AFRICA PRUDENTIAL PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Lagos, Nigeria

AFRICA PRUDENTIAL PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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CORPORATE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2021

Chairman	Chief (Mrs.) Eniola Fadayomi FIOD MFR	
Directors	Mr. Obong Idiong	Managing Director
	Mr. Samuel Nwanze	Non-Executive Director
	Mr. Peter Elumelu	Non-Executive Director
	Mr. Peter Ashade	Non-Executive Director
	Mr. Emmanuel Nnorom	Non-Executive Director
	Mrs. Fumbi Chima	Independent Non-Executive Director
	Mrs. Zubaida Mahey Rasheed	Independent Non-Executive Director
Registered Office	220b, Ikorodu Road Palmgrove, Lagos	
Company Secretary	Joseph Jibunoh FRC/2018/NBA/00000017719 Africa Prudential Plc 220b, Ikorodu Road Palmgrove Lagos	
Auditor	Ernst & Young UBA House, 10th and 13th Floors 57 Marina, Lagos	
Bankers	United Bank for Africa Plc UBA House; 57, Marina, Lagos Island, Lagos.	
	JAIZ Bank Plc Kano House; 73, Ralph Shodeinde Street, Central Business District, Garki Abuja.	
	Stanbic IBTC Plc 220, Herbert Macaulay Way, Yaba, Lagos.	
RC No.	649007	

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors are pleased to present their report on the affairs of the Company, together with the Audited Financial Statements for the year ended December 31, 2021.

LEGAL FORM AND PRINCIPAL ACTIVITIES

Africa Prudential Plc was originally incorporated as UBA Registrars Ltd on March 23, 2006. The Company subsequently changed its name to Africa Prudential Registrars Plc on August 10, 2011, and was listed on the Nigerian Exchange (NGX) in January 2013. To expand its business portfolio, the Company acquired UAC Registrars Ltd in June 2013.

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

Africa Prudential Plc primarily carries on the business of registrar and investor relation service in accordance with its Memorandum and Articles of Association. As part of its business diversification strategy, it has expanded its business activities to provision of digital solutions for businesses. Its flagship digital solutions product known as EasyCoop is a unique software, which is aimed at aiding the administration of Cooperative Societies in Nigeria and other digital business solutions.

The Company's competency in digital technology covers advanced Agile and other Software Development Life Circle (SDLC) Methodologies, Biometrics management, Cyber Security, Cloud Computing, Design thinking / Product Development Labs, Blockchain technology, among others. The Company deploys Platform as a Service (PaaS) and Software as a Service (SaaS) which are scalable for various sizes of organizations.

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:

	2021	2020
Gross earnings	3,521,254	3,508,133
Operating expenses	(1,578,232)	(1,560,824)
Profit before income tax expense	2,006,071	1,980,142
Income tax expenses	(591,404)	(534,113)
Profit after tax	1,414,667	1,446,029
Proposed Dividend	1,000,000	1,000,000

in thousands of Nigerian Naira	2021	2020
Proposed Dividend	1,000,000	1,000,000
Retained Profit at the end of the year	414,667	446,029

DIRECTORS

Record of Directors' Attendance at Meetings

Pursuant to Section 284(2) of the Companies and Allied Matters Act, 2020, the records of Director's attendance at Board meetings during the year under review will be available for inspection at the Annual General Meeting.

Board Composition

As of 31 December, 2021, the Company had 8 Directors all of whom held office in the year under review. Their biographies are contained in the Annual Report and are incorporated into this Report by reference. The appointment, removal or re-appointment of Directors is governed by the Company's Articles of Association, the Companies and Allied Matters Act, 2020 as well as relevant Board and governance policies. Also, these documents set out the rights and obligations of the Directors.

Directors Interests in Contracts

None of the Directors has notified the Company, for the purpose of Section 303 of the Companies and Allied Matters Act, 2020, of any declarable interest in Contracts in which the Company is involved.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021- Continued

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 301 and 302 of the Companies and Allied Matters Act, 2020 and the Listing Requirements of the Nigerian Exchange were as follows:

NAME	31 December 2021		31 December 2020	
	DIRECT	INDIRECT	DIRECT	INDIRECT
Chief (Mrs) Eniola Fadayomi	4,006,060	Nil	4,006,060	Nil
Mr. Peter Ashade	2,703,864	Nil	2,703,864	Nil
Mr. Samuel Nwanze	83,009	Nil	83,009	Nil
Mr. Peter Elumelu	13,891	Nil	13,891	Nil
Mr. Emmanuel Nnorom	Nil	10,558,865	Nil	10,558,865
Mrs. Zubaida Mahey Rasheed	Nil	Nil	Nil	Nil
Mrs. Funmibi Chima	Nil	Nil	Nil	Nil
Mr. Obong Idiong	3,796,848		3,796,848	Nil

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

S/N	NAME	COMPANY	INDIRECT HOLDINGS	TOTAL INDIRECT HOLDINGS
1	MR EMMANUEL NNOROM	VINES FOOD LTD	10,558,865	10,558,865

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 N1,000,000,000 (One Billion Naira) divided into 2,000,000,000 ordinary shares of N0.50k each.

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

PARTICULARS OF SHAREHOLDER	NUMBER OF SHARES	%
INTERNATIONAL EQUITY CAPITAL	519,000,000	26%

SHAREHOLDING ANALYSIS

S/N	Holder Type	Holder Count	Holdings
1	CORPORATE	5,297	1,259,073,330
	FOREIGN	98	14,742,230
2	GOVERNMENT	18	2,241,273
3	INDIVIDUAL	253,087	710,390,052
4	INSTITUTION	167	1,634,791
5	JOINT	611	10,447,429
6	PENSION	10	1,470,895
TOTAL		259,288	2,000,000,000

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021- Continued

ANALYSIS OF SHAREHOLDINGS

The details of shareholding of the Company as at 31 December 2021 is as stated below;

SHAREHOLDING RANGE ANALYSIS AS AT DECEMBER 31, 2021

Headline			Shareholders			Holdings		
Range			No. of Holders	Holders %	Holders Cumulated	Units	Unit %	Units Cumulated
1	_	1,000	227,909	87.9	227,909	43,612,654	2.18	43,612,654
1,001	_	5,000	22,102	8.52	250,011	47,150,554	2.36	90,763,208
5,001	_	10,000	3,634	1.4	253,645	26,206,048	1.31	116,969,256
10,001	_	50,000	3,703	1.43	257,348	82,810,294	4.14	199,779,550
50,001	_	100,000	735	0.28	258,083	55,432,193	2.77	255,211,743
100,001	_	500,000	858	0.33	258,941	178,941,743	8.95	434,153,486
500,001		1,000,000	146	0.06	259,087	108,194,510	5.41	542,347,996
1,000,001		Above	201	0.08	259,288	1,457,652,004	72.88	2,000,000,000
			259,288	100		2,000,000,000	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, the Code of Corporate Governance issued by the Financial Reporting Council of Nigeria 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 Exchange (NGX) in January 2018 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 NGX.

BOARD EVALUATION

To ensure effectiveness of the Board and the Directors, a Board evaluation was undertaken covering the period of the financial year under review by an independent Corporate Governance consulting firm. The performance of the Board, Board Committees and individual directors were adjudged satisfactory and necessary feedback was communicated to individual directors arising from the exercise.

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.

ACQUISITION OF OWN SHARES

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021- Continued

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 responsibilities. 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. Applications by disabled persons are always fully considered bearing in mind the respective 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, 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 Pensions Reform Act 2014.

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 dedicated channels of communication.

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

EVENTS AFTER REPORTING DATE

There were no events after reporting date which could have a material effect on the financial position of the Company as at 31 December 2021 and results attributable to equity holders.

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.

FORMAT

The financial statements of Africa Prudential Plc have been prepared in accordance with the reporting and presentation requirements of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, 2020. The Directors consider that the format adopted is the most suitable for the Company.

RESOLUTION

A resolution will be proposed at the Annual General Meeting to empower the Directors to fix their remuneration.

AUDITORS

The Auditors, Messrs. Ernst & Young having indicated their willingness, will continue in office as the Company's Auditors in accordance with Section 401 of the Companies and Allied Matters Act, 2020.

By order of the Board

Joseph Jibunoh
FRC/2018/NBA/00000017719

Company Secretary
220B Ikorodu Road, Palmgrove
Lagos

Date:

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

Africa Prudential Plc (“Afriprud”) has in place an effective governance mechanism that ensures proper oversight of its business by the Directors and other principal organs of the Company. As a public quoted Company, Afriprud recognises that adherence to the highest standards of corporate governance is a manifest demonstration of commitment to foster good governance practices, that will, in turn lead to increase levels of transparency, trust and integrity, and create an enabling environment for sustainable business operations.

During the 2021 financial year, the Company adhered to the principles and value creating propositions enshrined in the Codes of Corporate Governance of the Securities and Exchange Commission, the Financial Reporting Council of Nigeria, its Board Governance 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 of December 2021, the Board comprised of a Non-Executive Chairman, an Executive Managing Director/CEO and six other Non-Executive Directors, two of whom are Independent Non-Executive Directors. 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 usually contribute actively at Board meetings.

1.4 Board Changes

During the year under review, Mrs Zubaida Mahey Rasheed was appointed to the Board as an Independent Non – Executive Director and her appointment was duly approved by the Securities and Exchange Commission. Mrs. Rasheed, an Economist, is a distinguished technocrat with global strategic corporate management expertise acquired from years of work in both public and private sectors organizations. As an Independent Non – Executive Director, her appointment to the Board, brings a high degree of objectivity for sustainable stakeholder trust and confidence. Conversely, Mrs. Ammuna Lawan - Ali, who served on the Board as an Independent Non – Executive Director, retired from the Board on April 7, 2021, after expiration of her statutory tenure of 9 years.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2021-Continued

1.5 Statutory Disclosure Of Age

In line with Section 278 (1) of the Companies and Allied Matters Act, 2020, which requires, a Director of a public company to disclose his or her age upon attainment of the age of 70, at the Annual General Meeting, it is hereby disclosed that, the Chairman of the Board of Directors, and a Non – Executive Director, Chief (Mrs) Eniola Fadayomi will attain the age of 71 years on March 12, 2022.

1.6 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 & reports are usually given prior to convening such meetings. In 2021 , the Board continued with its adoption of the use of an electronic portal for the notification of Board and Board Committee meetings and circulation of meeting papers.

In addition to the Board meetings held during the year under review, the Board continued its tradition of fostering symbiotic interaction with Management for cross fertilization of ideas by holding two sessions of Board and Management Strategy review in August and December 2021 respectively, where the Management presented to the Board, in detail, its strategic and tactical plans for achieving the short - medium - and long- terms goals set by the Board for the Company,

1.7 Board Meeting Attendance

KEY:

P	Present
AWA	Absent with Apology
NA	Not applicable

A total of five (5) Board Meetings were held in the 2021 Financial Year. The table below shows Directors' attendance at the meetings.

Members	18/2/2021	22/4/2021	22/7/2021	22/10/2021	7/12/2021
1. Chief (Mrs) Eniola Fadayomi	P	P	P	P	P
2. Mr. Obong Idiong	P	P	P	P	P
3. Mr. Peter Ashade	P	P	P	P	P
4. Mrs. Ammuna Lawan Ali*	P	NA	NA	NA	NA
5. Mrs Zubaida Mahey Rasheed **	NA	P	P	P	P
6. Mr. Samuel Nwanze	P	P	P	P	P
7. Mr. Emmanuel Nnorom	P	P	P	P	P
8. Mrs. Funmibi Chima	P	P	P	P	P
9. Mr. Peter Elumelu	P	P	P	P	P

Notes

*Mrs. Ammuna Lawan Ali retired from the Board on April 7, 2021.

**Mrs. Zubaida Mahey Rasheed was appointed to the Board on February 24, 2021.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2021-Continued

1.8 Board Committees

1.8.1 Board Audit & Governance Committee

The Board Audit & Governance Committee is responsible for ensuring that an effective system of internal and financial control is in place and 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. Mr. Emmanuel Nnorom	Member/Non-Executive Director
4. Mrs Zubaida Mahey Rasheed	Member/Independent 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 four (4) times in the year under review. The table below shows Directors' attendance at the meetings.

Members	10.02.2021	08.04.2021	13.07.2021	13.10.2021
1. Mr. Peter Elumelu	P	P	P	P
2. Mr. Samuel Nwanze	P	P	P	P
3. Mr. Emmanuel Nnorom	P	P	P	P
4. Mrs Zubaida Mahey Rasheed*	NA	P	P	P

Notes

*Mrs Zubaida Mahey Rasheed was appointed to the Board on February 24, 2021.

1.8.2 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. Peter Elumelu	Member/ Non-Executive Director
3. Mr. Emmanuel Nnorom	Member/ Non-Executive Director
4. Mr. Peter Ashade	Member/ Non-Executive Director
5. Mrs Funmibi Chima	Member/ Independent Non-Executive Director
6. Mr. Obong Idiong	Member/ Managing Director

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2021-Continued

Members	10.02.2021	08.04.2021	13.07.2021	13.10.2021
1. Mr.Samuel Nwanze	P	P	P	P
2. Mr. Peter Elumelu	P	P	P	P
3. Mr. Emmanuel Nnorom	P	P	P	P
4. Mr. Peter Ashade	P	P	P	P
5. Mrs Funmibi Chima	P	P	P	P
6. Mr. Obong Idiong	P	P	P	P

1.8.3 Board Product and Projects Committee

The Board Product and 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 digital product innovation and development. The aim is to drive the Company's technology innovations and quality standards by providing strategic insights and direction for Management where appropriate.

The Committee is currently constituted as follows:

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

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

Members	10.02.2021	08.04.2021	13.07.2021	13.10.2021
1. Mr. Peter Ashade	P	P	P	P
2. Mr. Peter Elumelu	P	P	P	P
3. Mr. Emmanuel Nnorom	P	P	P	P
4. Mr. Samuel Nwanze	P	P	P	P
5. Mrs Funmibi Chima	P	P	P	P
6. Mr. Obong Idiong	P	P	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 2020 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 made up of five (5) members made up of Three (3) ordinary shareholders and Two (2) Non-Executive Directors. During the year under review, the Committee was constituted as follows:

1. Mr. Frank Chikezie	Chairman/shareholder
2. Mr. Tajudeen Adeshina	Shareholder
3. Alhaji Kabiru Tambari	Shareholder
4. Mr. Peter Elumelu	Non- Executive Director
5. Mrs Zubaida Mahey Rasheed	Independent non- Executive Director

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2021-Continued

Members	10.02.2021	08.04.2021	22.07.2021	22.10.2021
Mr. Frank Chikezie	P	P	P	P
Mr. Tajudeen Adeshina	P	P	P	P
Alhaji Kabiru Tambari	P	P	P	P
Mr. Peter Elumelu	P	P	P	P
Mrs Zubaida Mahey Rasheed	NA	P	P	P

3. Accountability, Audit and Control

3.1 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 obligation under the Code of Corporate Governance.

Ernst & Young acted as external auditors to the Company during the 2021 financial year.

3.2 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 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 in deliberations. The Company Secretary is responsible for the induction of new Directors and the provision of on-going 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 Nigerian Code of Corporate Governance, the Companies and Allied Matters Act , the Rules and Regulations of The Nigerian Exchange Limited and the Company's Corporate Governance Policies.

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 among the Shareholders, the Management and the Board of the Company. The Company's General Meetings provide Shareholders the 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.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2021-Continued

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 Exchange Limited 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 Exchange Limited 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 Exchange Limited 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 Exchange Limited 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 Exchange Limited or the proposal is abandoned.

Africa Prudential Plc Complaint Management Policy

- In accordance with the Securities and Exchange Commission rules (SEC Rules) relating to Complaint Management Framework of the Nigerian Capital Market (The Framework) of February 16, 2015 and the Nigerian Exchange Limited directive, every listed company is required to establish a clearly defined Complaints Management 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 a Complaints Management 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:

Joseph Jibunoh
FRC/2018/NBA/00000017719

Africa Prudential Plc
220b, Ikorodu Road
Palmgrove
Lagos

Date:

Email: cxc@africaprudential.com
The policy is available on the Company's website (www.africaprudential.com)

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

At Africa Prudential we look at the world through a sustainability lens, it does not only help us to 'future proof' our value chain, but it also fuels our innovation and brand growth. Being a leading Registrar firm with the goal of advancing our diversification into Digital Technology and in full recognition of the importance of integrating sustainability principles to business strategy, we are committed to sustainable business development that meets the needs of the present without compromising the ability of the future generations to meet their own needs.

We do not fail to consider the impacts of our activities on our environment and ensure transparency about the risks and opportunities they face. We highly believe that the success of our company is linked with the sustenance and conservation of the communities we operate in, therefore we continue to work with our stakeholders to ensure that they understand and comply with relevant environmental protection laws and guidelines.

Environmental Sustainability

We understand our core duty is to ensure our products and business activities do not harm the environment, rather sustain and conserve our nature-given resources. To this end, we invested in the growth of trees and flowers in 2021 to not only beautify the environment but to join the world in reducing the exposure of our environment to climatic changes. As an organization, we have also discouraged the use of paper, plastic items and high energy-consuming electronic bulbs, because we understand the danger of these items on our environment.

In 2021, we continued in our usage of the EDMMS portal for crediting our shareholders' dividend; the shareholders through the USSD code, *4018# enjoyed the service of checking their outstanding dividends, shareholding balance, bank mandates, etc. from the comfort of their homes, workplaces or leisure. The steady and improved offering of these services has helped to reduce fuel use, carbon dioxide emission as well as increase human comfort

Employement and Labour Relations

At the heart of our successful company is our people, which is why we follow due process in employing and retaining the best brains for our business. Recruitment is carried out without prejudice and with respect for the human rights of all parties involved. We have in place a very well structured orientation programme for all new hires and we regularly engage and promote the continuous learning and development of our staff. We do not employ children and we ensure not to relate with any business in the use of child labour. We take pride in our uniform employment policy that applies to all staff regardless of sex, religion, ethnic origin and offering equal remuneration for men and women who are at the same level. We also reward our long-serving and dedicated employees who have worked with us for more than 5 years.

Health and Safety

The Company maintains its philosophy that occupational safety and health are vital to the dignity of work and this is why safety regulations are regularly updated with recent happenings and visitors of the company are well checked-in to prevent health and security calamities. We also conduct health and fitness checks on all employees to ensure they are in perfect health as human capital is vital to our sustainability. Furthermore, we have installed CCTV all around the office premises and engaged the use of mobile police officers and security personnel to guard people and properties in the office. The Company also undertakes fire drills every quarter to familiarize all staff with steps to take in the event of a fire outbreak.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

Community Support/Economic Empowerment

The Company contributes to the reduction of poverty in its operating environment, through its annual donations to the Tony Elumelu Foundation Entrepreneurial Scheme, which supports and empower entrepreneurial youths all over the Africa continent with seed grants.

Corporate Governance on environmental and social life

Corporate governance is concerned with holding the balance between economic and social goals as well as between individual and communal goals. We understand we do not only owe our shareholders' wealth creation, but we also owe our employees, suppliers, customers, government, and the community as a whole their interest. This is why we continue to strive to create a system of checks, balances, and incentives that will minimize and manage the conflicting interests between insiders and external stakeholders. In Africa Prudential Plc, the implementation of the Company's Sustainability Principles will continue to remain a work in progress. Thus, we would continually strive to ensure that the sustainability culture is indoctrinated in the Company, as we remain committed to operating our business in an economically viable, socially responsible and environmentally friendly manner.

2021 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 with donation of N39,604,000.
During the year under review, the Company's staff identified with the less privileged in its operating environment, by making voluntary contributions totaling N479,000, and applying the funds to buy foodstuff and provisions, which were donated to Bales Orphanage Home, Shomolu, Lagos State during the Christmas season.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with the provisions of Companies and Allied Matters Act (CAMA) 2020, 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 for the year ended 31 December 2021, 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 2020.

The Directors are of the opinion that the 2021 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.

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 this statement.

Signed on behalf of the Directors by:

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

Date:

Fadayomi

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

Date:

REPORT OF THE STATUTORY AUDIT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with the provisions of Sec 404 of the Companies and Allied Matters Act, 2020 we, the members of the Audit Committee of Africa Prudential Plc, having performed our statutory obligations under the Act, hereby report that:

(a) The accounting and reporting policies of the Company for the year ended 31st December 2021. are consistent with legal requirements and ethical practices;
(b)The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems;
(c)The scope and planning of the statutory independent audit for the year ended 31st December 2021 are satisfactory; and
(d)We have considered the independent auditors' post-audit report and Management responses thereon and are satisfied with the responses to our questions.

Frank Chikezie
Chairman, Audit Committee

Date:

Members of the Statutory Audit Committee are as follows;

Mr. Frank Chikezie	Chairman
Mr. Adeshina Tajudeen	Member
Mr. Kabiru Tambari	Member
Mr. Samuel Nwanze	Member
Mr. Peter Elumelui	Member
Mrs Zubaida Mahey Rasheed	Member

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

In line with the provision of section 405 of CAMA 2020, we the undersigned hereby certify the following with regards to the audited annual financial statements for the year ended 31 December 2021 that:

1.We have reviewed the audited financial statements and to the best of our knowledge:

i. the audited financial statements do not contain any untrue statement of material facts or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

ii. the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements;

2.We are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the companies, particularly during the period in which the audited financial statement report is being prepared;

3. We have evaluated the effectiveness of the Company's internal controls within 90 days before the date of audited financial statements, and certify that the Company's internal controls are effective as of that date;

4.We have disclosed to the Company's auditors and audit committee –

i.all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and

ii. any fraud whether or not, material that involves management or other employees who have a significant role in the Company's internal control.

5.There were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Obong Idiong
Managing Director
FRC/2013/NBA/00000004696

Anu Akindolire
Chief Financial Officer
FRC/2021/ICAN/00000024356

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA PRUDENTIAL PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Africa Prudential Plc ('the Company'), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 give a true and fair view of the financial position of Africa Prudential Plc as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards , the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA. 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, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA PRUDENTIAL PLC- Continued

Key Audit Matters- Continued

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Loss (ECL) assessment of debt instruments measured at amortised cost The impairment of debt instruments is considered to be a key audit matter because of the size of gross debt instruments (N10.9 billion, representing 69% of total assets) and also because of the high level of significant judgement applied in determining the timing and amount recognised. IFRS 9 expected credit loss (ECL) model requires significant judgement and complex assumptions in determining the impairment allowance of loans and advances. Key areas of judgement include: • Determination of the default definition in accordance with IFRS 9; • Assessment of significant increase in credit risk (SICR); • Incorporation of forward-looking macro-economic information into the ECL parameters and the probability weightings applied to the different scenarios; • Determination of the 12 month and Lifetime probability of default (PD) used in the ECL model; • Determination of the Exposure at Default (EAD); and • Estimation of the Loss Given Default (LGD). ECL assessment of debt instruments measured at amortised cost is disclosed in Notes 8 to the financial statements and note 2.6.4 of the summary of the significant accounting policies.	We performed the following procedures: - Reviewed the IFRS 9 ECL prepared by management for computation of ECL on financial assets 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 historical 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, 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. - To ensure conformity to IFRS 7- Financial Instruments: Disclosures, we reviewed the qualitative and quantitative disclosures for reasonableness.

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Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "AFRICA PRUDENTIAL PLC ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 Lagos, Nigeria", which includes the Report of the directors, Statement of corporate responsibility for the financial statements, Report of the statutory audit committee, Sustainability and corporate social responsibility report, Statement of directors' responsibilities in relation to the preparation of the financial statements, Five-year financial summary and Statement of value added as required by the Companies and Allied Matters Act 2020 and the Corporate governance report as required by Code of Corporate Governance issued by the Securities and Exchange Commission (SEC), which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's 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, 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.

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 2020 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.

Auditor's 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:

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA PRUDENTIAL PLC - Continued

Auditor's Responsibilities for the Audit of the Financial Statements- Continued

- 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 control 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 internal 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 auditor's 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 auditor's 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 internal 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, actions taken to eliminate threats or safeguards applied.

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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA PRUDENTIAL PLC - Continued

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, 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 of 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 2020 so as to give a true and fair view of the state of affairs and financial performance.

Adewuyi Adeyemo, FCA
FRC/2012/ICAN/00000000148
For Ernst & Young
Lagos, Nigeria.

36/ICAN 1171701

25 February 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December in thousands of Nigerian Naira	Notes	2021	2020
Revenue from contracts with customers	5	1,377,189	1,059,189
Interest income calculated using effective interest method	6	2,144,065	2,448,944
Gross earnings		3,521,254	3,508,133
Other income	7	96,728	32,398
Credit loss (expenses)/reversal	8	(27,063)	7,733
Personnel expenses	9	(624,676)	(625,065)
Other operating expenses	10	(878,009)	(858,089)
Depreciation of property and equipment	19	(47,212)	(53,641)
Depreciation of right of use assets	20	(5,154)	(5,691)
Amortisation of intangible assets	21	(28,335)	(24,029)
Profit before finance costs and tax		2,007,533	1,981,749
Finance costs	11	(1,462)	(1,607)
Profit before income tax expense		2,006,071	1,980,142
Income tax expense	12.1	(591,404)	(534,113)
Profit after tax		1,414,667	1,446,029
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Net (loss)/gain on quoted equity instruments at fair value through other comprehensive income		(13,530)	39,340
Total other comprehensive (loss)/income for the year, net of tax		(13,530)	39,340
Total comprehensive income for the year, net of tax		1,401,137	1,485,369
Basic and diluted earnings per share (Kobo)	14	71	72

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

AFRICA PRUDENTIAL PLC

STATEMENT OF FINANCIAL POSITION

As at 31 December in thousands of Nigerian Naira	Notes	31 December 2021	31 December 2020
Assets			
Cash and cash equivalents	15	866,192	1,005,752
Equity instruments at fair value through OCI	16.1	274,490	288,020
Debt instruments at amortised cost	16.2	10,902,922	13,014,137
Desposit for shares	13	2,770,000	2,770,000
Trade and other receivables	18	625,626	298,665
Property and equipment	19	256,739	282,575
Right-of-use-assets	20	6,872	7,586
Intangible assets	21	61,335	61,835
Total assets		15,764,176	17,728,570
Liabilities			
Customers' deposits	22	6,199,925	8,639,683
Creditors and accruals	23	104,857	86,574
Lease liabilities	20.1	6,519	7,198
Current income tax payable	24	629,429	579,083
Deferred tax liabilities	25	52,656	46,379
Total liabilities		6,993,386	9,358,917
Equity			
Share capital	26	1,000,000	1,000,000
Share premium	26	624,446	624,446
Fair value reserve	26	5,082	18,612
Retained earnings	26	7,070,666	6,655,999
Revaluation reserve	26	70,596	70,596
Total equity		8,770,790	8,369,653
Total liabilities and equity		15,764,176	17,728,570

The financial statements and accompanying notes to the financial statements were approved and authorised for issue by the Board of Directors on 21 February 2022 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

Anu Akindolire (Chief Financial Officer)
FRC/2021/ICAN/00000024356

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 year ended 31 December 2021

in thousands of Nigerian Naira	Note	Share capital	Share premium	Revaluation reserve	Fair value reserve	Retained earnings	Total equity
As at 1 January 2021		1,000,000	624,446	70,596	18,612	6,655,999	8,369,653
Profit for the year		-	-	-	-	1,414,667	1,414,667
Other comprehensive income for the year (net of tax)		-	-	-	(13,530)	-	(13,530)
Total other comprehensive income for the year, net of tax		-	-	-	(13,530)	1,414,667	1,401,137
Transactions with owners of equity							
Dividends declared	13	-	-	-	-	(1,000,000)	(1,000,000)
Total transactions with owners of equity		-	-	-	-	(1,000,000)	(1,000,000)
As at 31 December 2021		1,000,000	624,446	70,596	5,082	7,070,666	8,770,790
As at 1 January 2020		1,000,000	624,446	70,596	(20,728)	6,609,970	8,284,284
Profit for the year		-	-	-	-	1,446,029	1,446,029
Other comprehensive income for the year (net of tax)		-	-	-	39,340	-	39,340
Total other comprehensive income for the year, net of tax		-	-	-	39,340	1,446,029	1,485,369
Transactions with owners of equity							
Dividends declared	13	-	-	-	-	(1,400,000)	(1,400,000)
Total transactions with owners of equity		-	-	-	-	(1,400,000)	(1,400,000)
As at 31 December 2020		1,000,000	624,446	70,596	18,612	6,655,999	8,369,653

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 2021

in thousands of Nigerian Naira	Notes	2021	2020
Cash flows from operating activities			
Profit before income tax expense		2,006,071	1,980,142
Adjustment to reconcile profit before tax to net cash flows			
Depreciation of property and equipment	19	47,212	53,641
Amortization of intangible assets	21	28,335	24,029
Depreciation of right-of-use asset	20	5,154	5,691
Impairment charge/(reversal) on financial assets	8	27,063	(7,733)
Gain from disposal of plant and equipment	8,1	(175)	(6,273)
Interest income	6	(2,144,065)	(2,448,944)
Dividend income	7	(14,605)	(25,758)
Finance costs	11	1,462	1,607
Changes in working capital			
Changes in trade and other receivables		(464,849)	(535,599)
Changes in customers' deposits		(2,439,758)	(1,004,783)
Changes in creditors and accruals		18,283	54,435
Interest received		2,139,723	2,892,321
Interest paid	11	(1,462)	(1,607)
Income tax paid	24	(426,018)	(373,477)
Net cash (used in)/from operating activities		(1,217,629)	607,691
Cash flows from investing activities			
Purchase of plant and equipment	19	(21,957)	(24,708)
Proceeds from sale of plant and equipment		756	9,619
Purchase of intangible assets	21	(27,835)	(26,988)
Purchase of debt instruments at amortised cost	16.3	(6,687,811)	(8,335,294)
Disposal of debt instrument at amortised cost	16.3	8,800,989	11,302,582
Investment in deposit for shares	13	-	(2,770,000)
Dividend received	7	14,605	25,758
Net cash flows from investing activities		2,078,747	180,969
Financing activities			
Dividends paid	13	(1,000,000)	(1,400,000)
Payment of principal portion of lease liabilities	20	(679)	(5,094)
Net cash flows (used in) financing activities		(1,000,679)	(1,405,094)
Net decrease in cash and cash equivalents		(139,560)	(616,433)
Cash and cash equivalents as at 1 January	15	1,005,752	1,622,185
Cash and cash equivalents as at 31 December	15	866,192	1,005,752

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

1 Corporate information

Africa Prudential Plc. ("the Company") ,formerly UBA Registrars Ltd was incorporated as a private limited liability company on 23rd March 2006 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 office address is 220B, Ikorodu Road, Palmgrove, Lagos Nigeria. Africa Prudential Plc primarily carries on the business of registrar and investor relation service in accordance with its Memorandum and Articles of Association. As part of its business diversification strategy, it has expanded it business activities to provision of digital solutions for businesses. its flagship digital solutions product known as Easycoop is a unique softare, which is aimed at aiding the administartion of co-operative Societies in Nigeria and other digital business solution.

The company 's competency in digital technology covers advanced Agile and other Software Developmwnt life Circle (SDLC) Methodologies, Cyber Security, Cloud Computing, Design thinking / product Development Labs, Blockchain technology, among others. The Company deploys Software as a Service (SaaS) which are scalable for various sizes of organisations.

2 Significant accounting policies

2.1 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.

2.2 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, with the exception of the items reflected at fair value.

2.3 Statement of Compliance

The financial Statement 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. The financial statement comply with the relevant requirements of the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

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.

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 after the reporting date (no more than 12 months) and more than 12 months after the reporting date (more than 12 months) is presented in the respective notes.

2.4 Financial period

These financial statements cover the financial year from 1 January to 31 December 2021, with comparative figures for the financial year from 1 January to 31 December 2020.

2.5 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

2.6 Summary of significant accounting policies

2.6.1 Revenue from contracts with customers

The Company is in the business of rendering technology and share registration services to both public and private companies. Our platforms and tools help drive business productivity, business competitiveness, and public-sector efficiency. 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.

2.6 Summary of significant accounting policies - continued

2.6.1 Revenue from contracts with customers - continued
Revenue from contracts with customers include

Technology (Digital applications) Fees:- The company generate revenue by offering a wide range of digital products to people and businesses; licensing an array of software products; designing, development and selling and delivering relevant solutions/applications to support our clients. Certain services, depend on a significant level of integration, interdependency, and interrelation between the applications and are accounted for together as one performance obligation. Revenue is recognized over the period in which the services are provided

Registrar (Share Registration) fees:- which comprise fixed periodic administration 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 accrue.

2.6.2 Taxes

Income tax expense

Income tax expense comprises current 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 be utilised. 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 settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.6.3 Cash and cash equivalents
Cash and cash equivalents 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.

2.6.4 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, at fair value and 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 Company'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.

2.6.4 Financial instruments – initial recognition and subsequent measurement-continued

i) Financial assets- continued

Initial recognition and measurement of financial assets-continued

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:

• Financial assets at amortised cost (debt instruments)
• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
• 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:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
• 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 cash equlvalents, trade and other receivables, debit instruments such as treasury bills, and loans to staff, government bonds, and placements with banks.

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 Company benefits from such proceeds as a 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:

• The rights to receive cash flows from the asset have expired

Or

• 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' arrangement; 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

2.6.4 Financial instruments – initial recognition and subsequent measurement-continued

i) Financial assets- continued

Derecognition of financial assets-continued

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.

The Company considers a 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 customers' deposits.

Subsequent measurement of financial liabilities

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

Customers' deposit

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

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 profit or loss.

2.6.4 Financial instruments – initial recognition and subsequent measurement-continued

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 a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.6.6 Property and equipment

Recognition and measurement

Items of property and equipment (except building) 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.

Building is measured at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed at least once in every 3 years or when a major improvement is carried out to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case, the increase is recognised in the profit or loss. A revaluation deficit is recognized in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

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 pattern 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-current Assets Held for Sale and Discontinued Operations. Land is not depreciated.

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

Buildings	40 years
Computer equipment	5 years
Furniture, fittings and equipment	5 years
Motor vehicles	5 years

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.

2.6.7 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.

2.6.9 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 to a 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.

2.6.10 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office building	2 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2.6.11 Share capital and reserves

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

2.6.12 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.

2.7.1 Changes in accounting policies and disclosures

Standards and interpretations effective for the first time for 31 December 2020 year end

i Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

ii Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark- based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

iii Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Company.

iv Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

New standards and interpretations

Standards and interpretations effective for the first time for 31 December 2021 year end

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:
Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.
The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.
The amendment applies to annual reporting periods beginning on or after 1 April 2021.
However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 01 January 2022 or later periods:

i Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendmentis to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

ii 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) which 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 grandfathering 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 after 1 January 2023, 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.

iii Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice.

iv Reference to the Conceptual Framework IV Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Company.

v Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

Standards and interpretations not yet effective - continued

vi Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Company.

v IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments is not applicable to the Company.

vi IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of

the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

vii Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognised in profit or loss.

The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

NOTES TO THE FINANCIAL STATEMENTS - Continued

Standards and interpretations not yet effective - continued

Relief from discontinuing hedging relationships

The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk to reference an RFR and redefining the description of the hedging instruments and/or the hedged items to reflect the RFR. Entities are allowed until the end of the reporting period, during which a modification required by IBOR reform is made, to complete the changes. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 and IAS 39 to measure and recognise hedge ineffectiveness.

Amounts accumulated in the cash flow hedge reserve a redeemed to be based on the RFR. The cash flow hedge reserve is released to profit or loss in the same period or periods in which the hedged cash flows based on the RFR affect profit or loss.

For the IAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero. This relief applies when the exception to the retrospective assessment ends.

The amendments provide relief for items within a designated Company of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued. As items within the hedged Company transition at different times from IBORs to RFRs, they will be transferred to sub-companies of instruments that reference RFRs as the hedged risk.

As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform. The phase two reliefs cease to apply once all changes have been made to financial instruments and hedging relationships, as required by IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. The relief allows entities upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months.

IFRS 7 Financial Instruments: Disclosures includes the following:

• How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform

• Disaggregated by each significant IBOR benchmark, quantitative information about financial instruments that have yet to transition to RFRs

• If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes should be disclosed. This is effective for annual periods beginning on or after 1 January 2021.

viii Amendments to IFRS 16 COVID-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

2.7.1 Changes in accounting policies and disclosures

New and amended standards and interpretations

2.7.1 Changes in accounting policies and disclosures

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 current 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 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

3 Significant accounting judgements, estimates and assumptions - Continued

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 Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset ofa similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the entity's stand-alone credit rating).

iv Revaluation of building

The Company measures its office building on Ikorodu Road at revalued amounts, with changes in fair value being recognised in OCI. The office properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Company engaged an independent valuer, Emma Ezeama &Co to assess fair values as at 31 December 2019 for the building on Ikorodu Road. The key assumptions used to determine the fair value of the building is provided in Note 15.

4 Financial instruments risk management objectives and policies

The Company’s principal financial liabilities comprise, customer deposits 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 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).

4 Financial instruments risk management objectives and policies - Continued

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 currency 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.

		31 December 2021	31 December 2020
in thousands of Nigerian Naira	Change in variable	Impact on equity	Impact on equity
Nigerian Exchange Limited	-5%	(13,724)	(14,401)
	5%	13,724	14,401
	-10%	(27,449)	(28,802)
	10%	27,449	28,802

ii Credit risk

Credit risk is the risk that a counterparty 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 counterparties 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.

Management of risk - continued

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	96.1	270-360 days	> 360 days	Total
Expected credit loss rate	4.36%	10.34%	40.64%	20.10%	57.14%	
Estimated total gross arrying amount at default	237,287	126,191	24,856	4,756	39,154	
Expected credit loss as at 31 December 2021	10,337	13,048	10,101	956	22,371	56,812
Expected credit loss rate	2.80%	95.67%	96.10%	100.00%	100.00%	
Estimated total gross arrying amount at default	102,311	16,439	1,221	1,251	9,121	130,343
Expected credit loss as at 31 December 2020	2,867	15,798	1,168	1,251	9,121	30,205

iii Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. 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 instruments based on contractual undiscounted payments:

31 December 2021 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	866,192	883,516	-	-	-	-	883,516
Debt instruments at amortised cost	10,902,922	1,862,026	4,784,182	4,287,497	-	-	10,933,705
Trade debtors	373,216	430,028	252,178	-	-	-	682,438
Total financial assets	12,142,330	3,175,570	5,036,360	4,287,497	-	-	12,499,658
Accounts payable	104,857	104,857	-	-	-	-	104,857
Customers' deposits	6,199,925	197,954	461,893	5,540,078	-	-	6,199,925
Lease liabilities	6,519	-	2,141	4,378	-	-	6,519
Total financial liabilities	6,311,301	302,811	464,034	5,544,456	-	-	6,311,301
Liquidity gap	5,831,029	2,872,759	4,572,326	(1,256,959)	-	-	6,188,357

31 December 2020 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	1,005,752	1,005,752	-	-	-	-	1,005,881
Debt instruments at amortised cost	13,014,137	7,865,372	-	5,181,512	-	-	13,046,884
Trade debtors	100,138	130,343	-	-	-	-	130,343
Total financial assets	14,120,027	9,001,467	-	5,181,512	-	-	14,183,108
Accounts payable	86,574	86,574	-	-	-	-	86,574
Customers' deposits	8,639,683	259,190	604,778	7,775,715	-	-	8,639,683
Lease liabilities	6,519	-	6,701	-	-	-	6,701
Total financial liabilities	8,732,776	345,764	611,479	7,775,715	-	-	8,732,958
Liquidity gap	5,387,252	8,655,703	(611,479)	(2,594,203)	-	-	5,450,151

4 Financial instruments risk management objectives and policies - Continued

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 attributable 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 thousands of Nigerian Naira	2021	2020
Tier 1 Capital		
Share capital	1,000,000	1,000,000
Share premium	624,446	624,446
Fair value reserve	5,082	18,612
Retained earnings	7,070,666	6,655,999
	8,700,194	8,299,057
Total Regulatory minimum Capital	(150,000)	(150,000)
Capital surplus	8,550,194	8,149,057

v Fair value measurement

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.

v Fair value measurement- continued

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2021

					Fair value measurement using		
					Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
in thousands of Nigerian Naira	Note	Carrying amount	Date of valuation	Fair value amount	Level 1	Level 2	Level 3
Assets measured at fair value:							
Unquoted equity instruments at fair value through OCI		-	31-Dec-21	-	-	-	-
Quoted equity instruments at fair value through OCI		274,490	31-Dec-21	274,490	274,490	-	-
Assets for which fair values are disclosed:							
Debt instrument at amortised cost:							
Treasury bills		-	31-Dec-21			-	-
Loans and advances		4,258,908	31-Dec-21	4,244,953	-	4,244,953	-
Corporate bonds		1,286,044	31-Dec-21	-	-	-	-
Deposits with banks with maturity above 90days		7,865,372	31-Dec-21	6,646,207	-	6,646,207	-

v Fair value measurement

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2020

					Fair value measurement using		
					Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
in thousands of Nigerian Naira	Note	Carrying amount	Date of valuation	Fair value amount	Level 1	Level 2	Level 3
Assets measured at fair value:							
					-	-	-
Equity instruments at fair value through OCI		288,020	31-Dec-20	288,020	288,020	-	-
Assets for which fair values are disclosed:							
Debt instrument at amortised cost:							
Loans and advances		4,245,895	31-Dec-20	4,245,895			4,245,895
Corporate bonds		935,617	31-Dec-20	935,617		935,617	-
Liabilities measured at fair value:							

v Fair value measurement- continued

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:

	2021		2020	
	Carrying		Carrying	
in thousands of Nigerian Naira	Amount	Fair value	Amount	Fair value
Financial Assets:				
Treasury bills				
Loans and advances	4,258,908	4,244,953	4,245,895	4,226,754
Corporate bonds	-	-	935,617	934,541
Deposits with banks with maturity above 90days	7,865,372	6,646,207	-	-
Total assets	12,124,280	10,891,160	5,181,512	5,161,295

v Fair value measurement

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 instrument at amortised cost - Nigerian treasury bills and corporate bonds

The fair value of treasury bills and corporate 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 corporate 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 instrument at amortised 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.

Equity instruments at fair value through OCI

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

5 Revenue from contracts with customers

5.1 Disaggregated revenue information

in thousands of Nigerian Naira	2021	2020
Types of services		
Fees from corporate actions	349,007	427,217
Register maintenance	360,798	210,808
Digital technology Services	667,384	421,164
	1,377,189	1,059,189
Geographical markets		
Nigeria	1,377,189	1,059,189
Timing of revenue recognition		
Services transferred over time	1,377,189	1,059,189

Contract assets are initially recognised for revenue earned from Software development contracts and corporate actions which are not yet due for payment as receipt of consideration is conditional on successful implementations of these software projects and completion of corporate actions like declaration of dividends and Annual General Meeting (AGM). Upon completion of the services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. There is no ongoing corporate actions services as at year end (2020: Nil).

Contract liabilities arise as a result of payments received for services not fully rendered. This includes 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.

5.2 Performance obligations

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

Fees from corporate actions

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

Register maintenance

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

Digital Consulatancy

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

6 Interest income calculated based on effective interest rate

in thousands of Nigerian Naira	2021	2020
Interest on loans and advances	1,984,507	2,163,626
Interest on bonds	150,983	73,099
Interest on treasury bills	-	200,280
Interest on short-term deposits	7,525	8,797
interest earned on staff loan	1,050	3,142
	2,144,065	2,448,944

7 Other income

in thousands of Nigerian Naira	Notes	2,021	2,020
Withholding tax credit notes recovered	7.1	65,834	-
Dividend income		14,605	25,758
Profit from disposal of plant and equipment		175	6,273
Others		16,114	367
		96,728	32,398

Others represent income from bank charges recovered from banks during the financial year.

7 Other income- continued

7.1 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 withholding tax due to its low probability of recoverability.

8 Credit loss (expense)/reversal

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	Total
2021					
Cash in banks and short-term deposits	15.1b	(98)	-	-	(98)
Debt instruments at amortised cost:					
Corporate bonds		7,578	-	-	7,578
Loans and advances		(19,140)	-	-	(19,140)
Deposits with banks with maturity above 90days		9,598	-	-	9,598
	16.3c	(1,964)	-	-	(1,964)
Trade and other receivables	18.1	29,125	-	-	29,125
		27,063	-	-	27,063
2020					
Cash in banks and short-term deposits		(1)	-	-	(1)
Debt instruments at amortised cost:					
Treasury bills		(1,933)	-	-	(1,933)
Corporate bonds		1,076	-	-	1,076
Loans and advances		1,334	-	-	1,334
Deposits with banks with maturity above 90days		881	-	-	881
		1,358	-	-	1,358
Trade and other receivables	18.1	(9,090)	-	-	(9,090)
		(7,733)	-	-	(7,733)

9 Personnel expenses

in thousands of Nigerian Naira	2021	2020
Wages and salaries	571,032	565,574
Medical expenses	25,986	28,527
Defined contribution plans	19,703	17,785
Other employee benefits	7,955	13,179
	624,676	625,065

10 Other operating expenses

in thousands of Nigerian Naira	2021	2020
Administrative expenses		
Professional fees	338,007	393,294
Internet and communication	141,664	100,036
Directors fees and other emoluments	66,366	47,683
Business and other entertainment	65,873	27,312
General administrative expenses	42,683	34,050
Corporate social responsibility	39,603	85,789
Rent & Utilities	31,019	23,525
Annual dues and subscription	27,635	15,151
Travel expenses	24,669	31,264
Training	20,813	7,617
Repairs and maintenance	19,190	17,758
Legal and professional expenses	17,534	5,215
Advert and business promotion	10,169	35,619
Audit fees (Note 10.1)	10,000	10,000
Bank charges	7,971	12,933
AGM/EGM expenses	7,432	2,758
Insurance	7,381	8,085
	878,009	858,089

10.1 The audit fees relates to audit services carried out by the auditors during the year. There were no non-audit fees earned by the auditors.

11 Finance costs calculated based on effective interest rate

Finance charges on lease liability	1,462	1,607
	1,462	1,607

12 Income tax expense

The major components of income tax expense for the year ended 31 December 2021:

12.1 Income tax expense

in thousands of Nigerian Naira	2021	2020
Current income tax expense		
Income tax	579,519	542,040
Education tax	49,810	36,944
Nigerian Police Trust Fund	100	99
Over provision in prior years	(44,302)	(49,492)
	585,127	529,591
Deferred tax:		
Tax impact of temporary differences	6,277	4,523
	591,404	534,113

12.2 Reconciliation of income tax expense

Profit before income tax expense	2,006,071	1,980,142
Tax at Nigeria's statutory income tax rate of 30%	601,821	594,043
Effect of:		
Tax exempt income	(39,019)	(85,303)
Non-deductible expenses in determining taxable profit	22,993	37,784
Nigerian Police Trust Fund @ 0.005% of net profit	100	99
Prior year over provision	(44,302)	(49,492)
Education tax @ 2% of assessable profit	49,810	36,944
Total tax charged for the year	591,404	534,113
Effective tax rate	29%	27%

13 Dividends paid and proposed

in thousands of Nigerian Naira	Notes	2021	2020
Declared and paid during the year			
Equity dividends on ordinary shares:			
Final dividend paid in 2021: ₦0.50 (2020: ₦0.70)		1,000,000	1,400,000
Total dividend paid		1,000,000	1,400,000
Proposed for approval at AGM (not recognised as a liability as equity dividends on ordinary shares at 31 December)		1,000,000	1,000,000
Proposed dividend for 2021: ₦0.50 (2020: ₦0.50)		1,000,000	1,000,000

14 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	2021	2020
Net profit	1,414,667	1,446,029
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)	71	72

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

15 Cash and cash equivalents

As at in thousands of Nigerian Naira	Notes	31 December 2021	31 December 2020
Cash on hand		45	87
Current accounts with banks		670,263	331,251
Short-term deposits	15.1a	195,916	674,543
		866,224	1,005,881
Allowance for credit loss impairment	15.1b	(32)	(129)
		866,192	1,005,752

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

15.1 Impairment allowance for current account with banks and short-term deposits measure 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.

2021

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	Total
Performing					
High grade		866,224	-	-	866,224
Standard grade		-	-	-	-
Sub-standard grade		-	-	-	-
Past due but not impaired		-	-	-	-
Non-performing					
Individually impaired		-	-	-	-
		866,224	-	-	866,224

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

2020

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	Total
Performing					
High grade		1,005,881	-	-	1,005,881
Standard grade		-	-	-	-
Sub-standard grade		-	-	-	-
Past due but not impaired		-	-	-	-
Non-performing					
Individually impaired		-	-	-	-
		1,005,881	-	-	1,005,881

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

2021

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2021		1,005,881	-	-	1,005,881
New assets originated or purchased		-	-	-	-
Assets derecognised or repaid		(1,005,881)	-	-	(1,005,881)
Amount written off		-	-	-	-
At 31 December 2021		-	-	-	-

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 1 January 2021		129	-	-	129
New assets originated or purchased		32	-	-	32
Assets derecognised or repaid		(129)	-	-	(129)
Credit loss (expense)/reversal		(97)	-	-	(97)
At 31 December 2021		32	-	-	32

2020

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2020		1,622,285	-	-	1,622,285
New assets originated or purchased		-	-	-	-
Assets derecognised or repaid		(1,622,285)	-	-	(1,622,285)
Amount written off		-	-	-	-
At 31 December 2020		-	-	-	-

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 1 January 2020		130	-	-	130
New assets originated or purchased		129	-	-	129
Assets derecognised or repaid		(130)	-	-	(130)
Credit loss expense	8	(1)	-	-	(1)
At 31 December 2020		129	-	-	129

16 Investment securities

As at in thousands of Nigerian Naira	Notes	31 December 2021		31 December 2020
16.1 Equity instruments at fair value through Other Comprehensive Income (OCI)				
United Bank for Africa Plc		213,767		229,700
Medview Airline Plc		53,460		53,460
Transcorp Hotel Plc		7,263		4,860
Quoted equity shares		274,490		288,020

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

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

Movement in carrying amount:

As at in thousands of Nigerian Naira	Notes	31 December 2021		31 December 2020
At 1 january		288,020		243,328
Additions		-		5,352
Fair value (decrease)/increase recorded OCI		(13,530)		39,340
At 31 December		274,490	-	288,020

16.2 Debt instruments at amortised cost

As at in thousands of Nigerian Naira	Notes	31 December 2021	31 December 2020
Corporate bonds		1,286,044	935,617
Loans and advances		4,258,908	4,245,895
Deposits with banks with maturity above 90days		5,388,753	7,865,372
		10,933,705	13,046,884
Allowance for impairment	16.3	(30,783)	(32,747)
		10,902,922	13,014,137

16.3 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.

2021 in thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	-	-	-	-
Standard grade	10,933,705	-	-	10,933,705
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
	10,933,705	-	-	10,933,705

2020 in thousands of Nigerian Naira	Stage 1	Stage 2	Stage 3	Total
Performing				
High grade	-	-	-	-
Standard grade	13,046,884	-	-	13,046,884
Sub-standard grade	-	-	-	-
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
	13,046,884	-	-	13,046,884

16.3 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 2021		13,046,883	-	-	13,046,883
New assets originated or purchased		6,687,811	-	-	6,687,811
Assets derecognised or repaid		(8,800,989)	-	-	(8,800,989)
At 31 December 2021		10,933,705	-	-	10,933,705

16.3 Impairment allowance for debt instruments measured at amortised cost - continued

in thousands of Nigerian Naira		Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2020		16,014,171		-	16,014,171
New assets originated or purchased		8,335,294	-	-	8,335,294
Assets derecognised or repaid		(11,302,582)		-	(11,302,582)
Transfer to stage 2		-	-	-	-
At 31 December 2020		13,046,883	-	-	13,046,883

	in thousands of Nigerian Naira		Stage 1	Stage 2	Stage 3	Total
c	ECL allowances as at 1 January 2021		32,746	-	-	32,746
	New assets originated or purchased		30,783	-	-	30,783
	Assets derecognised or repaid		(32,747)	-	-	(32,747)
	Credit loss expense	8	(1,964)	-	-	(1,964)
	At 31 December 2021		30,782	-	-	30,782
	ECL allowances as at 1 January 2020		31,388	-	-	31,388
	New assets originated or purchased		32,747	-	-	32,747
	Assets derecognised or repaid		(31,388)	-	-	(31,388)
	High grade	8	1,359	-	-	1,358
	At 31 December 2020		32,746	-	-	32,746

17 Deposit for shares

As at in thousands of Nigerian Naira	31 December 2021	31 December 2020
Amount deposited as investment in Heirs Life and Insurance	2,770,000	2,770,000

18 Trade and other receivables

As at in thousands of Nigerian Naira	31 December 2021	31 December 2020
Financial assets		
Trade debtors	430,028	130,343
Non-financial assets		
Withholding tax receivables	51,283	45,627
Prepaid directors emolument	17,625	19,125
Prepayments	183,501	133,775
	682,438	328,870
Allowances for expected credit losses	(56,812)	(30,205)
At 31 December	625,626	298,665

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.

18.1 Allowances for expected credit losses on trade receivables

As at in thousands of Nigerian Naira	Notes	31 December 2021	31 December 2020
At 1 January		30,205	39,295
Allowance for expected credit losses	8	29,125	(9,090)
Written off		(2,518)	-
		56,812	30,205

19 Property and equipment

in thousands of Nigerian Naira	Buidling	Computer equipment	Motor vehicles	Furniture, fitting & equipment	Total
Cost:					
At 1 January 2020	200,908	128,840	74,430	188,298	592,476
Additions during the year	-	10,901	400	13,407	24,708
Disposal	-	(11,799)	(35,069)	(15,753)	(62,621)
At 31 December 2020	200,908	127,942	39,761	185,952	554,563
Additions during the year	-	12,772		9,185	21,957
Disposal	-	(4,111)		(3,036)	(7,147)
At 31 December 2021	200,908	136,603	39,761	192,101	569,373
Accumulated depreciation:					
At 1 January 2020	17,048	91,853	47,156	121,565	277,623
Charge for the year	5,022	13,519	10,046	25,054	53,641
Disposal	-	(11,315)	(32,493)	(15,467)	(59,275)
At 31 December 2020	22,070	94,057	24,709	131,152	271,988
Charge for the year	5,023	14,050	7,952	20,187	47,212
Disposal		(3,530)	-	(3,036)	(6,566)
At 31 December 2021	27,093	104,577	32,661	148,303	312,634
Carrying amount					
At 31 December 2021	173,815	32,025	7,100	43,798	256,739
At 31 December 2020	178,838	33,884	15,052	54,800	282,575

i No leased assets are included in the above property and equipment (2020: Nil).

ii There were no capital commitment contracted or authorised as at the reporting date (2020: Nil).

iii There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (2020: Nil).

iv None of the assets are pledged during the year (2020: Nil).

v No valuation was carried out in the current year as valuation is performed every three (3) years. The last valuation was in December 2019 and the next valuation will be performed in December 2022.

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 ₦200,908,000. A net gain from the revaluation of the building of ₦70,596,000 in 2019 was recognised in OCI.

The cost to date at the date of the initial revaluation in 2019 was ₦100,056,500. The property was valued in an open market by reference to the cost approach to value and the Income Approach to value was adopted to cross check the market value.

20 Right-of-use-assets

in thousands of Nigerian Naira	Office buidling
Cost	
As at 1 January 2020	25,769
Disposal	(1,448)
At 31 December 2020	24,321
Additions	4,439
At 31 December 2021	28,760
Accumulated depeciation	
As at 1 January 2020	11,044
Disposal	570
Charged for the year	5,121
As at 31 December 2020	16,734
Charged for the year	5,154
At 31 December 2021	21,888
Carrying amount	
At 31 December 2021	6,872
At 31 December 2020	7,587

20.1 Lease liabilities

As at 1 January 2021	7,198	12,292
Accretion of interest	1,462	1,607
Payments	(2,141)	(6,701)
At 31 December 2021	6,519	7,198
Maturity analysis of undiscounted cashflows		
Less than one year	2,141	6,701
Within the next one year	6,519	2,141

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

Depreciation expense of right-of-use assets	5,154	5,691
Interest expense on lease liabilities	1,462	1,607
Expense relating to short-term leases	10,343	8,128
	16,959	15,426

21 Intangible assets

in thousands of Nigerian Naira	Computer software
Cost:	
At 1 January 2020	138,759
Additions during the year	26,988
At 31 December 2020	165,747
Additions during the year	27,835
At 31 December 2021	193,582
Accumulated amortisation and impairment	
At 1 January 2020	79,883
Amortisation charge for the year	24,029
At 31 December 2020	103,912
Amortisation charge for the year	28,335
At 31 December 2021	132,247
Carrying amount	
At 31 December 2021	61,335
At 31 December 2020	61,835

22 Customers' deposits

As at in thousands of Nigerian Naira	31 December 2021	31 December 2020
Dividend: ordinary shares	5,978,472	8,394,225
Return money - public offers	186,799	199,853
Brokerage: ordinary shares	2,853	2,853
Public offers	-	4,558
Interest: debentures	-	6,392
Redemption debentures	31,802	31,802
	6,199,925	8,639,683

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

22.1 Movement in customers' deposits

Opening Balance	8,639,683	9,644,466
Amount received during the period	139,635,250	119,078,876
Amount paid out during the period	(142,075,008)	(120,083,659)
	6,199,925	8,639,683

23 Creditors and accruals

As at in thousands of Nigerian Naira	31 December 2021	31 December 2020
Accounts payable	52,083	76,395
Accrued expenses	52,774	10,179
	104,857	86,574

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

24 Current income tax payable

As at in thousands of Nigerian Naira	Notes	31 December 2021	31 December 2020
At the beginning of the year:		579,083	634,296
Current income tax charge			
Company income tax		579,519	542,040
Education tax		49,810	36,944
Capital gains tax		-	-
Nigerian Police Trust Fund		100	99
Over provision in prior years		(44,302)	(49,492)
	12.1	585,127	529,591
Payments during the year			
Withholding tax credit utilised		(108,763)	(211,327)
Payments during the year		(426,018)	(373,477)
		(534,781)	(584,804)
Balance at the end of the year		629,429	579,083

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.

25 Deferred tax liabilities/(assets)

As at in thousands of Nigerian Naira		31 December 2021	31 December 2020
At the beginning of the year:		46,379	41,856
Tax expense during the period recognised in profit or loss	12.1	6,277	4,523
Balance at the end of the year		52,656	46,379

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

in thousands of Nigerian Naira	Opening balance	Recognised in profit/(loss)	Recognised in OCI	Closing balance
31 December 2021				
Property, equipment and software	38,799	2,885	-	41,684
Tax provisions	(8,051)	(11,231)	-	(19,282)
Expected credit losses	(10,086)	10,086	-	-
IFRS 16- Leases	(4,537)	4,537		-
Revaluation of building	30,254	-	-	30,254
	46,379	6,277	-	52,656

25 Deferred tax liabilities/(assets) - continued

31 December 2020				
Property, equipment and software	38,799	-	-	38,799
Tax provisions	(12,574)	4,523	-	(8,051)
Expected credit losses	(10,086)	-	-	(10,086)
IFRS 16- Leases	(4,537)	-	-	(4,537)
Revaluation of building	30,254	-	-	30,254
	41,856	4,523	-	46,379

26 Share capital and equity reserve

	As at in thousands of Nigerian Naira	31 December 2021	31 December 2020
i	Authorised share capital		
	Two billion (2,000,000) 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

The ordinary shareholders have rights to vote at the Company's annual general meetings and to receive part of the company's profits after the holders of preference shares have been paid.

iii	Share premium		
	At 31 December	624,446	624,446
iv	Fair value reserve		
	At the beginning of the year:	18,612	(20,728)
	Fair value loss on quoted equity	(13,530)	39,340
		5,082	18,612

Fair value reserve represents accumulated fair value gains or losses on equity investments carried at fair value.

v	Retained earnings		
	At the beginning of the year:	6,655,999	6,609,970
	Dividends declared and paid	(1,000,000)	(1,400,000)
	Profit for the year	1,414,667	1,446,029
		7,070,666	6,655,999

26 Share capital and equity reserve- continued

		31 December 2021	31 December 2020
vi	Revaluation reserve	70,596	70,596

Revaluation reserve represents accumulated revaluation surpluses on building carried at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

27 Related party transactions

27.1 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 the key management personnel for the year is as follows:

	in thousands of Nigerian Naira	2021	2020
27.2	Emolument of directors		
	Directors fees & other emoluments		
	Chairman	8,800	8,800
	Other directors	57,566	38,883
		66,366	47,683
	Fees	14,500	12,500
	Other emoluments	51,866	35,183
		66,366	47,683
	The total number of Directors	7	6
27.3	Compensation of senior management		
	Senior management compensation	218,514	173,081
	The total number of senior management	12	10

Staff numbers and costs

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

	2021	2020
₦600,001 - ₦800,000	1	-
₦800,001 - ₦1,200,000	9	14
₦1,200,001 - ₦2,000,000	17	22
₦2,000,001 - ₦3,000,000	14	10
₦3,000,001 - ₦5,000,000	26	23
₦5,000,001 - ₦7,000,000	4	6
₦7,000,001 - ₦8,000,000	4	2
₦8,000,001 - ₦10,000,000	2	2
₦10,000,001 - Above	8	12
	85	91

28 Contingent assets, liabilities and commitments

The Company had no contingent assets as at 31 December 2021 (31 December 2020: Nil). The Company is involved in 8 (31 December 2020: 9) 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.

29 Capital commitments

The Company had no capital commitments as at 31 December 2021 (31 December 2020: Nil).

30 Events after reporting date

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

31 Contraventions

There were no penalties arising from contraventions during the year (2020: Nil penalty was paid).

32 Securities Trading Policy

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

STATEMENT OF VALUE ADDED

in thousands of Nigerian Naira	2021	%	2020	%
Gross earnings	3,521,254		3,508,133	
Bought in material and services:				
Local	(808,344)		(823,648)	
Value Added	2,712,910		2,684,485	
Applied as follows:				
To pay employees				
- as salaries, wages and other benefits	624,676	24	625,065	23
To pay providers of capital:				
- Finance charges	1,462	1	1,607	0
To provide for Government				
- as company taxation	585,127	21	529,591	20
For expansion				
- as Depreciation	52,366	2	53,641	2
- as Amortisation	28,335	1	24,029	1
- as Deferred taxation	6,277	-	4,523	0
- as profit for the year	1,414,667	51	1,446,029	54
Value Added	2,712,910	100	2,684,485	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 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
Cash and cash equivalents	866,192	1,005,752	1,622,185	2,559,899	4,177,568
Investment securities	11,177,412	13,302,157	16,226,111	17,492,120	17,009,887
Deposit for shares	2,770,000	2,770,000	-	-	-
Trade and other receivables	625,626	298,665	412,582	875,056	329,177
Inventory	-	-	-	3,432	16,578
Property and equipment	256,739	282,575	314,854	210,975	223,683
Right-of-use-assets	6,872	7,586	14,725	-	-
Intangible asset	61,335	61,835	58,876	71,471	176,614
Deferred tax assets	-	-	-	58,797	-
Total assets	15,764,176	17,728,570	18,649,333	21,271,750	21,933,507
Liabilities					
Customers' deposits	6,199,925	8,639,683	9,644,466	10,122,131	10,792,264
Creditors and accruals	104,857	86,574	32,139	63,104	330,913
Lease liabilities	6,519	7,198	12,292	-	-
Interest bearing borrowing	-	-	-	2,042,439	3,612,328
Income tax payable	629,429	579,083	634,296	447,487	224,407
Deferred tax liabilities	52,656	46,379	41,856	-	34,110
Total liabilities	6,993,386	9,358,917	10,365,049	12,675,161	14,994,022
Total net assets	8,770,790	8,369,653	8,284,284	8,596,589	6,939,485
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
Revaluation reserve	70,596	70,596	70,596	-	-
Fair value reserves	5,082	18,612	(20,728)	1,043,202	428,387
Retained earnings	7,070,666	6,655,999	6,609,970	5,928,941	4,886,652
Shareholders' funds	8,770,790	8,369,653	8,284,284	8,596,589	6,939,485
Total liabilities & Equity	15,764,176	17,728,570	18,649,333	21,271,750	21,933,507
Revenue	3,521,254	3,508,133	3,906,653	4,488,748	3,315,816
Operating expenses	(1,610,449)	(1,558,782)	(1,464,516)	(1,723,538)	(1,165,794)
Profit before tax	2,006,071	1,980,142	2,389,454	2,394,739	2,066,894
Profit after tax	1,414,667	1,446,029	1,681,029	1,952,900	1,714,778
Earnings per share	71	72	84	98	86

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.