

AFRICA PRUDENTIAL PLC
Lagos, Nigeria
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

AFRICA PRUDENTIAL PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2020

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AFRICA PRUDENTIAL PLC

CORPORATE INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2020

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

AFRICA PRUDENTIAL PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the period ended March 31, 2020
in thousands of Nigerian Naira*

	Notes	31 March 2020	31 March 2019	31 December 2019
Revenue from contracts with customers	1.1	131,567	273,861	1,502,241
Interest income	2	611,799	595,508	2,399,861
Gross earnings		743,366	869,369	3,902,102
Other income	3	2,891	2,839	56,035
Credit loss reversal/(expenses)	4	-	-	245,991
Personnel expenses	5	(158,105)	(155,146)	(624,567)
Other operating expenses	6	(152,195)	(145,188)	(1,002,055)
Depreciation of property and equipment	14	(13,983)	(12,038)	(52,746)
Depreciation of right of use assets	15.1	(3,265)	-	(11,044)
Amortisation of intangible assets	16	(5,256)	(5,083)	(20,095)
Profit before finance costs and tax		413,453	554,753	2,493,621
Finance costs calculated based on effective interest rate	7	-	(101,030)	(104,167)
Profit before income tax expense		413,453	453,723	2,389,454
Income tax expense	8.1	(71,645)	(72,189)	(708,425)
Profit after tax		341,808	381,534	1,681,029
Other comprehensive income				
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Net (loss)/gain on quoted equity instruments at fair value through other comprehensive income		(57,093)	(8,250)	
Net (loss)/gain on unquoted equity instruments at fair value through other comprehensive income		-		(1,063,930)
Revaluation gain on building (net of tax)		-		70,596
Total other comprehensive (loss)/income for the year, net of tax		(57,093)	(8,250)	(993,334)
Total comprehensive income for the year, net of tax		284,715	373,284	687,695
Basic and diluted earnings per share (Kobo)	10	17	19	84

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

AFRICA PRUDENTIAL PLC

STATEMENT OF FINANCIAL POSITION

For the period ended March 31, 2020
in thousands of Nigerian Naira

	Notes	31 March 2020	31 December 2019
Assets			
Cash and cash equivalents	11	2,263,911	1,622,185
Equity instruments at fair value through OCI	12.1	186,235	243,328
Debt instruments at amortised cost	12.2	14,801,389	15,982,783
Trade and other receivables	13	458,779	412,582
Inventory	14	-	-
Property and equipment	14	315,811	314,854
Right-of-use-assets	15.1	11,460	14,725
Intangible assets	16	55,555	58,876
Deferred tax assets	21	-	-
Total assets		18,093,140	18,649,333
Liabilities			
Customers' deposits	17	8,735,018	9,644,466
Creditors and accruals	18	29,034	32,139
Lease liabilities	15.2	12,292	12,292
Borrowings	19	-	-
Current income tax payable	20	705,941	634,296
Deferred tax liabilities	21	41,856	41,856
Total liabilities		9,524,141	10,365,049
Equity			
Share capital	22	1,000,000	1,000,000
Share premium	22	624,446	624,446
Revaluation reserve	22	70,596	70,596
Fair value reserve	22	(77,821)	(20,728)
Retained earnings	22	6,951,778	6,609,970
Total equity		8,568,999	8,284,284
Total liabilities and equity		18,093,140	18,649,333

The financial statements and accompanying notes to the financial statements were approved and authorised for issue by the Board of Directors on April 2020 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.

AFRICA PRUDENTIAL PLC

STATEMENT OF CHANGES IN EQUITY

For the period ended March 31, 2020

<i>in thousands of Nigerian Naira</i>	Note	Share capital	Share premium	Revaluation reserve	Fair value reserve	Retained earnings	Total equity
As at 1 January 2020		1,000,000	624,446	70,596	(20,728)	6,609,970	8,284,284
Profit for the year		-	-	-	(57,093)	341,808	284,715
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-
Total other comprehensive income for the year, net of tax		-	-	-	(57,093)	341,808	284,715
Transactions with owners of equity							
Dividends declared	9	-	-	-	-	-	-
Total transactions with owners of equity		-	-	-	-	-	-
As at 31 March 2020		1,000,000	624,446	70,596	(77,821)	6,951,778	8,568,999
As at 1 January 2019		1,000,000	624,446	-	1,043,202	5,928,941	8,596,589
Profit for the year		-	-	-	-	381,534	381,534
Other comprehensive income for the year (net of tax)		-	-	-	(8,250)	-	(8,250)
Total other comprehensive income for the year, net of tax		-	-	-	(8,250)	381,534	373,284
Transactions with owners of equity							
Dividends declared	9	-	-	-	-	(1,000,000)	(1,000,000)
Total transactions with owners of equity		-	-	-	-	(1,000,000)	(1,000,000)
As at 31 March 2019		1,000,000	624,446	-	1,034,952	5,310,475	7,969,873
As at 1 January 2019		1,000,000	624,446	-	1,043,202	5,928,941	8,596,589
Profit for the year		-	-	-	-	1,681,029	1,681,029
Other comprehensive income for the year (net of tax)		-	-	70,596	(1,063,930)	-	(993,334)
Total other comprehensive income for the year, net of tax		-	-	70,596	(1,063,930)	1,681,029	687,695
Transactions with owners of equity							
Dividends declared	0	-	-	-	-	(1,000,000)	(1,000,000)
Total transactions with owners of equity		-	-	-	-	(1,000,000)	(1,000,000)
As at 31 December 2019		1,000,000	624,446	70,596	(20,728)	6,609,970	8,284,284

AFRICA PRUDENTIAL PLC

STATEMENT OF CASH FLOWS

For the period ended March 31, 2020
in thousands of Nigerian Naira

	Notes	31 March 2020	31 December 2019
Cash flows from operating activities			
Profit before income tax expense		413,453	2,389,454
Adjustment to reconcile profit before tax to net cash flows			
Depreciation of property and equipment	14	13,983	52,746
Amortization of intangible assets	16	5,256	20,095
Depreciation of right-of-use asset	15.1	3,265	11,044
Impairment (reversal)/charge on financial assets	4	-	(245,991)
Loss/(profit) from disposal of plant and equipment	6	-	3,486
Inventory written off	6	-	3,432
Interest income	2	(611,799)	(2,399,861)
Dividend income	3	-	(22,572)
Finance costs	7	-	101,030
Changes in working capital			
Changes in trade and other receivables		(46,197)	(290,081)
Changes in customers' deposits		(909,448)	(477,665)
Changes in creditors and accruals		(3,105)	(30,965)
Changes in debt instruments at amortised cost		1,443,632	(3,284,247)
Interest received		349,997	2,819,697
Interest paid	19.1	-	(101,030)
Income tax paid	20	-	(134,443)
Net cash (used in)/from operating activities		659,037	(1,585,871)
Cash flows from investing activities			
Purchase of property and equipment	14	(15,376)	(63,774)
Proceeds from sale of plant and equipment		-	4,515
Purchase of intangible assets	16	(1,935)	(7,500)
Return of investment in equity instruments		-	3,748,000
Dividend received	3	-	22,572
Net cash flows from/(used in) investing activities		(17,311)	3,703,813
Financing activities			
Dividends paid	9	-	(1,000,000)
Repayment of borrowings	19.1	-	(2,042,439)
Payment of principal portion of lease liabilities		-	(13,217)
Net cash flows (used in)/from financing activities		-	(3,055,656)
Net decrease in cash and cash equivalents		641,726	(937,714)
Cash and cash equivalents as at 1 January	11	1,622,185	2,559,899
Cash and cash equivalents as at 31 December	11	2,263,911	1,622,185

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

1.1 **AFRICA PRUDENTIAL PLC**
Revenue from contracts with customers

1.2 **NOTES TO THE FINANCIAL STATEMENTS - Continued**
Disaggregated revenue information

<i>in thousands of Nigerian Naira</i>	31 March 2020	31 March 2019	31 December 2019
Types of services			
Retainership fees	-	116,500	922,461
Fees from corporate actions	15,331	111,544	333,734
Register maintenance	38,236	38,547	188,020
Digital Consultancy	78,000	7,270	58,026
	131,567	273,861	1,502,241
Geographical markets			
Nigeria	131,567	273,861	1,502,241
Timing of revenue recognition			
Services transferred over time	131,567	273,861	1,502,241

1.3 **Contract balances**

<i>As at in thousands of Nigerian Naira</i>	31 March 2020	31 December 2019
Trade receivables	57,607	39,038
Contract liabilities	-	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. ₦39,295,000 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 (2019: 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.

1.4 **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 Consultancy

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

2 **Interest income**

<i>in thousands of Nigerian Naira</i>	31 March 2020	31 March 2019	31 December 2019
Interest on loans and advances	541,875	441,382	1,923,104
Interest on treasury bills	69,562	150,680	437,372
Interest on short-term deposits	362	1,181	34,754
Interest on bonds	-	2,265	4,631
	611,799	595,508	2,399,861

3 **AFRICA PRUDENTIAL PLC**
Other income

NOTES TO THE FINANCIAL STATEMENTS - Continued
in thousands of Nigerian Naira

Notes

31 March **31 March** **31 December**
2020 **2019** **2019**

Dividend income		-	-	22,572
Interest income earned on staff loans		-	-	4,550
Others		2,891	2,839	28,913
		2,891	2,839	56,035

4 **Credit loss reversal/(expenses)**

2019

Cash in banks and short-term deposits	(2,106)	-	-	(2,106)
Debt instruments at amortised cost:				
Treasury bills	1,887	-	-	1,887
State government bonds	-	-	-	-
Loans and advances	-	(274,628)	-	(274,628)
Deposits with banks with maturity above 90 days	10,503	-	-	10,503
	12,390	(274,628)	-	(262,238)
Trade and other receivables	13.1	18,353	-	18,353
		28,637	(274,628)	(245,991)

5 **Personnel expenses**

in thousands of Nigerian Naira

31 March **31 March** **31 December**
2020 **2019** **2019**

Wages and salaries		147,425	144,753	573,346
Defined contribution plans		4,168	3,602	16,525
Medical expenses		4,663	3,753	25,994
Other employee benefits		1,849	3,038	8,702
		158,105	155,146	624,567

6 **AFRICA PRUDENTIAL PLC**
Other operating expenses

NOTES TO THE FINANCIAL STATEMENTS - Continued
in thousands of Nigerian Naira

Notes

31 March **31 March** **31 December**
2020 **2019** **2019**

Professional fees		54,608	42,670	277,893
Back-duty assessment of VAT		-	-	133,913
Internet and communication		23,914	15,584	100,894
Business and other entertainment		8,846	10,237	70,929
Advert and business promotion		2,077	3,050	52,896
Travel expenses		13,070	7,787	52,179
Directors fees and other emoluments		19,649	15,546	50,850
Corporate social responsibility		-	4,134	47,895
General administrative expenses		-	10,963	42,206
Rent & Utilities		11,464	11,256	32,525
Training		3,377	2,892	29,947
Repairs and maintenance		9,830	5,929	24,174
Annual dues and subscription		1,887	3,571	19,797
AGM/EGM expenses		-	6,000	16,127
Legal and professional expenses		447	996	14,246
Bank charges		764	717	11,858
Audit fees		833	2,625	10,000
Insurance		1,428	1,231	6,808
Loss on disposal of fixed assets		-	-	3,486
Inventory written off		-	-	3,432
		152,195	145,188	1,002,055

7 **Finance costs calculated based on effective interest rate**

Interest on borrowings	19.1	-	101,030	101,030
Finance charges on lease liability	15.3	-	-	3,137
		-	101,030	104,167

8 **Income tax expense**

The major components of income tax expense for the period ended

8.1 **Income tax expense**

<i>in thousands of Nigerian Naira</i>	31 March	31 March	31 December
	2020	2019	2019
Current income tax expense			
Income tax	67,167	48,927	592,104
Education tax	4,478	3,262	40,793
Capital gains tax	-	-	95
Under-provision in prior years	-	20,000	5,034
	71,645	72,189	638,026
Deferred tax:			
Tax impact of temporary differences	-	-	70,399
	71,645	72,189	708,425

8.2 **Reconciliation of income tax expense**

Profit before income tax expense	413,453	453,723	2,389,454
Tax at Nigeria's statutory income tax rate of 30%	124,036	136,117	716,836
Effect of:			
Tax exempt income	(56,869)	(87,190)	(94,507)
Non-deductible expenses in determining taxable profit	-	-	40,174
Prior year under-provision	-	20,000	5,034
Capital gains tax	-	-	95
Education tax @ 2% of assessable profit	4,478	3,262	40,793
Total tax charged for the year	71,645	72,189	708,425

9 **AFRICA PRUDENTIAL PLC**
Dividends paid and proposed

NOTES TO THE FINANCIAL STATEMENTS - Continued

31 March

31 December

in thousands of Nigerian Naira

2020

2019

Declared and paid during the year

Equity dividends on ordinary shares:

Final dividend paid in 2020: ₦0.00 (2019: ₦0.50)

-

1,000,000

Total dividend paid

-

1,000,000

Proposed for approval at AGM (not recognised as a liability as equity dividends on ordinary shares at 31 December)

-

1,400,000

Proposed dividend for 2019: ₦0.70

-

1,400,000

10 **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:

<i>in thousands of Nigerian Naira</i>	31 March 2020	31 March 2019	31 December 2019
Net profit	341,808	381,534	1,681,029
Weighted average number of ordinary shares for basic/diluted earnings per share	2,000,000	2,000,000	2,000,000
Basic/diluted earnings per ordinary share (Kobo)	17	19	84

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**

As at

in thousands of Nigerian Naira

Notes

**31 March
2020**

**31 December
2019**

Cash on hand		160	30
Current accounts with banks		445,051	230,729
Short-term deposits		1,818,830	1,391,556
		2,264,040	1,622,315
Allowance for credit loss impairment	16.1b	(130)	(130)
		2,263,911	1,622,185

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 **AFRICA PRUDENTIAL PLC**
Investment securities

NOTES TO THE FINANCIAL STATEMENTS - Continued

As at
in thousands of Nigerian Naira

Notes

31 March
2020

31 December
2019

12.1 **Equity instruments at fair value through OCI**

Quoted equity shares		186,235	243,328
		186,235	243,328

Unquoted equity shares:

At the beginning of the year:		(0)	-
Return of investment		(3,748,000)	(3,748,000)
Fair value reserve through OCI		3,748,000	3,748,000
At the period		-	-

12.2 **Debt instruments at amortised cost**

Treasury bills		1,969,283	1,899,721
State government bonds		-	-
Loans and advances		4,871,902	4,711,589
Deposits with banks with maturity above 90days		7,991,592	9,402,861
		14,832,777	16,014,171
<i>Impairment allowance for debt instruments at amortised cost</i>	12.3	(31,388)	(31,388)
		14,801,389	15,982,783

AFRICA PRUDENTIAL PLC

13 NOTES TO THE FINANCIAL STATEMENTS - Continued
Trade and other receivables

As at <i>in thousands of Nigerian Naira</i>	Notes	31 March 2020	31 December 2019
Financial assets			
Trade debtors		96,903	78,333
Non-financial assets			
Withholding tax receivables		237,629	232,189
Prepaid directors emolument		54,833	36,875
Prepayments		108,710	104,480
		498,075	451,877
Allowances for expected credit losses on trade receivables	13.1	(39,295)	(39,295)
At period end		458,779	412,582

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>	Notes	31 March 2020	31 December 2019
At 1 January		39,295	20,942
Allowance for expected credit losses	4	-	18,353
		39,295	39,295

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

14 Property and equipment

<i>in thousands of Nigerian Naira</i>	Buidling	Computer equipment	Motor vehicles	Furniture, fitting & equipment	Total
Cost:					
At 1 January 2019	97,892	117,495	74,456	166,059	455,902
Additions during the year	2,165	16,263	460	44,886	63,774
Revaluation	100,851	-	-	-	100,851
Disposal	-	(4,917)	(487)	(22,647)	(28,051)
At 31 December 2019	200,908	128,841	74,429	188,298	592,476
Additions during the year	-	4,292	-	11,084	15,376
Disposal	-	(435)	-	-	(435)
As at 31 March 2020	200,908	132,698	74,429	199,382	607,417
Accumulated depreciation:					
At 1 January 2019	14,555	83,075	34,842	112,454	244,926
Charge during the year	2,493	11,929	12,783	25,541	52,746
Disposal	-	(3,150)	(470)	(16,430)	(20,050)
At 31 December 2019	17,048	91,854	47,155	121,565	277,622
Charge for the period	1,256	3,206	2,943	6,578	13,983
As at 31 March 2020	18,304	95,060	50,098	128,143	291,605
Carrying amount					
At 31 March 2020	182,604	37,638	24,331	71,238	315,811
At 31 December 2019	183,860	36,987	27,274	66,733	314,854

- i No leased assets are included in the above property and equipment (2019: Nil).
- ii There were no capital commitment contracted or authorised as at the reporting date (2019: Nil).
- iii There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (2019: Nil).
- iv None of the assets are pledged during the year (2019: Nil).

v

The Company elected to change the method of accounting for the building on Ikorodu Road classified as property, plant and equipment, as the Company believes that the revaluation model provides more relevant information to the users of its financial statements as it is more aligned to practices adopted by its competitors. In addition, available valuation techniques provide reliable estimates of the office buildings' fair value. The Company applied the revaluation model prospectively due to "impracticable exemption in IAS 16".

vi

The Company's building on Ikorodu Road was professionally valued on 12 November 2019 by Emma Ezeama & Co Estate Surveyors and Valuers (FRC/2013/NIESV/00000638). The valuation which was based on open market value between a willing buyer and a willing seller produced a surplus amount of ₦100,385,000 which has been credited to the property, plant and equipment revaluation account. As a result of the valuation, the revised value of the building as at 31 December 2019 was ₦183,860,000. A net gain from the revaluation of the building of ₦70,596,000 in 2019 was recognised in OCI.

15 NOTES TO THE FINANCIAL STATEMENTS - Continued
Lease**Company as a lessee**

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

The Company also has certain leases of office building with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

15.1 Right-of-use-assets

<i>in thousands of Nigerian Naira</i>	Office buidling
Cost	
As at 1 January 2020	25,769
Adjustment on transition to IFRS 16	-
At period end	<u>25,769</u>
Accumulated depeciation	
As at 1 January 2020	11,044
Charged for the year	<u>3,265</u>
At period end	<u>14,309</u>
Carrying amount	
At 31 March 2020	<u>11,460</u>
At 31 December 2019	<u>14,725</u>

16 **AFRICA PRUDENTIAL PLC**
Intangible assets

NOTES TO THE FINANCIAL STATEMENTS - Continued

<i>in thousands of Nigerian Naira</i>	Computer software		Total
Cost:			
At 1 January 2019	131,259	-	131,259
Additions during the year	7,500	-	7,500
At 31 December 2019	138,759	-	138,759
Additions during the period	1,935	-	1,935
At 31 March 2020	140,694	-	140,694
Accumulated amortisation and impairment			
At 1 January 2019	59,788	-	59,788
Amortisation charge for the year	20,095	-	20,095
Impairment charge for the year	-	-	-
At 31 December 2019	79,883	-	79,883
Amortisation charge for the period	5,256	-	5,256
At 31 March 2020	85,139	-	85,139
Carrying amount			
At 31 March 2020	55,555	-	55,555
At 31 December 2019	58,876	-	58,876

17 **Customers' deposits**

<i>As at</i> <i>in thousands of Nigerian Naira</i>	31 March 2020	31 December 2019
Dividend: ordinary shares	8,328,316	9,127,764
Return money - public offers	195,291	295,291
Brokerage: ordinary shares	168,659	178,659
Public offers	4,558	4,558
Interest: debentures	6,392	6,392
Redemption debentures	31,802	31,802
	8,735,018	9,644,466

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

17.1 **Movement in customer deposit**

Opening Balance	9,644,466	10,122,131
Amount received during the year	1,001,062	74,219,667
Amount paid out during the year	(1,910,510)	(74,697,332)
	8,735,018	9,644,466

18 **Creditors and accruals**

<i>As at</i> <i>in thousands of Nigerian Naira</i>	31 March 2020	31 December 2019
Accounts payable	29,034	21,289
Accrued expenses	-	10,850
	29,034	32,139

Terms and conditions of the above financial liabilities:

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

19 **AFRICA PRUDENTIAL PLC**
Borrowings

NOTES TO THE FINANCIAL STATEMENTS - Continued

As at <i>in thousands of Nigerian Naira</i>	Interest rate per annum	Maturity	31 March 2020	31 December 2019
₦3,500,000,000 bank loan series i	22%	31-Oct-19	-	-
₦500,000,000 bank loan series ii	22%	9-Nov-19	-	-
₦750,000,000 bank loan series iii	22%	24-Jan-20	-	-
₦750,000,000 bank loan series iv	22%	25-Mar-20	-	-
			-	-

19.1 **Movement of borrowing**

Opening balance	-	2,042,439
Additions during the period	-	-
Repayments during the period	-	(2,042,439)
Interest accrued during the period	-	101,030
Interest paid during the period	-	(101,030)
	-	-

20 **Current income tax payable**

As at <i>in thousands of Nigerian Naira</i>	Notes	31 March 2020	31 December 2019
At the beginning of the year:		634,296	447,487
Current income tax charge			
Company income tax		67,167	592,104
Education tax		4,478	40,793
Capital gains tax		-	95
Under provision in prior years		-	5,034
	8.1	71,645	638,026
Payments during the year			
Withholding tax credit utilised		-	(316,774)
Payments during the year		-	(134,443)
		-	(451,217)
Balance at period end		705,941	634,296

The charge for income tax in these financial statements 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 liabilities/(assets)**

As at <i>in thousands of Nigerian Naira</i>	31 March 2020	31 December 2019
At the beginning of the year:	41,856	(58,797)
Tax (income)/expense during the year recognised in profit or loss	-	74,936
Impact of IFRS 16 Leases	-	(4,537)
Deferred tax on revaluation of building	-	30,254
Balance at period end	41,856	41,856

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

22 Share capital and reserves

As at <i>in thousands of Nigerian Naira</i>	31 March 2020	31 December 2019
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	(20,728)	1,043,202
Fair value loss on quoted equity	(57,093)	(20,728)
Fair value gain on unquoted equity	-	-
Return of investment	-	(1,043,202)
	(77,821)	(20,728)
v Retained earnings		
At the beginning of the year	6,609,970	5,928,941
Impact of adopting IFRS 9	-	-
Dividends declared and paid	-	(1,000,000)
Profit for the year	341,808	1,681,029
	6,951,778	6,609,970
vi Revaluation reserve		
At the beginning of the year:	70,596	-
Revaluation surplus on building	-	100,850
Tax on revaluation surplus	-	(30,254)
	70,596	70,596