



**AFRICA PRUDENTIAL PLC**  
**Lagos, Nigeria**

**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

**AFRICA PRUDENTIAL PLC**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 SEPT 2019**

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## AFRICA PRUDENTIAL PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended in thousands of Nigerian Naira	Notes	3 Months	9 Months	3 Months	9 Months	Year
		Ended 30 Sept 2019	Ended 30 Sept 2019	Ended 30 Sept 2018	Ended 30 Sept 2018	End 31 Dec 2018
Revenue from contracts with customers	1	356,648	1,222,866	347,883	941,348	1,416,699
Interest income	2	532,657	1,672,795	771,126	2,348,540	3,068,868
<b>Gross earnings</b>		<b>889,305</b>	<b>2,895,661</b>	<b>1,119,009</b>	<b>3,289,888</b>	<b>4,485,567</b>
Other income	3	8,764	30,863	11,906	79,690	532,251
Credit loss expenses	4	-	-	-	-	(153,831)
Impairment on goodwill	16	-	-	(24,675)	(74,042)	(98,693)
Personnel expenses	5	(132,819)	(449,810)	(168,161)	(456,556)	(565,193)
Other operating expenses	6	(192,159)	(561,631)	(161,295)	(456,556)	(832,866)
Depreciation of property and equipment	15	(13,022)	(39,840)	(13,259)	(38,897)	(51,299)
Amortisation of intangible assets	16	(4,888)	(14,923)	(5,468)	(16,493)	(21,656)
<b>Profit before finance costs and tax</b>		<b>555,181</b>	<b>1,860,320</b>	<b>758,057</b>	<b>2,327,034</b>	<b>3,294,280</b>
Finance costs	7	-	(101,030)	(280,248)	(707,639)	(899,541)
<b>Profit before tax</b>		<b>555,181</b>	<b>1,759,290</b>	<b>477,809</b>	<b>1,619,395</b>	<b>2,394,739</b>
Income tax expense	8.1	(33,518)	(257,164)	(76,893)	(273,737)	(441,839)
<b>Profit after tax</b>		<b>521,663</b>	<b>1,502,126</b>	<b>400,916</b>	<b>1,345,658</b>	<b>1,952,900</b>
<b>Other comprehensive income</b>						
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</b>						
Fair value gain on available-for-sale instruments		-	-	-	-	-
Fair value gain on unquoted equity		-	-	-	-	-
<b>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):</b>						
Net (loss)/gain on quoted equity instruments at fair value through other comprehensive income	22	(1,328)	(49,411)	(19,238)	(52,434)	-
Net gain on unquoted equity instruments at fair value through other comprehensive income	22	-	-	-	-	614,815
<b>Total other comprehensive income for the period, net of tax</b>		<b>(1,328)</b>	<b>(49,411)</b>	<b>(19,238)</b>	<b>(52,434)</b>	<b>614,815</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>520,335</b>	<b>1,452,715</b>	<b>381,678</b>	<b>1,293,224</b>	<b>2,567,715</b>
Basic and diluted earnings per share (Kobo)	10	26	75	20	67	98

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

**AFRICA PRUDENTIAL PLC**

**STATEMENT OF FINANCIAL POSITION**

<i>As at Period end</i> <i>in thousands of Nigerian Naira</i>	Notes	30 Sept 2019	31 Dec 2018
<b>Assets</b>			
Cash and cash equivalents	11	2,498,453	2,559,899
Equity instruments at fair value through OCI	12.1	5,005,847	5,055,257
		12,064,750	12,436,863
Debt instruments at amortised cost	12.2		
Trade and other receivables	13	916,395	875,056
Inventory	14	2,575	3,432
		229,669	210,975
Property and equipment	15		
Intangible assets	16	56,548	71,471
Deferred tax assets	21	58,797	58,797
<b>Total assets</b>		<b>20,833,034</b>	<b>21,271,750</b>
<b>Liabilities</b>			
Customers' deposits	17	10,992,457	10,122,131
		532,806	63,104
Creditors and accruals	18		
Borrowings	19	-	2,042,439
Current income tax payable	20	258,467	447,487
<b>Total liabilities</b>		<b>11,783,730</b>	<b>12,675,161</b>
<b>Equity</b>			
Share capital	22	1,000,000	1,000,000
Share premium	22	624,446	624,446
Fair value reserve	22	993,791	1,043,202
Retained earnings	22	6,431,067	5,928,941
<b>Total equity</b>		<b>9,049,304</b>	<b>8,596,589</b>
<b>Total liabilities and equity</b>		<b>20,833,034</b>	<b>21,271,750</b>

The financial statements and accompanying notes to the financial statements were approved and authorised for issue by the Board of Directors on 21st Oct 2019 and were signed on its behalf by:

(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

## AFRICA PRUDENTIAL PLC

### STATEMENTS OF CHANGES IN EQUITY

<i>For the period ended</i>						
<i>in thousands of Nigerian Naira</i>	Note	Share capital	Share premium	Fair value reserve	Retained earnings	Total equity
<b>As at 1 January 2019</b>		1,000,000	624,446	1,043,202	5,928,941	<b>8,596,589</b>
Impact of adopting IFRS 9		-	-	-	-	-
		1,000,000	624,446	1,043,202	5,928,941	<b>8,596,589</b>
Profit for the period		-	-	-	1,502,126	<b>1,502,126</b>
Other comprehensive income for the period (net of tax)	22	-	-	(49,411)	-	<b>(49,411)</b>
<b>Total other comprehensive income for the period, net of tax</b>		-	-	(49,411)	1,502,126	<b>1,452,715</b>
<b>Transactions with owners of equity</b>						
Dividends declared and paid	9	-	-	-	(1,000,000)	<b>(1,000,000)</b>
<b>Total transactions with owners of equity</b>		-	-	-	(1,000,000)	<b>(1,000,000)</b>
<b>As at 30 Sept 2019</b>						
		<b>1,000,000</b>	<b>624,446</b>	<b>993,791</b>	<b>6,431,067</b>	<b>9,049,304</b>
<i>As at 1 January 2018</i>		1,000,000	624,446	428,387	4,886,652	6,939,485
<i>Impact of adopting IFRS 9</i>		-	-	-	-	-
		1,000,000	624,446	428,387	4,886,652	6,939,485
Profit for the year		-	-	-	1,345,658	1,345,658
Other comprehensive income for the year		-	-	(52,434)	-	(52,434)
Total other comprehensive income for the year, net of tax		-	-	(52,434)	1,345,658	1,293,224
<i>Transactions with owners of equity</i>						
Dividends declared and paid	9	-	-	-	(800,000)	(800,000)
Total transactions with owners of equity		-	-	-	(800,000)	(800,000)
<b>As at 30 Sept 2018</b>						
		<b>1,000,000</b>	<b>624,446</b>	<b>375,953</b>	<b>5,432,310</b>	<b>7,432,709</b>

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

# AFRICA PRUDENTIAL PLC

## STATEMENT OF CASH FLOWS

<i>For the Period ended in thousands of Nigerian Naira</i>	Notes	30 Sept 2019	31 Dec 2018
<b>Cash flows from operating activities</b>			
Profit before tax		1,759,290	2,394,739
<b>Adjustment to reconcile profit before tax to net cash flows</b>			
Depreciation	15	39,840	51,299
Amortization	16	14,923	21,656
Impairment on financial assets	4	-	153,831
Impairment on goodwill	16	-	98,693
Profit from disposal of plant and equipment	3	-	(4,388)
Inventory written off	6	-	12,632
Interest income	2	(1,672,795)	(3,068,868)
Finance costs	7	101,030	899,541
<b>Changes in working capital</b>			
Changes in inventories		857	514
Changes in trade and other receivables		26,990	630,550
Changes in customers' deposits		870,326	(670,133)
Changes in creditors and accruals		469,702	(317,039)
Changes in debt instruments at amortised cost		372,113	(114,048)
Interest received		1,287,690	1,696,494
Interest paid		(101,030)	(981,014)
Income tax paid	20	(129,409)	(84,303)
<b>Net cash from/(used in) operating activities</b>		<b>3,039,527</b>	<b>720,156</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	15	(58,534)	(38,591)
Proceeds from sale of plant and equipment		-	4,388
Purchase of intangible assets	16	-	(15,206)
<b>Net cash flows used in investing activities</b>		<b>(58,534)</b>	<b>(49,409)</b>
<b>Financing activities</b>			
Dividends paid	9	(1,000,000)	(800,000)
Proceeds from borrowings	19.1	-	1,989,475
Repayment of borrowings	19.1	(2,042,439)	(3,477,891)
<b>Net cash flows (used in)/from financing activities</b>		<b>(3,042,439)</b>	<b>(2,288,416)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(61,446)</b>	<b>(1,617,669)</b>
Cash and cash equivalents as at 1 January	11	2,559,899	4,177,568
<b>Cash and cash equivalents for the period ended</b>	<b>11</b>	<b>2,498,453</b>	<b>2,559,899</b>

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

## 1 Revenue from contracts with customers

## 1.1 Disaggregated revenue information

	3 Months Ended 30 Sept 2019	9 Months Ended 30 Sept 2019	3 Months Ended 30 Sept 2018	9 Months Ended 30 Sept 2018	Year End 31 Dec 2018
<i>in thousands of Nigerian Naira</i>					
<b>Types of services</b>					
Retainership fees	252,198	715,256	163,748	398,115	760,657
Fees from corporate actions	75,107	301,533	122,798	350,310	409,691
Register maintenance	23,329	123,972	47,747	175,466	201,158
Digital Technology	4,355	78,092	10,178	10,636	18,833
Other fees	1,659	4,013	3,412	6,821	26,360
	<b>356,648</b>	<b>1,222,866</b>	<b>347,883</b>	<b>941,348</b>	<b>1,416,699</b>
<b>Geographical markets</b>					
Nigeria	356,648	1,222,866	347,883	941,348	1,416,699
<b>Timing of revenue recognition</b>					
Services transferred over time	356,648	1,222,866	347,883	941,348	1,416,699

## 1.2 Contract balances

<i>As at</i>	30 Sept 2019	31 Dec 2018
<i>in thousands of Nigerian Naira</i>		
Trade receivable	397,493	150,381

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

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.

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.

## 1.3 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.

## Digital Technology

The performance obligation is satisfied through provision of a cooperative solution that documents the financial and administrative transactions of the Cooperative business. An access fee and a yearly subscription based on the number of lives on the platform

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

2	<b>Interest income</b>	<b>3 Months Ended 30 Sept 2019</b>	<b>9 Months Ended 30 Sept 2019</b>	<b>3 Months Ended 30 Sept 2018</b>	<b>9 Months Ended 30 Sept 2018</b>	<b>Year End 31 Dec 2018</b>
	<i>in thousands of Nigerian Naira</i>					
	Interest on short-term deposits	11,762	27,732	186,769	560,750	49,877
	Interest on loans and advances	404,734	1,269,983	353,238	918,537	1,918,370
	Interest on treasury bills	116,161	370,450	226,636	851,737	1,078,472
	Interest on bonds	-	4,630	4,483	17,516	22,149
		<b>532,657</b>	<b>1,672,795</b>	<b>771,126</b>	<b>2,348,540</b>	<b>3,068,868</b>
3	<b>Other income</b>					
	Withholding tax credit notes recovered	-	-	-	-	439,958
	Dividend income	5,311	22,572	7,037	23,463	23,463
	Interest income earned on staff loans	-	-	-	-	3,181
	Profit from disposal of plant and equipment	-	-	-	-	4,388
	Others	3,453	8,291	4,869	56,227	61,261
		<b>8,764</b>	<b>30,863</b>	<b>11,906</b>	<b>79,690</b>	<b>532,251</b>
4	<b>Credit loss expenses</b>				<b>30 Sept 2019</b>	<b>31 Dec 2018</b>
	<i>in thousands of Nigerian Naira</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>		
	<b>2018</b>					
	Cash in banks and short-term deposits	-	-	-	-	351
	<b>Debt instruments at amortised cost:</b>					
	Treasury bills	-	-	-	-	(12)
	State government bonds	-	-	-	-	(37)
	Loans and advances	-	-	-	-	139,059
	Deposits with banks with maturity above 90day	-	-	-	-	(1,475)
		-	-	-	-	137,535
	Trade and other receivables	-	-	-	-	15,945
		-	-	-	-	<b>153,831</b>
5	<b>Personnel expenses</b>	<b>3 Months Ended 30 Sept 2019</b>	<b>9 Months Ended 30 Sept 2019</b>	<b>3 Months Ended 30 Sept 2018</b>	<b>9 Months Ended 30 Sept 2018</b>	<b>Year End 31 Dec 2018</b>
	<i>in thousands of Nigerian Naira</i>					
	Wages and salaries	123,332	416,150	79,345	249,268	522,031
	Defined contribution plans	4,441	12,263	3,158	8,389	11,879
	Medical expenses	4,408	12,609	6,264	13,567	16,848
	Other employee benefits	638	8,788	79,394	185,332	14,435
		<b>132,819</b>	<b>449,810</b>	<b>168,161</b>	<b>456,556</b>	<b>565,193</b>

## AFRICA PRUDENTIAL PLC

## NOTES TO THE FINANCIAL STATEMENTS - Continued

6	<b>Other operating expenses</b>	<b>3 Months Ended 30 Sept 2019</b>	<b>9 Months Ended 30 Sept 2019</b>	<b>3 Months Ended 30 Sept 2018</b>	<b>9 Months Ended 30 Sept 2018</b>	<b>Year End 31 Dec 2018</b>
	<i>in thousands of Nigerian Naira</i>					
	Consultancy	57,945	175,112	38,504	108,777	249,148
	Business and other entertainment	15,991	40,512	9,796	27,459	87,298
	Directors fees and other emoluments	20,618	67,552	22,459	58,836	47,750
	AGM/EGM expenses	4,127	16,127	18,078	57,636	72,593
	Internet and communication	17,457	74,392	8,579	35,585	65,713
	Advert and business promotion	3,493	12,062	6,647	18,577	49,338
	Corporate social responsibility	15,965	26,608	12,401	28,937	41,338
	Rent & Utilities	8,630	28,836	7,210	21,823	31,049
	Repairs and maintenance	8,227	18,089	5,026	16,510	24,150
	General administrative expenses	-	-	8,990	24,755	58,821
	Bank charges	4,057	7,970	4,419	10,144	20,328
	Travel expenses	15,836	34,092	3,963	10,800	19,766
	Annual dues and subscription	5,992	14,035	3,680	9,087	17,417
	Inventory written off	-	-	-	-	12,632
	Training	7,849	29,947	5,060	9,090	11,114
	Audit fees	4,125	7,875	2,625	7,875	10,000
	Insurance	790	4,514	2,075	5,508	8,116
	Legal and professional expenses	1,057	3,909	1,783	5,157	6,295
		<b>192,159</b>	<b>561,631</b>	<b>161,295</b>	<b>456,556</b>	<b>832,866</b>

## 7 Finance costs

	Interest on borrowings	-	101,030	280,248	707,639	899,541
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## 8 Income tax expense

The major components of income tax expense for the period ended

8.1	<b>Income tax expense</b>	<b>3 Months Ended 30 Sept 2019</b>	<b>9 Months Ended 30 Sept 2019</b>	<b>3 Months Ended 30 Sept 2018</b>	<b>9 Months Ended 30 Sept 2018</b>	<b>Year End 31 Dec 2018</b>
	<i>in thousands of Nigerian Naira</i>					
	Current income tax expense					
	Income tax	31,434	184,842	72,087	218,004	413,955
	Education tax	2,085	12,323	4,806	14,534	32,229
	Under provision in prior years	-	60,000	-	41,199	41,199
		<b>33,518</b>	<b>257,164</b>	<b>76,893</b>	<b>273,737</b>	<b>487,383</b>
	<b>Deferred tax:</b>					
	Tax impact of temporary differences	-	-	-	-	(45,544)
		<b>33,518</b>	<b>257,164</b>	<b>76,893</b>	<b>273,737</b>	<b>441,839</b>

## 8.2 Reconciliation of income tax expense

	Profit before income tax expense	555,181	1,759,290	477,809	1,619,395	2,394,739
	Tax at Nigeria's statutory income tax rate of 30 <sup>1</sup>	166,554	527,787	143,343	485,819	718,422
	<b>Effect of:</b>					
	Tax exempt income	(88,538)	(244,236)	(82,684)	(265,704)	(392,019)
	Non-deductible expenses in determining taxable profit	-	-	-	-	42,009
	Prior year under provision	-	60,000	-	41,199	41,199
	Tax effect of temporary differences	-	-	-	-	-
	Education tax @ 2% of assessable profit	2,085	12,323	4,806	14,534	32,229
	<b>Total tax charged for the period ended</b>	<b>33,518</b>	<b>257,164</b>	<b>76,893</b>	<b>273,737</b>	<b>441,839</b>

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NOTES TO THE FINANCIAL STATEMENTS - Continued

9 Dividends paid and proposed	30 Sept	31 Dec
<i>in thousands of Nigerian Naira</i>	2019	2018
<b>Declared and paid during the year</b>		
Equity dividends on ordinary shares:		
Final dividend paid in 2019: ₦0.50 (2018: ₦0.40)	1,000,000	800,000
<b>Total dividend paid</b>	<b>1,000,000</b>	<b>800,000</b>

10 Earnings per share

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

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

<i>in thousands of Nigerian Naira</i>	3 Months Ended 30 Sept 2019	9 Months Ended 30 Sept 2019	3 Months Ended 30 Sept 2018	9 Months Ended 30 Sept 2018	Year End 31 Dec 2018
Profit after tax	521,663	1,502,126	400,916	1,345,658	1,952,900
Weighted average number of ordinary shares for basic/diluted earnings per share	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Basic/diluted earnings per ordinary share (Kobo)</b>	<b>26</b>	<b>75</b>	<b>20</b>	<b>67</b>	<b>98</b>

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

11 Cash and cash equivalents

<i>As at</i>	30 Sept	31 Dec
<i>in thousands of Nigerian Naira</i>	2019	2018
Cash on hand	160	9
Current accounts with banks	308,095	409,271
Short-term deposits	2,190,198	2,152,853
	2,498,453	2,562,133
Allowance for credit loss impairment	-	(2,234)
	<b>2,498,453</b>	<b>2,559,899</b>

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.

## 12 Investment securities

<i>As at</i> <i>in thousands of Nigerian Naira</i>	<b>30 Sept</b> <b>2019</b>	<b>31 December</b> <b>2018</b>
<b>12.1 Equity instruments at fair value through OCI</b>		
<i>Unquoted equity shares:</i>	4,783,134	4,791,202
Quoted equity shares	222,713	264,055
	<b>5,005,847</b>	<b>5,055,257</b>
<b>12.2 Debt instruments at amortised cost</b>		
Treasury bills	3,232,149	5,964,094
State government bonds	-	69,425
Loans and advances	4,531,180	6,063,539
Deposits with banks with maturity above 90days	4,595,047	633,431
	12,358,376	12,730,489
<i>Allowance for credit impairment</i>	(293,626)	(293,626)
	<b>12,064,750</b>	<b>12,436,863</b>

## 12.21 Impairment allowance for debt instruments measured at amortised cost

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

<i>in thousands of Nigerian Naira</i>	Stage 1	Stage 2	Stage 3	Total
<b>Performing</b>				
High grade	3,232,149	-	-	3,232,149
Standard grade	9,126,227	-	-	9,126,227
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
<b>Non-performing</b>				
Individually impaired	-	-	-	-
	<b>12,358,376</b>	<b>-</b>	<b>-</b>	<b>12,358,376</b>

**Credit analysis as at 31 December 2018**

<i>in thousands of Nigerian Naira</i>	Bonds	Treasury bills	Loans & advances	Deposit with banks	Total
<b>Performing</b>					
High grade	-	5,964,094	-	-	5,964,094
Standard grade	69,425	-	6,063,539	633,431	6,766,395
Sub-standard grade	-	-	-	-	-
Past due but not impaired	-	-	-	-	-
<b>Non-performing</b>					
Individually impaired	-	-	-	-	-
	<b>69,425</b>	<b>5,964,094</b>	<b>6,063,539</b>	<b>633,431</b>	<b>12,730,489</b>

## 13 Trade and other receivables

As at <i>in thousands of Nigerian Naira</i>	30 Sept 2019	31 Dec 2018
<b>Financial assets</b>		
Trade debtors	418,435	171,323
Cash advances	389	-
<b>Non-financial assets</b>		
Withholding tax receivables	190,574	588,381
Prepaid directors emolument	48,848	45,000
Prepayments	279,091	91,294
	937,337	895,998
Allowances for expected credit losses	(20,942)	(20,942)
<b>At Period end</b>	<b>916,395</b>	<b>875,056</b>

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.

## 13.1 Allowances for expected credit losses on trade receivables

As at <i>in thousands of Nigerian Naira</i>	30 Sept 2019	31 December 2018
At 1 January	20,942	10,705
Addition/(reversal) of allowance for expected credit losses	-	10,237
	<b>20,942</b>	<b>20,942</b>

## 14 Inventory

Printing and computer stationaries	2,575	3,432
	<b>2,575</b>	<b>3,432</b>

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.

15 **Property and equipment**

<i>in thousands of Nigerian Naira</i>	<b>Building</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Furniture, fitting &amp; equipment</b>	<b>Total</b>
<i>Cost:</i>					
At 1 January 2018	97,892	96,144	109,378	157,141	<b>460,555</b>
Additions during the year	-	26,476	-	12,115	<b>38,591</b>
Disposal	-	(5,126)	(34,922)	(3,197)	<b>(43,245)</b>
At 31 December 2018	97,892	117,494	74,456	166,059	<b>455,901</b>
Additions during the period	2,165	13,567	460	42,342	<b>58,534</b>
Disposal	-	-	-	-	<b>-</b>
<b>At Period end</b>	<b>100,057</b>	<b>131,061</b>	<b>74,916</b>	<b>208,401</b>	<b>514,435</b>
<i>Accumulated depreciation:</i>					
At 1 January 2018	12,108	74,407	55,768	94,589	<b>236,872</b>
Charge for the year	2,447	13,794	13,996	21,062	<b>51,299</b>
Disposal	-	(5,126)	(34,922)	(3,197)	<b>(43,245)</b>
At 31 December 2018	14,555	83,075	34,842	112,454	<b>244,926</b>
Charge for the period	1,867	9,238	9,602	19,133	<b>39,840</b>
<b>At Period end</b>	<b>16,422</b>	<b>92,313</b>	<b>44,444</b>	<b>131,587</b>	<b>284,766</b>
<i>Carrying amount</i>					
<b>At 30 Sept 2019</b>	<b>83,635</b>	<b>38,748</b>	<b>30,472</b>	<b>76,814</b>	<b>229,669</b>
<b>At 31 December 2018</b>	<b>83,337</b>	<b>34,419</b>	<b>39,614</b>	<b>53,605</b>	<b>210,975</b>

- i No leased assets are included in the above property and equipment (2018: Nil).
- ii There were no capital commitment contracted or authorised as at the reporting date (2018: Nil).
- iii There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (2018: Nil).
- iv None of the assets are pledged during the year (2018: Nil).

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NOTES TO THE FINANCIAL STATEMENTS - Continued

16 Intangible assets

<i>in thousands of Nigerian Naira</i>	Computer software	Goodwill	Total
<b>Cost:</b>			
At 1 January 2018	116,053	397,493	513,546
Additions during the year	15,206	-	15,206
At 31 December 2018	131,259	397,493	528,752
Additions during the period	-	-	-
<b>At end of Period</b>	<b>131,259</b>	<b>397,493</b>	<b>528,752</b>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2018	38,132	298,800	336,932
Charge for the year	21,656	98,693	120,349
At 31 December 2018	59,788	397,493	457,281
Charge for the period	14,923	-	14,923
<b>At Period end</b>	<b>74,711</b>	<b>397,493</b>	<b>472,204</b>
<b>Carrying amount</b>			
<b>At 30 Sept 2019</b>	<b>56,548</b>	<b>-</b>	<b>56,548</b>
<b>At 31 December 2018</b>	<b>71,471</b>	<b>-</b>	<b>71,471</b>

17 Customers' deposits

<i>As at</i>	30 Sept 2019	31 Dec 2018
<i>in thousands of Nigerian Naira</i>		
Dividend: ordinary shares	10,448,955	9,302,705
Return money - public offers	391,464	441,464
Brokerage: ordinary shares	128,265	168,265
Bond Interest	929	165,853
Public offers	4,539	4,539
Interest: debentures	10,159	31,159
Redemption preference shares	3,002	3,002
Redemption debentures	5,144	5,144
	<b>10,992,457</b>	<b>10,122,131</b>

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

18 Creditors and accruals

<i>As at</i>	30 Sept 2019	31 Dec 2018
<i>in thousands of Nigerian Naira</i>		
Accounts payable	523,487	55,997
Accrued expenses	9,318	7,107
	<b>532,806</b>	<b>63,104</b>

*Terms and conditions of the above financial liabilities:*

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

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

19 Borrowings

As at <i>in thousands of Nigerian Naira</i>	Interest rate	Maturity	30 Sept 2019	31 Dec 2018
₦500,000,000 bank loan series ii	22%	09-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

19.1 **Movement of borrowing**

Opening balance		2,042,439	3,612,328
Additions during the period		-	1,989,475
Repayments during the period		(2,042,439)	(3,477,891)
Interest accrued during the period		101,030	899,541
Interest paid during the period		(101,030)	(981,014)
		(0)	2,042,439

The bank loans were settled fully in March 2019

20 Current income tax payable

As at <i>in thousands of Nigerian Naira</i>	30 Sept 2019	31 Dec 2018
<b>At the beginning of the year:</b>	447,487	224,407
<b>Current income tax charge</b>		
Company income tax	184,842	413,955
Education tax	12,323	32,229
Under provision in prior years	60,000	41,199
	257,164	487,383
<b>Payments during the year</b>		
Withholding tax credit utilised	(316,775)	(180,000)
Payments during the period	(129,409)	(84,303)
	(446,184)	(264,303)
<b>Balance at the end of the period</b>	<b>258,467</b>	<b>447,487</b>

The charge for income tax in these financial statement is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended and the Education Tax Act CAP E4 LFN 2004 and the Nigerian Information technology Development Agency (NITDA) Act 2007.

21 Deferred tax (asset)/liabilities

As at <i>in thousands of Nigerian Naira</i>	30 Sept 2019	31 Dec 2018
At the beginning of the year:	(58,797)	34,110
2017 Deferred tax impact of IFRS 9	-	(47,363)
Tax (income)/expense during the period recognised in profit or loss	-	(45,544)
<b>Balance at the end of the year</b>	<b>(58,797)</b>	<b>(58,797)</b>

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

<i>in thousands of Nigerian Naira</i>	Opening balance	Recognised in profit/(loss)	Closing balance
<b>30-Sep-19</b>			
Property, equipment and software	36,647	-	36,647
2017 Deferred tax impact of IFRS 9	(47,363)	-	(47,363)
Provisions	(6,701)	-	(6,701)
Expected credit losses	(41,380)	-	(41,380)
	(58,797)	-	(58,797)
<b>31 December 2018</b>			
Property, equipment and software	35,709	938	36,647
2017 Deferred tax impact of IFRS 9	(47,363)	-	(47,363)
Provisions	(1,599)	(5,102)	(6,701)
Expected credit losses	-	(41,380)	(41,380)
	(13,253)	(45,544)	(58,797)

**22 Share capital and reserve**

<i>As at</i>	30 Sept 2019	31 Dec 2018
<i>in thousands of Nigerian Naira</i>		
<b>i Authorised share capital</b>		
Two billion ordinary shares of 50k each	1,000,000	1,000,000
<b>ii Issued and fully paid:</b>		
Two billion ordinary shares of 50k each	1,000,000	1,000,000
<b>iii Share premium</b>		
At Period end	624,446	624,446
<b>iv Fair value reserve</b>		
At the beginning of the year:	1,043,202	428,387
Fair value loss on quoted equity	(49,411)	-
Fair value gain on unquoted equity	-	614,815
	993,791	1,043,202
<b>v Retained earnings</b>		
At the beginning of the year:	5,928,941	4,886,652
Impact of adopting IFRS 9	-	(110,611)
Dividends declared and paid	(1,000,000)	(800,000)
Profit for the period	1,502,126	1,952,900
	6,431,067	5,928,941