risk is the risk that the entity will encounter diff iculty in meeting the obligations associated with its financial liabilities that are sett led by delivering cash or another financial asset. The entity approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

31 December 2018 *in thousands of Nigerian Naira*	Carrying amount	1-6 months	6-12 months	1-5 years	Above 5 years	No maturity date	Gross total
Cash and cash equivalents	2,559 ,899	2,621 ,336	-	-	-	-	2,621 ,336
Debt instruments at amortised cost	12 ,436 ,863	7,690 ,836	4,155 ,228	1,590 ,479	-	-	13 ,436 ,543
Trade debtors	171 ,323	171 ,323	-	-	-	-	171 ,323
Total financial assets	15 ,168 ,085	10 ,483 ,495	4,155 ,228	1,590 ,479	-	-	16 ,229 ,202
Borrowings	2,042 ,439	219 ,095	2,303 ,630	-	-	-	2,522 ,725
Accounts payable	63 ,104	63 ,104	-	-	-	-	63 ,104
Total financial liabilities	2,105 ,543	282 ,199	2,303 ,630	-	-	-	2,585 ,829
Liquidity gap	13 ,062 ,542	10 ,201 ,296	1,851 ,598	1,590 ,479	-	-	13 ,643 ,373

31 December 2017 *in thousands of Nigerian Naira*	Carrying amount	1-6 months	6-12 months	1-5 years	Above 5 years	No maturity date	Gross total
Cash and short-term deposits	4,177 ,568	4,277 ,880	-	-	-	-	4,277 ,880
Financial assets- Held-to-maturity							
Treasury bills	7,359 ,136	5,150 ,000	2,600 ,000	-	-	-	7,750 ,000
State bond	195 ,386	74 ,055	74,055	74,055	-	-	222 ,165
Loans and advances	3,639 ,712	369 ,428	369 ,428	4,238 ,856	-	-	4,977 ,712
Trade debtors	133 ,790	133 ,790	-	-	-	-	133 ,790
Total financial assets	15 ,371 ,802	10 ,005 ,153	3,043 ,483	4,312 ,911	-	-	17 ,361 ,547
Borrowings	3,612 ,328	381 ,836	388 ,164	4,270 ,000	-	-	5,040 ,000
Accounts payable	330 ,913	330 ,913	-	-	-	-	330 ,913
Total financial liabilities	3,943 ,241	712 ,749	388 ,164	4,270 ,000	-	-	5,370 ,913
Liquidity gap	11 ,428 ,561	9,292 ,404	2,655 ,319	42,911	-	-	11,990 ,634

iv Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of its capital structure. The capital structure of the company consists of equity att ributable to its equity holders, comprising issued capital, reserves and retained earnings as disclosed in the notes.

The Company's Board and management regularly review its capital structure. As part of this review, they consider the cost of capital and the risks associated with each class of capital.

Equity includes all capital and reserves of the company that are managed as capital.

in Thousand of Nigerian Naira

Tier 1 Capital		
Share capital	1,000 ,000	1,000 ,000
Share premium	624 ,446	624 ,446
Fair value reserve	1,043 ,202	428 ,387
Retained earnings	5,928 ,941	4,886 ,652
	8,596 ,589	6,939 ,485
Total Regulatory minimum Capital	(150 ,000)	(150 ,000
Capital surplus	**8,446 ,589**	**6,789 ,485**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements: Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs,either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Notes to the Financial Statements cont'd

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2018

					Fair value measurement using		
					Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
in thousands of Nigerian Naira	Note	amount	valuation	amount	Level 1	Level 2	Level 3
Assets measured at fair value:							
Unquoted equity instruments at fair value through OCI		4,783 ,134	31-Dec-18	4,783 ,134	-	-	4,783 ,134
Quoted equity instruments at fair value through OCI		272 ,123	31-Dec-18	272 ,123	272 ,123	-	-
Assets for which fair values are disclosed:							
Debt instrument at amortised cost:							
Treasury bills		5,964 ,094	31-Dec-18	5,951 ,922	5,951 ,922	-	-
Loans and advances		6,063 ,539	31-Dec-18	5,548 ,578	-	5,548 ,578	-
State government bonds		69 ,425	31-Dec-18	68 ,689	68 ,689	-	-
Liabilities for which fair values are disclosed							
Borrowings		2,042 ,439	31-Dec-18	1,943 ,043	-	1,943 ,043	-

Reconciliation for the equity instrument measured using Level 3

in thousands of Nigerian Naira	31 -Dec-18	31 -Dec-17
Opening balance	4,440 ,442	3,166 ,509
Fair value gain	614 ,815	1,273 ,933
Closing balance	**5,055 ,257**	**4,440 ,442**

					Fair value measurement using		
					Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
in thousands of Nigerian Naira	Note	**Carrying**	**Date of**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value:							
Equity instruments at fair value through OCI - Unquoted		4,101 ,256	31-Dec-17	4,101 ,256	-	-	4,101 ,256
Equity instruments at fair value through OCI - Quoted		339 ,186	31-Dec-17	339 ,186	339 ,186	-	-
Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2017							
Assets for which fair values are disclosed:							
Debt instrument at amortised cost:							
Treasury bills		7,359 ,136	31-Dec- 17	7,462 ,443	7,462 ,443	-	-
Loans and advances		3,639 ,712	31-Dec- 17	3,631 ,983		3,631 ,983	-
State government bonds		195 ,386	31-Dec- 17	191 ,343	191 ,343	-	-
Liabilities measured at fair value:							
Borrowings		3,612 ,328	31-Dec- 17	3,664 ,274	-	3,664 ,274	-

Notes to the Financial Statements cont'd

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	2018		2017	
Financial Assets:	Carrying Amount	Fair value	Carrying Amount	Fair value
Treasury bills	5,964 ,048	5,951 ,922	7,359 ,136	7,462 ,443
Loans and advances	6,063 ,539	5,548 ,578	3,639 ,712	3,631 ,983
State government bonds	69 ,424	68 ,689	195 ,386	191 ,343
Total assets	6,033 ,472	6,020 ,611	7,554 ,522	7,653 ,786
Financial liabilities				
Borrowings	2,042 ,439	1,943 ,043	3,612 ,328	3,664 ,274
Total assets	2,042 ,439	1,943 ,043	3,612 ,328	3,664 ,274

Fair value of financial assets and liabilities

Below are the methodologies and assumptions used to determine fair values for those financial instruments in the financial statements:

Assets and liabilities for which fair value approximates carrying value

The management assessed that cash and bank, trade and other receivables, accounts payable and sundry creditors approximate their carrying amounts largely due to the short-term maturities of these instruments

Debt inst rument at amort ised cost - Nigerian Treasury Bills and State government bonds

The fair value of treasury bills and state government bond are determined by reference to quoted yield to maturities of the instrument as published on the Financial Market Dealer Quotation (FMDQ) website. The fair values of the Nigerian Treasury Bills and State government bonds are classified under Level 2 in the fair value hierarchy. The FMDQ publishes the market yields on a daily basis, and the unadjusted yields are used to determine the prices.

Debt inst rument at amort ised cost - Loans and advances

The fair value of loans and advances was estimated using the maximum lending rate quoted on Central Bank of Nigeria website as at year end.

Equit y inst rument s at fair value through OCI - Quot ed

The fair values of the quoted equity instruments are derived from quoted market prices in active market, the Nigerian Stock Exchange (NSE).

Equity instrument s at fair value through OCI - Unquot ed

The fair values of the non-listed equity investments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

Borrowing

The fair value of borrowing was estimated at using the maximum lending rate at quoted on Central Bank of Nigeria website as at year end.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together witha quantitative sensitivity analysis as at 31 December 2018 and 2017 are shown below:

	Valuation technique	Significant unobservable inputs	Range (weight ed average)	Sensitivit y of the input to fair value
Non-listed equity investments - banking sector	DCF method	Long-term growth rate for cash flows for subsequent years	2018 : 3.1% - 5.2% 2017 : 13 .95% - 17 .07%	5% (2017 : 5%) increase/ (decrease) in the growth rate would result in an increase (decrease) in fair value by ₦160 .56million17 ,000 (2017 : ₦339 .1million)

5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017 , the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005 . IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grand fathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or aft er 1 January 2021 , with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17 . This standard is not applicable to the Company.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12 , nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019 , but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Since the Company operates in a less complex multinational tax environment, applying the Interpretation may will have immaterial impact its financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019 , with earlier application permitted. These amendments have no impact on the consolidated financial statements of the Company.

Amendments to IAS 19: Plan Amendment, Curtailment or Sett lement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

• Determine current service cost for the remainder of the period aft er the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets aft er that event

• Determine net interest for the remainder of the period aft er the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the planassets aft er that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling aft er the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. This standard is not applicable to the Company.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective from 1 January 2019 , with early application permitted. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

IFRS 16 – Leases

IFRS 16 was issued in January 201 6 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17 . The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17 . Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS17 .

IFRS 16 is effective for annual periods beginning on or aft er 1 January 2019 . A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In applying IFRS 16 for the first time, the Company will use the following practical expedients permitt ed by the standard:

• the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2018 as short-term leases

The Company plans to adopt IFRS 16 using modified retrospective approach. The Company has also elected not to apply IFRS 16 to contracts that were not identified as containing a lease under IAS 17 and IFRIC 4 Determining whether an arr angement contains a Lease.

Thus, the adoption of IFRS 16 in 2019 will not have any material impact on the Company.

Annual Improvements 2015 -2017 Cycle (issued in December 2017)

These improvements include:

• **IFRS 3 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or aft er the beginning of the first annual reporting period beginning on or aft er 1 January 2019 , with early application permitted. Since the Company does not have interest in a joint operation, the improvement will not have an impact on its financial statements.

- **IFRS 11 Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or aft er the beginning of the first annual reporting period beginning on or aft er 1 January 2019 , with early application permitted. These amendments are currently not applicable to the Company.

- **IAS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or aft er 1 January 2019 , with early application is permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or aft er the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

- **IAS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or aft er the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or aft er 1 January 2019 , with early application permitt ed. Since the Company does not have borrowing costs, the improvement will not have an impact on its financial statements.

Notes to the Financial Statements cont'd

6 **Revenue from contracts with customers**

6.1 **Disaggregated revenue information**

in thousands of Nigerian Naira	Not es	2018	2017
Types of services			
Retainership fees		760 ,657	477 ,754
Fees from corporate actions		409 ,691	263 ,556
Register maintenance		201 ,158	173 ,003
Other fees		45 ,193	21 ,121
		1,416 ,699	**935 ,434**
Geographical markets			
Nigeria		1,416 ,699	935 ,434
Timing of revenue recognition			
Services transferrr ed over time		1,416 ,699	935 ,434

6.2 **Contract balances**

As at *in thousands of Nigerian Naira*	Not es	31 December 2018	31 December 2017
Trade receivable		150 ,381	128 ,793
Contract liabilities		-	14 ,166

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2018 , ?20 ,942 ,000 (2017 :4,997 ,000) was recognised as provision for expected credit losses on trade receivables.

Contract assets are initially recognised for revenue earned from corporate actions as receipt of consideration is conditional on successful 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. There is no ongoing corporate actions services as at year end (2017 : NIl).
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 and other comprehensive income once the delivery services is completed.

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

Retainership fees

The performance obligation is satisfied upon provision of the Market Intelligence Reports, Daily NSE Trade Monitoring & Reporting, Monthly stock Health Report and Weekly data Migration services. The invoices are raised on a quarterly basis. As at the year end, only the last quarter invoice is yet to be paid by the customers.

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.

	in thousands of Nigerian Naira	Notes	**2018**	**2017**
	Interest on term short-term deposits		49,877	28,794
	Interest on loans and advances		1,918,370	746,883
	Interest on treasury bills		1,078,472	1,413,249
	Interest on bonds		22,149	191,456
			3,068,868	**2,380,382**
8	**Other income**			
	Withholding tax credit notes recovered	8.1	439,958	-
	Dividend income		23,463	18,816
	Interest income earned on staff loans		3,181	827
	Profit from disposal of plant and equipment		4,388	-
	Others		61,261	29,553
			532,251	49,195

8.1 This is withholding tax credit notes recovered during the year, the withholding tax (wht) is in respect of interest incomes on short term placements that was previously being recorded net of wht due to its low probability of recoverability.

9 Credit loss expenses

Notes to the Financial Statements cont'd

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	**Total 2018**
Cash in banks and short-term deposits		351	-	-	351
Debt instruments at amortised cost:					
Treasury bills		(12)	-	-	(12)
State government bonds		(37)	-	-	(37)
Loans and advances		-	139,059	-	139,059
Deposits with banks with maturity above 90 days		(1,475)	-	-	(1,475)
		(1,524)	139,059	-	137,535
Trade and other receivables		15,945	-	-	15,945
		14,772	139,059	-	153,831

There is no credit loss expenses recognised for 2017, this is due to the fact that the Company adopted Modified Retrospective Approach of the adoption of IFRS 9. The impact of the IFRS 9 in respect of Expected Credit loss is recognised in retained earning. See the details in Note 2.7.12.

10 Personnel expenses

in thousands of Nigerian Naira	**2018**	**2017**
Wages and salaries	522,031	298,597
Defined contribution plans	11,879	9,513
Medical expenses	16,848	13,675
Other employee benefits	14,435	5,359
	565,193	327,144

Notes to the Financial Statements cont'd

in thousands of Nigerian Naira	Not es	2018	2017
Professional fees		249 ,148	142 ,502
Business and other entertainment		87 ,297	31 ,963
Directors fees and other emoluments		47,750	48 ,122
AGM/ EGM expenses		72 ,593	83 ,874
Internet and communication		65 ,713	53 ,793
Advert and business promotion		49 ,338	43 ,291
Corporate social responsibility		41 ,338	28 ,919
Rent & Utilities		31 ,049	36 ,977
Repairs and maintenance		24 ,150	37 ,271
General administrative expenses		58,820	46 ,593
Bank charges		20 ,328	8,531
Travel expenses		19 ,766	19 ,365
Annual dues and subscription		17 ,417	18 ,816
Inventory writen off		12 ,632	-
Training		11 ,114	9,062
Audit fees		10 ,000	10 ,000
Insurance		8,116	4,462
Legal and professional expenses		6,295	7,309
		832 ,866	630 ,848

12 **Finance costs**

Interest on borrowings	899 ,541	130 ,703

13 Income tax expense

The major components of income tax expense for the year ended 31 December 2018 :

13 .1 Income tax expense

Curr ent income tax expense		
Income tax	413 ,955	180 ,000
Education tax	32 ,229	13 ,110
Under provision in prior years	41 ,199	126 ,218
	487 ,383	319 ,328
Deferred tax:		
Tax impact of temporary differences	(45 ,544)	32 ,788
	441 ,839	352 ,116

13 .2 ***Reconciliation of income taxexpense***

Profit before income tax expense	2,394 ,739	2,066 ,894
Tax at Nigeria's statutory income tax rate of 30%	718 ,422	620 ,068
Effect of:		
Tax exempt income	(392 ,019)	(463 ,145)
Non-deductible expenses in determining taxable profit	42 ,009	55 ,865
Piror year under provision	41 ,199	126 ,218
Education tax @ 2% of assessable profit	32 ,229	13 ,110
Total tax charged for the year	441 ,839	352 ,116

Notes to the Financial Statements cont'd

14 Dividend paid and proposed

in thousands of Nigerian Naira	Notes	2018	2017
Declared and paid during the year			
Equity dividends on ordinary shares:			
Final dividend paid in 2018 : ₦0.40 (2017 : ₦0.30)		800 ,000	600 ,000
Total dividend paid		800 ,000	600 ,000
Proposed for approval at AGM (not recognised as a liability as equity dividends on ordinary shares at 31 December)		1,000 ,000	800 ,000
Proposed dividend for 2018 : ₦0.5 (2017 : ₦0.40)		1,000 ,000	800 ,000

15 Earnings per share

Basic/ diluted earnings per share amounts is calculated by dividing the net profit for the year 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:

in thousands of Nigerian Naira	Notes	2018	2017
Net profit		1,952 ,900	1,714 ,778
Weighted average number of ordinary shares for basic/ diluted earnings per share		2,000 ,000	2,000 ,000
Basic/ diluted earnings per ordinary share (Kobo)		98	86

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.

16 Cash and cash equivalents

As at *in thousands of Nigerian Naira*	Not es	31 December 2018	31 December 2017
Cash on hand		9	42
Curr ent accounts with banks		409 ,271	529 ,827
Short-term deposits	16 .1a	2,152 ,854	3,647 ,699
		2,562 ,133	4,177 ,568
Allowance for credit loss impairment	16 .1b	(2,234)	
		2,559 ,899	**4,177 ,568**

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 cont'd

16.1 ***Impairment allowance for current account with bank and short-term deposits measure at amortised cost***

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit A rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	**Total**
Performing					
High grade		-	-	-	-
Standard grade		2,562 ,125	-	-	2,562 ,125
Sub-standard grade					-
Past due but not impaired		-	-	-	-
Non-performing					
Individually impaired		-	-	-	-

b. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

in thousands of Nigerian Naira	Not es	Stage 1	Stage 2	Stage 3	
Gross carrying amount as at 1 January 2018		4,177 ,527	-	-	4,177 ,527
New assets originated or purchased		2,562 ,125	-	-	2,562 ,125
Assets derecognised or repaid		(4,177 ,527)	-	-	(4,177 ,527)
Amount writt en off		-	-	-	-
At 31 December 2018		2,562 ,125	-	-	**2,562 ,125**

in thousands of Nigerian Naira	Not es	Stage 1	Stage 2	Stage 3	**Total**
ECL allowances as at 1 January 2018		1,883	-	-	1,883
New assets originated or purchased		2,234	-	-	2,234
Assets derecognised or repaid		(1,883)	-	-	(1,883)
Credit loss expenses	9	351	-	-	351
At 31 December 2018		2,234	-	-	2,234

Credit analysis as at 31 December 2017 *in thousands of Nigerian Naira*	**Current account with bank**	**Short-term deposit**	**Total**
Performing			
High grade	-	-	-
Standard grade	529 ,827	3,647 ,699	
Sub-standard grade	4,177 ,526		
Past due but not impaired	-	-	-
Non-performing			
Individually impaired	-	-	-
	529 ,827	**3,647 ,699**	**4,177,526**

17 **Investment securities**

As at *in thousands of Nigerian Naira*		Notes	31 December 2018	31 December 2017
17.1	**Equity instruments at fair value through OCI**			
	Unquoted equity shares: The unquoted equity relates to investment in UBA Kenya, UBA Uganda and UBA Mozambique.		4,783,134	-
	Quoted equity shares		272,123	-
			5,055,257	**-**
17.2	**Debt instruments at amortised cost**			
	Treasury bills		5,964,094	-
	State government bonds		69,425	-
	Loans and advances		6,063,539	-
	Deposits with banks with maturity above 90days		633,431	-
			12,730,489	-
	Allowance for credit impairment	17.6c	(293,626)	-
			12,436,863	**-**
17.3	**Financial assets - Available-for-sale**			
	Unquoted equity shares		-	4,101,256
	Quoted equity shares		-	339,186
			-	**4,440,442**
17.4	**Held to maturity**			
	State government bond		-	195,386
	Treasury bills		-	7,359,136
	Placements with bank with maturity above 90 days		-	1,375,211
			-	**8,929,733**
17.5	**Loan and advances**			
	Loan to corporate		-	3,639,712
			-	**3,639,712**
	Total debt instruments at amortised cost		**12,436,863**	**12,569,445**

17.6 ***Impairment allowance for debt instruments measured at amortised cost***

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit A rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Notes to the Financial Statements cont'd

in thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	**Total**
Performing				
High grade	5,964 ,094	-	-	5,964 ,094
Standard grade	6,766 ,395	-	-	6,766 ,395
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-

17 .6 Impairment allowance for debt instruments measured at amortised cost

b An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

in thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	**Total**
Gross carrying amount as at 1 January 2018	12,413 ,354	-	-	12,413 ,354
New assets originated or purchased	8,685 ,362	514 ,172	-	9,199 ,534
Assets derecognised or repaid	(8,882 ,399)	-	-	(8,882 ,399)
Transfer to stage 2	(2,558 ,331)	2,558 ,331	-	-
At 31 December 2018	**9,657 ,986**	**3,072 ,503**	**-**	**12,730 ,489**

	in thousands of Nigerian Naira		Stage 1	Stage 2	Stage 3	**Total**
c	***ECL allowances as at 1 January 2018***		156 ,091	-	-	156 ,091
	New assets originated or purchased		83 ,205	57 ,008	-	140 ,213
	Assets derecognised or repaid		(2,678)	-	-	(2,678)
	Transfer to stage 2		(109 ,630)	109 ,630	-	-
	Credit loss expenses	9	(29 ,103)	166 ,638	-	137 ,535
	At 31 December 2018		**126 ,988**	**166 ,638**	**-**	**293 ,626**

Credit analysis as at 31 December 2017

in thousands of Nigerian Naira	Notes	**Bonds**	**Treasury bills**	**Loans & advances**	**Deposit with banks**	**Total**
Performing						
High grade		-	7,359 ,136	-	-	7,359,136
Standard grade		195 ,386	-	3,639,712	1,375,211	5,210 ,309
Sub-standard grade		-	-	-	-	-
Past due but not impaired		-	-	-	-	-
Non-performing						
Individually impaired	-	-	-		-	-
	17	**195 ,386**	**7,359 ,136**	**3,639 ,712**	**1,375 ,211**	**12,569 ,445**

Notes to the Financial Statements cont'd

Trade receivables are recognized and carried at original invoiced amount less an allowance for any impairment. An estimate of doubtful debt is made when collection of the full amount is no longer probable. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

18 Trade and other receivables

As at December in thousands of Nigerian Naira		**31 December 2018**	**31 2017**
Financial assets			
Trade debtors		171 ,323	133 ,790
Cash advances		-	1,571
Non-financial assets			
Withholding tax receivables		588 ,381	113 ,381
Prepaid directors emolument		45 ,000	-
Prepayments		91 ,295	85 ,433
		895 ,998	334 ,174
Allowances for expected credit losses	18 .1	(20 ,942)	(4,997)
At 31 December		875 ,056	329 ,177

18 .1 ***Allowances for expected credit losses on trade receivables***

As at *in thousands of Nigerian Naira*	**3 December 2018**	**31 December 2017**
At 1 January	4,997	10 ,705
Addition/ (reversal) of allowance for expected credit losses	15,945	
	(5,708)	
	20 ,942	**4,997**

19	**Inventory**		
	Printing and computer stationaries	3,432	16 ,578

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is valued using the most recent prices for the most recent purchases and includes expenditure incurred in acquiring the inventories. The inventory is made up of printing and computer stationaries.

20 Property and equipment

in thousands of Nigerian Naira	Buidling	Computer equipment	Motor vehicles	Furniture, fitting & equipment	Tot al
Cost :					
At 1 January 2017	97 ,892	89 ,310	70 ,478	139 ,318	**396 ,998**
Additions during the year		6,834	38 ,900	17 ,823	**63 ,557**
At 31 December 2017	97 ,892	96 ,144	109 ,378	157 ,141	**460 ,555**
Additions during the year	-	26 ,476	-	12 ,115	**38 ,591**
Disposal	-	(5,126)	(34 ,922)	(3,197)	**(43 ,245)**
At 31 December 2018	97 ,892	117 ,494	74 ,456	166 ,059	**455 ,901**
Accumulated depreciation:					
At 1 January 2017	9,661	63 ,673	46 ,330	75 ,065	**194 ,729**
Charge for the year	2,447	10 ,734	9,438	19 ,524	**42 ,143**
At 31 December 2017	12 ,108	74 ,407	55 ,768	94 ,589	**236 ,872**
Charge for the year	2,447	13 ,794	13 ,996	21 ,062	**51 ,299**
Disposal	-	(5,126)	(34 ,922)	(3,197)	**(43 ,245)**
At 31 December 2018	14 ,555	83 ,075	34 ,842	112 ,454	**244 ,926**
Carr ying amount					
At 31 December 2018	83 ,337	34 ,419	39 ,614	53 ,605	210 ,975
At 31 December 2017	85 ,784	21 ,737	53 ,610	62 ,552	223 ,683

i No leased assets are included in the above property and equipment (2017 : Nil).

ii There were no capital commitment contracted or authorised as at the reporting date (2017 : Nil).

iii There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (2017 : Nil).

iv None of the assets are pledged during the year (2017 : Nil).

21 **Intangible assets**

in thousands of Nigerian Naira	**Computer**	**Goodwill**	**Total**
Cost :			
At 1 January 2017	45 ,391	397 ,493	**442 ,884**
Additions during the year	70 ,662	-	**70 ,662**
At 31 December 2017	116 ,053	397 ,493	**513 ,546**
Additions during the year	15 ,206	-	**15 ,206**
At 31 December 2018	131 ,259	397 ,493	**528 ,752**
Accumulated amortisation and impairment			
At 1 January 2017	28 ,149	141 ,504	**169 ,653**
Charge for the year	9,983	-	**9,983**
Impairment for the year		157 ,296	**157 ,296**
At 31 December 2017	38 ,132	298 ,800	**336 ,932**
Charge for the year	21 ,656	-	**21 ,656**
Impairment for the year	-	98 ,693	**98 ,693**
At 31 December 2018	59 ,788	397 ,493	**457 ,281**
Carr ying amount			
At 31 December 2018	71 ,471	-	71 ,471
At 31 December 2017	77 ,921	98 ,693	176 ,614

Goodwill arising from business combination

Goodwill arising on the acquisition of UAC Registrars is carried at fair value as established at the date of acquisition of the business (30 May 2013) less accumulated impairment losses if any. In 2014 , the company commenced the liquidation of the subsidiary to consolidate its operations. The liquidation process was concluded in October 2015 .

The recoverable amount of the CGU, ₦598 ,659 ,000 as at 31 December 2018 , has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the decreased demand for services. The Registrars fees hardly increase year on year and since the entity cannot add clients to this CGU. The pre-tax discount rate applied to cash flow projections is 25 .13% (2017 : 21 .3%) and cash flows for the five-year period are extrapolated using a -3.0% growth rate (2017 : 4.0%). It was concluded that the fair value less costs of disposal did not exceed the value in use. As a result of this analysis, management has recognised an impairment charge of ₦98 ,693 ,000 in the curr ent year against goodwill with a carrying amount of ₦98 ,693 ,000 as at 31 December 2017 . The impairment charge is recorded in the statement of profit or loss.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for CGU is most sensitive to the following assumption:

- Discount rates

Discount rates represent the curr ent market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its cost of equity (Ke). The cost of equity is derived from the expected return on investment by the Company's investors. The specific risk is incorporated by applying individual equity beta factors. The beta factors are evaluated annually based on publicly available market data. equity beta- obtained using regression analysis (changes in stock prices regressed on % changes in market i.e. ASI from Dec 2017 to Dec 2018).

Though the goodwill has been fully impaired, a rise in the pre-tax discount rate to 26 .39% (i.e. +0.5%) in the CGU

22 Customer's Deposit

in thousands of Nigerian Naira	**2018**	**2017**
Dividend: ordinary shares	9,302 ,704	8,808 ,847
Return money - public offers	441 ,464	462 ,523
Brokerage: ordinary shares	168 ,265	178 ,658
Bond Interest	165 ,853	1
Public offers	4,539	1,302 ,930
Interest: debentures	31 ,159	31 ,159
Redemption preference shares	3,002	3,002
Redemption debentures	5,144	5,144
	10 ,122 ,131	**10 ,792 ,264**

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

23 Creditors and accruals

As at *in thousands of Nigerian Naira*	**31 December 2018**	**31 December 2017**
Accounts payable	55 ,997	323 ,383
Accrued expenses	7,106	7,530
	63 ,104	330 ,913

Terms and conditions of the above financial liabilities:

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

Notes to the Financial Statements cont'd

24 Borrowings

As at *in thousands of Nigerian Naira*	Interest rate	Maturit y	**31 December 2018**	**31 December 2017**
₦3,500 ,000 ,000 bank loan series i	22%	31-Oct-19	-	3,612 ,328
₦500 ,000 ,000 bank loan series ii	22%	9-Nov-19	514 ,210	-
₦750 ,000 ,000 bank loan series iii	22%	24-Jan-20	778 ,207	-
₦750 ,000 ,000 bank loan series iv	22%	25-Mar-20	750 ,022	-
			2,042 ,439	3,612 ,328

24 .1 ***Movement of borrowing***

	31 December 2018	31 December 2017
Opening balance	3,612 ,328	-
Additions during the year	1,989 ,475	3,481 ,625
Repayments during the year	(3,477 ,891)	-
Interest accrued during the year	899 ,541	130 ,703
Interest paid during the year	(981 ,014)	-
	2,042 ,439	3,612 ,328

25 Current income tax payable

in thousands of Nigerian Naira	Not es	**2018**	**2017**
At the beginning of the year:		224 ,407	144 ,856
Current income tax charge			
Company income tax		413 ,955	180 ,000
Education tax		32 ,229	13 ,110
Under provision in prior years		41 ,199	126 ,218
	13 .1	487 ,383	319 ,328
Payments during the year			
Withholding tax credit utilised		(180 ,000)	(40 ,438)
Payments during the year		(84 ,303)	(199 ,339)
		(264 ,303)	(239 ,777)
Balance at the end of the year		447 ,487	224 ,407

The charge for income tax in these financial statement is based on the provisions of the Companies Income Tax Act CAP C21 LFN 200 4 as amended and the Education Tax Act CAP E4 LFN 200 4 and the Nigerian Information technology Development Agency (NITDA) Act 2007 .

26 **Deferred tax (asset)/ liabilities**

in thousands of Nigerian Naira	**2018**	**2017**
At the beginning of the year:	34 ,110	1,322
2017 Deferred tax impact of IFRS 9	(47 ,363)	-
Tax (income)/ expense during the period recognised in profit or loss	(45 ,544)	32 ,788
Balance at the end of the year	(58 ,797)	34 ,110

Movement in deferred tax during the year relates to the following:

in thousands of Nigerian Naira	**Opening balance**	**Recognised in profit/ (loss)**	**Closing balance**
31 December 2018			
Property, equipment and software	35 ,709	938	36 ,647
2017 Deferred tax impact of IFRS 9	-	-	(47 ,363)
Provisions	(1,599)	(5,102)	(6,701)
Expected credit losses	-	(41 ,380)	(41 ,380)
	34 ,110	(45 ,544)	(58 ,797)
31 December 2017			
Property, equipment and software	29 ,142	6,567	35 ,709
Provisions	(27 ,820)	26 ,221	(1,599)
	1,322	32 ,788	34 ,110

Notes to the Financial Statements cont'd

27 **Share capital and reserve**

As at *in thousands of Nigerian Naira*		**31 December 2018**	**31 December 2017**
i	***Authorised share capital***		
	Two billion ordinary shares of 50k each	1,000 ,000	1,000 ,000
ii	***Issued and fully paid:***		
	Two billion ordinary shares of 50k each	1,000 ,000	1,000 ,000
iii	***Share premium***		
	At 31 December	624 ,446	624 ,446
iv	***Fair value reserve***		
	At the beginning of the year:	1,532 ,985	(845 ,546)
	Fair value gain on quoted equity	(67 ,062)	1,273 ,933
	Fair value gain on unquoted equity	614 ,815	1,104 ,598
		2,080 ,738	1,532 ,985
v	***Retained earnings***		
	At the beginning of the year:	4,886 ,652	3,771 ,874
	Impact of adopting IFRS 9	(110 ,611)	-
	Dividends declared and paid	(800 ,000)	(600 ,000)
	Profit for the year	1,952 ,900	1,714 ,778
		5,928 ,941	4,886 ,652

28 **Related party transactions**
Key management personnel

Key management personnel constitutes those individuals who have the authority and the responsibility for planning, directing and controlling the activities of Africa Prudential Plc, directly or indirectly.

The key management personnel of the Company include all directors (executive and non-executive) and senior management. The summary of compensation of key management personnel for the year is as follows:

in thousands of Nigerian Naira	**2018**	**2017**
Emolument of directors		
Directors fees & other emoluments		
Chairman	8,800	6,875
Other directors	38 ,950	41 ,247
	47 ,750	48 ,122
Fees	11 ,500	5,500
Other emoluments	36 ,250	42 ,622
	47 ,750	48 ,122
The total number of Directors were	6	6

28 Key management personnel - Cont inued

Staff numbers and costs

The number of persons employed (excluding directors) in the company during the year was as follows:

	2018	2017
₦600 ,001 - ₦800 ,000	33	13
₦800 ,001 - ₦1,200 ,000	16	36
₦1,200 ,001 - ₦2,000 ,000	7	9
₦2,000 ,001 - ₦3,000 ,000	0	0
₦3,000 ,001 - ₦5,000 ,000	16	17
₦5,000 ,001 - ₦7,000 ,000	4	7
₦7,000 ,001 - ₦8,000 ,000	2	-
₦8,000 ,001 - ₦10 ,000 ,000	0	1
₦10 ,000 ,001 - Above	7	3
	85	86

29 **Contingent liabilities andcommitments**

29 Contingent liabilities and commitments

The Company is involved in various litigation suits in the ordinary course of its business. The actions are being contested and the Directors are of the opinion that none of the cases are likely to have a material adverse effect on the Company.

30 Capital commitments

The Company had no capital commitments as at 31 December 2018 (31 December 2017 : Nil).

31 Subsequent events

There were no events subsequent to the financial position date which require adjustment to or disclosures in the financial statements.

32 Contraventions

There were no infractions during the year (2017 : Nil penalty was paid).

Statement of value added

in thousands of Nigerian Naira	2018	%	2017	%
Gross earnings	4,485 ,567		3,315 ,816	
Bought in material and services	(553 ,139)		(738 ,949)	
Total Value Added	**3,932 ,428**		**2,576 ,867**	
Applied as follows:				
To pay employees				
- as salaries, wages and other benefits	565 ,193	14	327 ,144	13
To pay providers of capital:				
- Finance charges	899 ,541	23	130 ,703	5
To provide for Government				
- as company taxation	487 ,383	12	319 ,328	12
For expansion				
- as Depreciation	51,299	1	42,143	2
- as Amortisation	21,656	1	9,983	0
- as Deferred taxation	(45,544)	(1)	32,788	1
- as profit for the year	1,952 ,900	50	1,714 ,778	67
	3,932 ,428	100	**2,576 ,867**	100

The value added statement represents the wealth created by the efforts of the company and its employees' efforts based on ordinary activities and the allocation of that wealth being created between employees, shareholders, government and that retained for the future creation of more wealth.

Five-Year Financial Summary

As at *in thousands of Nigerian Naira*	**31 December 2018**	**31 December 2017**	**31 December 2016**	**31 December 2015**	**31 December 2014**
Cash and short-term deposit	2,559 ,899	4,177 ,568	4,666 ,989	8,182 ,146	6,009 ,749
Investment securities	17 ,492 ,120	17 ,009 ,887	11 ,252 ,950	8,625 ,170	11 ,981 ,003
Trade and other receivables	875 ,056	329 ,177	410 ,531	251 ,458	204 ,079
Inventory	3,432	16 ,578	15 ,710	16 ,131	22 ,223
Property and equipment	210 ,975	223 ,683	202 ,269	157 ,001	151 ,714
Intangible asset	71 ,471	176 ,614	273 ,231	409 ,027	481 ,806
Deferred tax assets	58 ,797	-	-	51 ,168	56 ,853
Total assets	21 ,271 ,750	21 ,933 ,507	16 ,821 ,680	17 ,692 ,101	18 ,907 ,427
Liabilities					
Customers' deposits	10 ,122 ,131	10 ,792 ,264	11 ,742 ,697	12 ,541 ,134	13 ,747 ,537
Creditors and accruals	63 ,104	330 ,913	382 ,031	534 ,470	370 ,572
Interest bearing borrowing	2,042 ,439	3,612 ,328	-	-	-
Income tax payable	447 ,487	224 ,407	144 ,856	41 ,529	263 ,236
Deferred tax liabilities	-	34 ,110	1,322	-	-
Total liabilities	12 ,675 ,161	14 ,994 ,022	12 ,270 ,906	13 ,117 ,133	14 ,381 ,345
Total net assets	8,596 ,589	6,939 ,485	4,550 ,774	4,574 ,968	4,526 ,082
Share capital	1,000 ,000	1,000 ,000	1,000 ,000	1,000 ,000	1,000 ,000
Share premium	624 ,446	624 ,446	624 ,446	624 ,446	624 ,446
Fair value reserves	1,043 ,202	428 ,387	(845 ,546)	(662 ,179)	(303 ,128)
Retained earnings	5,928 ,941	4,886 ,652	3,771 ,874	3,612 ,701	3,204 ,764
Shareholders' funds	8,596 ,589	6,939 ,485	4,550 ,774	4,574 ,968	4,526 ,082
Revenue	4,485 ,567	3,315 ,816	2,447 ,717	2,575 ,616	2,256 ,691
Operating expenses	(1,723 ,538)	(1,165 ,794)	(1,001 ,781)	(946 ,255)	(956 ,309)
Profit before tax	2,394 ,739	2,066 ,894	1,445 ,936	1,629 ,361	1,300 ,382
Profit after tax	1,952 ,900	1,714 ,778	1,019 ,173	1,447 ,937	1,218 ,367
Earnings per share	98	86	51	72	61

Earnings per share is computed on the profit after taxation and the shareholders fund on the basis of the number of shares issued as at the statement of financial position date.

A scene from a presentation by staff on Unity in diversity during Africa Day celebration in May 2018.

Best Dressed Male Staff, Mr. Babatunde Oyeniyi (left); and Best Dressed Female Staff, Mrs. Chinyere Okoro, during Africa Day celebration in May 2018.

l-r: Company Secretariat/Legal & Compliance Officer, Miss Rosemary Orji; Head, Business Development and Product Sales, Africa Prudential Plc, Mrs. Bridget Bayo-Ajayi; and Audit and Control Officer, Mrs. Aderonke Omotade during Africa Day celebration in May 2018.

Staff of the Company during a team-bonding outing in November 2018.

06

INVESTOR INFORMATION

Africa Prudential

PROXY FORM

I/We,...

Shareholder's Name:...

Address:...

....

No. of Shares held:...
being the registered holder's) of the ordinary shares of Africa Prudential Plc hereby appoint*

....

(block letters please)
or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Balmoral Hall, Federal Palace Hotel, Victoria Island, Lagos on Tuesday, March 26,2019oratanyadjournment thereof.

Dated this ____________ day of ____________ 2019 ____________

Shareholder's Signature: ________________________________

NOTE:

1. A member (shareholder) who is unable to attend an Annual GeneralMeeting is allowed to vote by proxy. This proxy form has been prepared to enable you exercise your vote if you cannot personally attend. This proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarial certified copy

there of must reach the Registrar, Africa Prudential Plc, 220B, Ikorodu Road, Palmgrove, Lagos,not later than 48 hours before the time of holding the meeting.

2. If executed by a corporation, the proxy form should be sealed with the common seal or under the hand of some officers or on attorney duly authorized.

3. In the case of joint holders, the signature of anyone of them will suffice, but the names of all joint holders should be shown.

4. Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked') the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.

5. This proxy will be used only in the event of poll being directed, or demanded.

6. It is a legal requirement that all instruments of proxy must bear appropriate stamp duty from the Stamp Duties Office, and not adhesive post age stamps.
Please indicate by marking "X" in the appropriate space, how you wish your votes to be cast on the resolutions set out here, unless otherwise instructed, the proxy will vote or abstain from voting at his or her discretion.

7. The proxy must produce the Admission form sent with the Report and Accounts to obtain entrance at the Meeting.

This proxy form is solicited on behalf of the Board of Directors and is to be used at the AnnualGeneralMeetingtobeheldonTuesday,March26, 2019.

RESOLUTIONS		FOR	AGAIN	ABSTAIN
ORDINARY BUSINESS				
1.	To lay before the Members, the Audited Financial Statements of the Company for the year ended December 31, 2018 together with the reports of the Directors, Auditors and the Audit Committee thereon;			
2.	To declare a Dividend;			
3.	To approve the appointment of a Director, Mr. Obong Idiong;			
4.	To re-elect two Directors retiring by rotation - 4.1. Mr. Emmanuel Nnorom 4.2. Mr. Samuel Nwanze			
5.	To authorize the Directors to fix the remuneration of the Auditors for the ensuing financial year;			
6.	To elect members of the Statutory Audit Committee			

This proxy form should NOT be completed and/or sent to the registered office of the Registrars if the member would be attending the meeting in person.

ADMISSION CARD

Before posting the above form, please tear off this part and retain for admission at the meeting,

AFRICA PRUDENTIAL PLC (RC 649007)

ANNUAL GENERAL MEETING

Please admit the shareholder named on this admission form or his/her duly appointed proxy to the Annual General Meeting of the Company to beheld at the Balmoral Hall, Federal Palace Hotel, Victoria Island, Lagos at 2.00p.m.on Tuesday, March 26, 2019.

Joseph Jibunoh, Esq.
Company Secretary/Legal Adviser

Please tick appropriate box before Admission at the meeting	O Proxy O Shareholder

Name and address of Shareholder: ________________________

Account number: ________________________

Number of shares held: ________________________

Shareholder's signature: ________________________

Thiscardistobesignedatthevenueinthepresenceof theRegistrar.

Affix Postage
Stamp

The Company Secretary
220b, Ikorodu Road,
Palmgrove,
Lagos

Africa Prudential

Affix
Recent Passport
Photograph

USE GUM ONLY
NO STAPLE PINS

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

E-DIVIDEND MANDATE ACTIVATION FORM

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

The Registrar
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

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

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male ☐ Female ☐

Surname/Company's Name First Name Other Name

Address

City State Country

Previous Address (if any)

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

DISCLAIMER
"In no event shall Africa Prudential Plc be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, inciden tal, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholdings

CLIENTELE	☑
1. AFRICA PRUDENTIAL PLC	☐
2. ABBEY MORTGAGE BANK PLC	☐
3. AFRILAND PROPERTIES PLC	☐
4. ALUMACO PLC	☐
5. A & G INSURANCE PLC	☐
6. A.R.M LIFE PLC	☐
7. ADAMAWA STATE GOVERNMENT BOND	☐
8. BECO PETROLEUM PRODUCTS PLC	☐
9. BUA GROUP	☐
10. BENUE STATE GOVERNMENT BOND	☐
11. CAP PLC	☐
12. CAPPA AND D'ALBERTO PLC	☐
13. CEMENT COY. OF NORTHERN NIG. PLC	☐
14. CSCS PLC	☐
15. CHAMPION BREWERIES PLC	☐
16. CWG PLC	☐
17. CORDROS MONEY MARKET FUND	☐
18. EBONYI STATE GOVERNMENT BOND	☐
19. GOLDEN CAPITAL PLC	☐
20. INFINITY TRUST MORTGAGE BANK PLC	☐
21. INVESTMENT & ALLIED ASSURANCE PLC	☐
22. JAIZ BANK PLC	☐
23. KADUNA STATE GOVERNMENT BOND	☐
24. LAGOS BUILDING INVESTMENT CO. PLC	☐
25. MED-VIEW AIRLINE PLC	☐
26. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*	☐
27. NEXANS KABLEMETAL NIG. PLC	☐
28. OMOLUABI MORTGAGE BANK PLC	☐
29. PERSONAL TRUST & SAVINGS LTD	☐
30. P.S MANDRIDES PLC	☐
31. PORTLAND PAINTS & PRODUCTS NIG. PLC	☐
32. PREMIER BREWERIES PLC	☐
33. RESORT SAVINGS & LOANS PLC	☐
34. ROADS NIGERIA PLC	☐
35. SCOA NIGERIA PLC	☐
36. TRANSCORP HOTELS PLC	☐
37. TRANSCORP PLC	☐
38. TOWER BOND	☐
39. THE LA CASERA CORPORATE BOND	☐
40. UACN PLC	☐
41. UNITED BANK FOR AFRICA PLC	☐
42. UNITED CAPITAL PLC	☐
43. UNITED CAPITAL BALANCED FUND	☐
44. UNITED CAPITAL BOND FUND	☐
45. UNITED CAPITAL EQUITY FUND	☐
46. UNITED CAPITAL MONEY MARKET FUND	☐
47. UNITED CAPITAL NIGERIAN EUROBOND FUND	☐
48. UNITED CAPITAL WEALTH FOR WOMEN FUND	☐
49. UNIC DIVERSIFIED HOLDINGS PLC	☐
50. UNIC INSURANCE PLC	☐
51. UAC PROPERTY DEVELOPMENT COMPANY PLC	☐
52. UTC NIGERIA PLC	☐
53. WEST AFRICAN GLASS IND PLC	☐

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 0813 984 0850-4
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2. Tel: 084-303457
E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential

E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME
2. *FIRST NAME
3. OTHER NAME
4. *GENDER M F
5. E-MAIL
6. ALTERNATE E-MAIL
7. *DATE OF BIRTH D D M M Y Y Y Y
8. *MOBILE (1) (2)
9. *ADDRESS
10. OLD ADDRESS *(if any)*
11. *NATIONALITY
12. *OCCUPATION
13. *NEXT OF KIN NAME MOBILE
14. *MOTHER'S MAIDEN NAME
15. BANK NAME
16. A/C NO.
17. A/C NAME
18. A/C OPENING DATE D D M M Y Y Y Y
19. BANK VERIFICATION NO. (BVN)
20. NAME OF STOCKBROKING FIRM
21. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

DISCLAIMER

"In no event shall Africa Prudential Plc be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. AFRICA PRUDENTIAL PLC
2. ABBEY MORTGAGE BANK PLC
3. AFRILAND PROPERTIES PLC
4. ALUMACO PLC
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9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
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18. EBONYI STATE GOVERNMENT BOND
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22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. MED-VIEW AIRLINE PLC
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31. PORTLAND PAINTS & PRODUCTS NIG. PLC
32. PREMIER BREWERIES PLC
33. RESORT SAVINGS & LOANS PLC
34. ROADS NIGERIA PLC
35. SCOA NIGERIA PLC
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37. TRANSCORP PLC
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40. UACN PLC
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E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Affix recent passport photograph

USE GUM ONLY
NO STAPLE PINS

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in ______ **"the company"**. I recognize this will invalidate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this/this company.

SECTION A:

SHAREHOLDER'S FULL NAMES: ______
Surname *First Name* *Middle Name*

ADDRESS: ______

GSM NUMBER: ______ **E-MAIL:** ______

GENER: Male ☐ Female ☐ **CSCS INVESTOR'S A/C NO.:** ______

CLEARING HOUSE NUMBER(CHN): C ______ **REGISTRAR'S ID NO (RIN):** ______

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ______ **BANK:** ______

BANK A/C NUMBER: ______ *Must be NUBAN* **BVN:** ______ *Must be confirmed by bank* **AGE OF A/C:** *DD* *MM* *YYYY* *Must be confirmed by bank*

Authorized Signature (1) *(and stamp of Stockbroker)*
Authorized Signature (2) *(and stamp of Stockbroker)*
Shareholder's Signature & Date
Shareholder's Signature & Date (2) *(if applicable)*
Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Dated this ____ day of ____, 20 ____

Name: ______

Signature: ______

Joint (2) (if applicable): ______

Joint (3) (if applicable): ______

Company Seal

In the Presence of:

Name: ______ **GSM NO:** ______

Address: ______ **Signature:** ______

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of ______ Plc/Ltd, we hereby agree jointly and severally to keep the company and /or the Registrar or other persons acting on their behalf fully indemnified against all actions, proceedings, Liabilities, claims, losses, damages, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments , losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom.

Authorised Signatory (1): ______ **Authorised Signatory (2):** ______

Company Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 0813 984 0850-4
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873
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E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential

e-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

*** = Compulsory fields**

1. *SURNAME/COMPANY NAME:
2. *FIRST NAME:
3. OTHER NAME:
4. *E-MAIL:
5. ALTERNATE E-MAIL:
6. *MOBILE NO.: 7. SEX: MALE FEMALE
8. ALTERNATE MOBILE NO.:
9. *POSTAL ADDRESS:
10. CSCS CLEARING HOUSE NO.: C
11. NAME OF STOCKBROKER:

DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

Signature: Signature: Company Seal *(if applicable)*

Joint/Company's Signatories

DISCLAIMER

"In no event shall Africa Prudential Plc be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholdings

CLIENTELE

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9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
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12. CAPPA AND D'ALBERTO PLC
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www.africaprudential.com