

**AFRICA PRUDENTIAL PLC
LAGOS, NIGERIA**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 June 2022**

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**AFRICA PRUDENTIAL PLC
CORPORATE INFORMATION**

FOR PERIOD ENDED 31 MAR 2022

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

AFRICA PRUDENTIAL PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended June 30, 2022

<i>in thousands of Nigerian Naira</i>	Notes	3 Months 30 June 2022	6 Months 30 June 2022	3 Months 30 June 2021	6 Months 30 June 2021
Revenue from contracts with customers	6.2	479,782	928,110	160,399	517,741
Interest income	7	602,735	1,062,184	682,481	1,150,771
Gross Revenue		1,082,517	1,990,294	842,880	1,668,512
Other income	8	21,785	21,835	85,452	86,332
Credit loss expense	9	(1,425)	(1,425)	(2,518)	(2,518)
Personnel expenses	10	(179,980)	(330,793)	(136,686)	(287,554)
Other operating expenses	11	(299,982)	(483,081)	(252,328)	(450,391)
Depreciation of property and equipment	20	(11,836)	(23,359)	(6,765)	(25,276)
Depreciation of right of use assets	21.1	(1,422)	(2,845)	(1,423)	(2,846)
Amortisation of intangible assets	22	(7,844)	(14,819)	(6,976)	(13,320)
Profit before finance costs and tax		601,812	1,155,807	521,636	972,939
Finance costs	12	(179)	(489)	(305)	(610)
Profit before income tax expense		601,633	1,155,318	521,331	972,329
Income tax expense	13.1	(71,310)	(219,541)	(47,838)	(144,686)
Profit after tax		530,323	935,777	473,493	827,643
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods					
Net loss on quoted equity instruments at fair value through other comprehensive income	27	(6,639)	(16,027)	8,208	(35,890)
otal other comprehensive loss for the year, net of tax		(6,639)	(16,027)	8,208	(35,890)
Total comprehensive income for the year, net of tax		523,684	919,750	481,701	791,753
Basic and diluted earnings per share (Kobo)	15	27	47	24	41

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

AFRICA PRUDENTIAL PLC

STATEMENT OF FINANCIAL POSITION

<i>For the period ended in thousands of Nigerian Naira</i>	Notes	30 June 2022	31 December 2021
Assets			
Cash and cash equivalents	16	19,996,936	866,192
Equity instruments at fair value through OCI	17.1	1,458,463	274,490
Debt instruments at amortised cost	17.2	13,825,280	10,902,922
Deposit for shares	18	1,570,000	2,770,000
Trade and other receivables	19	961,784	625,626
Property and equipment	20	247,950	256,739
Right-of-use-assets	21.1	4,026	6,872
Intangible assets	22	47,476	61,335
Total assets		38,178,545	15,764,176
Liabilities			
Customers' deposits	23	29,036,630	6,199,925
Creditors and accruals	24	151,404	104,857
Lease liabilities	21.2	7,008	6,519
Current income tax payable	25	240,307	629,429
Deferred tax liabilities	26	52,656	52,656
Total liabilities		29,488,005	6,993,386
Equity			
Share capital	27	1,000,000	1,000,000
Share premium	27	624,446	624,446
Fair value reserve	27	(10,945)	5,082
Retained earnings	27	7,006,443	7,070,666
Revaluation reserve	27	70,596	70,596
Total equity		8,690,540	8,770,790
Total liabilities and equity		38,178,545	15,764,176

The financial statements and accompanying notes to the financial statements were approved and authorised for issue by the Board of Directors on 20 July 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 Finance Officer)
FRC/2021/ICAN/00000024356



AFRICA PRUDENTIAL PLC

STATEMENT OF CHANGES IN EQUITY

For the period ended June 30, 2022

<i>in thousands of Nigerian Naira</i>	Note	Share capital	Share premium	Revaluation reserve	Fair value reserve	Retained earnings	Total equity
As at 1 January 2022		1,000,000	624,446	70,596	5,082	7,070,666	8,770,790
Profit for the period		-	-	-	-	935,777	935,777
Other comprehensive loss for the period		-	-	-	(16,027)	-	(16,027)
Total other comprehensive income for the year, net of tax		-	-	-	(16,027)	935,777	919,750
Transactions with owners of equity							
Dividends declared	14	-	-	-	-	(1,000,000)	(1,000,000)
Total transactions with owners of equity		-	-	-	-	(1,000,000)	(1,000,000)
As at 30 June 2022		1,000,000	624,446	70,596	(10,945)	7,006,443	8,690,540
As at 1 January 2021		1,000,000	624,446	70,596	18,612	6,655,999	8,369,653
Profit for the period		-	-	-	-	827,643	827,643
Other comprehensive loss for the period		-	-	-	(35,890)	-	(35,890)
Total other comprehensive income for the period, net of tax		-	-	-	(35,890)	827,643	791,753
Transactions with owners of equity							
Dividends declared	14	-	-	-	-	(1,000,000)	(1,000,000)
Total transactions with owners of equity		-	-	-	-	(1,000,000)	(1,000,000)
As at 30 June 2021		1,000,000	624,446	70,596	(17,278)	6,483,642	8,161,406
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		-	-	-	(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 and paid	14	-	-	-	-	(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

AFRICA PRUDENTIAL PLC
STATEMENT OF CASH FLOWS

<i>For the period ended in thousands of Nigerian Naira</i>	Notes	30 June 2022	30 June 2021
Cash flows from operating activities			
Profit before income tax expense		1,155,807	972,329
Adjustment to reconcile profit before tax to net cash flows			
Depreciation of property, plant and equipment	20	23,359	25,276
Amortization of intangible assets	22	14,819	13,320
Depreciation of right-of-use asset	21.1	2,845	2,846
Impairment reversal on financial assets	9	1,425	2,518
Interest income	7	(1,062,184)	(1,150,771)
Dividend income	8	(19,205)	(9,294)
Finance costs	12	489	610
Changes in working capital			
Changes in trade and other receivables		(336,158)	(208,134)
Changes in customers' deposits		22,836,705	71,644,617
Changes in creditors and accruals		46,547	95,171
Interest received		1,045,223	678,984
Interest paid		(489)	(610)
Income tax paid	25	(608,663)	(426,019)
Net cash (used in)/from operating activities		23,033,890	71,640,843
Cash flows from investing activities			
Purchase of property, Plant and equipment	20	(14,571)	(17,075)
Purchase of intangible assets	22	(960)	(4,400)
Purchase of debt instrument at amortised cost		(5,539,331)	(1,105,171)
Disposal of debt instrument at amortised cost		2,633,000	4,259,392
Dividend received	8	19,205	9,294
Net cash flows from/(used in) investing activities		(2,902,657)	3,142,040
Financing activities			
Dividends paid	14	(1,000,000)	(1,000,000)
Payment of principal portion of lease liabilities	21.2	(489)	(2,245)
Net cash flows (used in)/from financing activities		(1,000,489)	(1,002,245)
Net decrease in cash and cash equivalents			
Cash and cash equivalents as at 1 January	16	866,192	1,005,752
Cash and cash equivalents as at period end	16	19,996,936	74,786,391

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

Africa Prudential Plc. ("the Company") ,formerly UBA Registrars Ltd was incorporated as a private limited liability company on 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 is a leading Registrar, Investor Services and Business Support Solutions (digital technology) provider with close to five decades' of top-class experience in the Nigerian Capital Market, and currently managing over 80 corporate client services to both public and private companies.

The Company's registered office address is 220B, Ikorodu Road, Palmgrove, Lagos Nigeria.

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 of acquisition, construction or production, with the exception of the items reflected at fair value.

2.3 Statement of Compliance

The financial report of Africa Prudential Plc has been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by Financial Reporting Council of Nigeria for the financial year starting from 1 January 2014. The financial statements comply with the requirements of Companies and Allied Matters Act CAP C20 LFN 2004.

The financial statements comprises of the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, summary of significant accounting policies and the notes to the financial statements.

The financial statements values are presented in Nigerian Naira (₦), which is the functional currency of the Company, rounded to the nearest thousand (₦'000), unless otherwise indicated.

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months 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 from 1 January to 30 June 2022, with comparative figures for the financial year from 1 January to 30 June 2021.

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

AFRICA PRUDENTIAL PLC
NOTES TO THE FINANCIAL STATEMENTS - Continued

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.

Revenue from contracts with customers include

Technology (Digital applications) Fees:- We 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 ratably 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 short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

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.

j) Financial assets

Initial recognition and measurement of financial assets

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

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

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

The Company'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 trade receivables, and loan to staff, bonds and treasury bills included under other non-current financial assets.

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

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 comprehensive income when the right of payment has been established, except when the Group 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

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.

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

ii) Financial liabilities

Initial recognition and measurement of financial liabilities

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

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

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

Subsequent measurement of financial liabilities

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

Borrowings

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

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

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

Customers' deposit

This represents dividend, return monies and other interests received from clients but yet to be claimed 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 statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is 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.

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

2.6.5 Inventories

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

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

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.

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

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:

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

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

De-recognition

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

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.

2.6.8 Impairment of non-financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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

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

- The Company's internal/external credit grading model, which assigns Probability of Defaults (PDs) to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Life Time Expected Credit Loss (LTECL) basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

ii Provision for expected credit losses of trade receivables

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

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

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

iv Valuation of unquoted equity

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

iv 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 of a 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).

NOTES TO THE FINANCIAL STATEMENTS CONT'D

4 Financial instruments risk management objectives and policies

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

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

i Market risk

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

Currency risk

The Company's principal transactions are carried out in Naira and has no exposure to foreign exchange risk.

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.

4 Financial instruments risk management objectives and policies**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.

iii 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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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.

<i>in thousands of Nigerian Naira</i>	2022	2021
Tier 1 Capital		
Share capital	1,000,000	1,000,000
Share premium	624,446	624,446
Fair value reserve	59,651	75,678
Retained earnings	7,006,443	7,070,666
	<u>8,690,540</u>	<u>8,213,688</u>
Total Regulatory minimum Capital	(150,000)	(150,000)
Capital surplus	<u>7,701,919</u>	<u>8,063,688</u>

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

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, placement with banks above 90 days, trade and other receivables, accounts payable, sundry creditors and customer deposits approximate their carrying amounts largely due to the short-term maturities of these instruments.

Debt instrument at amortised cost - Nigerian Treasury Bills and State government bonds

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

Debt 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 - Quoted

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

6.2 Disaggregated revenue information

	3 Months	6 Months	3 Months	6 Months
<i>in thousands of Nigerian Naira</i>	30 June	30 June	30 June	30 June
	2022	2022	2021	2021
Types of services				
Fees from corporate actions	153,152	219,387	76,031	240,859
Registrar maintenance	104,150	146,580	60,126	153,368
Digital Technology Services	222,480	562,143	24,242	123,514
	479,782	928,110	160,399	517,741

6.3 Contract balances

As at		30 June	31 December
<i>in thousands of Nigerian Naira</i>	Notes	2022	2021
Trade receivables	19	581,306	430,028
Allowances for expected credit losses on trade receivables	19	(56,812)	(56,812)
		524,494	373,216

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

Contract assets are initially recognised for revenue earned from corporate actions as receipt of consideration is conditional on successful completion of corporate actions like declaration of dividends and Annual General Meeting (AGM). Upon completion of the services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. There is no ongoing corporate actions services as at period end (2021: Nil).

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

6.4 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 Consultancy

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

7 Interest income

	3 Months	6 Months	3 Months	6 Months
<i>in thousands of Nigerian Naira</i>	30 June	30 June	30 June	30 June
	2022	2022	2021	2021
Interest on loans and advances	562,195	980,939	643,531	1,079,893
Interest on bonds	37,930	78,089	36,261	64,228
Interest on short-term deposits	2,610	3,156	2,689	6,650
	602,735	1,062,184	682,481	1,150,771

8 Other income

	3 Months	6 Months	3 Months	6 Months
<i>in thousands of Nigerian Naira</i>	30 June	30 June	30 June	30 June
	2022	2022	2021	2021
Withholding tax credit notes recovered			65,834	65,834
Dividend income	19,205	19,205	9,294	9,293
other income	2,580	2,630	10,324	11,205
	21,785	21,835	85,452	86,332

9	Credit loss reversal/(expenses)					30' June	31 December
	<i>in thousands of Nigerian Naira</i>	Notes	Stage 1	Stage 2	Stage 3	2022	2021
	Cash in banks and short-term deposits		-	-	-	-	(98)
	Debt instruments at amortised cost:						
	State government bonds		-	-	-	-	7,578
	Loans and advances		-	-	-	-	(19,140)
	Deposits with banks with maturity above 90 days		(1,425)	-	-	(1,425)	9,598
			(1,425)	-	-	(1,425)	(1,964)
	Trade and other receivables		-	-	-	-	29,125
			(1,425)	-	-	(1,425)	27,063
10	Personnel expenses						
	<i>in thousands of Nigerian Naira</i>						
			3 Months	6 Months	3 Months	6 Months	
			30 June	30 June	30 June	30 June	
			2022	2022	2021	2021	
	Wages and salaries		164,759	309,533	143,856	264,071	
	Medical expenses		5,898	6,310	9,508	12,422	
	Defined contribution plans		5,818	11,104	5,069	9,885	
	Other employee benefits		3,505	3,846	475	1,176	
			179,980	330,793	136,686	287,554	
11	Other operating expenses						
	<i>in thousands of Nigerian Naira</i>						
		Notes	3 Months	6 Months	3 Months	6 Months	
			30 June	30 June	30 June	30 June	
			2022	2022	2021	2021	
	Administrative expenses						
	Professional fees		163,816	232,319	101,513	197,140	
	Internet and communication		35,964	65,939	32,860	59,028	
	Business and other entertainment		8,136	16,490	8,292	16,460	
	Advert and business promotion		435	622	388	3,266	
	Travel expenses		8,978	15,160	7,868	11,576	
	Directors fees and other emoluments		26,906	44,375	38,002	58,391	
	Corporate social responsibility		10,000	20,000	26,150	36,000	
	Rent & Utilities		14,615	22,705	9,375	14,690	
	Training		1,120	5,512	5,474	7,551	
	Repairs and maintenance		7,445	10,545	4,222	9,255	
	Annual dues and subscription		8,293	16,046	5,837	9,981	
	AGM/EGM expenses		6,246	17,611	-	7,469	
	Legal fees		426	1,664	5,328	6,549	
	Bank charges		3,148	4,666	1,967	4,455	
	Audit fees		2,597	5,097	2,500	5,000	
	Insurance		1,857	4,330	2,552	3,580	
			299,982	483,081	252,328	450,391	
12	Finance costs						
	Finance charges on lease liability	21.2	179	489	-	610	
			179	489	-	610	

13 **Income tax expense**

The major components of income tax expense for the period ended

13.1 **Income tax expense**

<i>in thousands of Nigerian Naira</i>	3 Months 30 June 2022	6 Months 30 June 2022	3 Months 30 June 2021	6 Months 30 June 2021
Current income tax expense				
Income tax	89,644	225,287	44,848	135,643
Education tax	2,431	15,019	2,990	9,043
Under/(over) provision in prior years	(20,765)	(20,765)	-	-
	<u>71,310</u>	<u>219,541</u>	<u>47,838</u>	<u>144,686</u>

13.2 **Reconciliation of income tax expense**

Profit before income tax expense	601,633	1,155,318	521,331	972,329
Tax at Nigeria's statutory income tax rate of 30%	180,490	346,595	156,399	291,699
Effect of:				
Tax exempt income	(94,911)	(131,759)	(111,551)	(156,056)
Non-deductible expenses in determining taxable profit	4,065	10,451	-	-
Prior year under provision	(20,765)	(20,765)	-	-
Education tax @ 2% of assessable profit	2,431	15,019	-	9,043
Total tax charged for the year	<u>71,310</u>	<u>219,541</u>	<u>47,838</u>	<u>144,686</u>

14 **Dividends paid and proposed**

<i>in thousands of Nigerian Naira</i>	30 June 2022	31 December 2021
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend paid in 2022: ₦0.50 (2021: ₦0.50)	1,000,000	1,400,000
Total dividend paid	<u>1,000,000</u>	<u>1,400,000</u>

15 **Earnings per share**

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

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

<i>in thousands of Nigerian Naira</i>	3 Months 30 June 2022	6 Months 30 June 2022	3 Months 30 June 2021	6 Months 30 June 2021
Net profit	530,323	935,777	473,493	827,643
Weighted average number of ordinary shares for basic/diluted earnings per share	2,000,000	2,000,000	2,000,000	2,000,000
Basic/diluted earnings per ordinary share (Kobo)	27	47	24	41

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

16 **Cash and cash equivalents**

As at <i>in thousands of Nigerian Naira</i>	Notes	30 June 2022	31 December 2021
Cash on hand		173	45
Current accounts with banks		19,225,264	670,232
Short-term deposits		771,499	195,916
		19,996,936	866,193
Allowance for credit loss impairment		-	(32)
		19,996,936	866,161

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.

17 **Investment securities**

As at <i>in thousands of Nigerian Naira</i>	Notes	30 June 2022	31 December 2021
Equity instruments at fair value through Other			
17.1 Comprehensive income (OCI)			
Heirs Life		1,200,000	-
United Bank for Africa		197,834	213,767
Medview Airline Plc		53,460	53,460
Transcorp Hotel Plc		7,169	7,263
Quoted equity shares		1,458,463	274,490

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

Movement in carrying amount:

At 1 January		274,490	288,020
Additions		1,200,000	-
Fair value decrease recorded in OCI		(16,027)	(13,530)
At the period		1,458,463	274,490

17.2 **Debt instruments at amortised cost**

As at <i>in thousands of Nigerian Naira</i>		30 June 2022	31 December 2021
Corporate bonds		1,195,177	1,286,044
Loans and advances		4,239,019	4,258,908
Deposits with banks with maturity above 90 days		7,865,372	4,789,789
		13,857,488	10,933,705
Impairment allowance for debt instruments at amortised cost		(32,208)	(30,783)
At period end		13,825,280	10,902,922

18 **Deposit for Shares**

As at <i>in thousands of Nigerian Naira</i>		30 June 2022	31 December 2021
Amount Deposited as investment in Heirs Insurance		1,570,000	2,770,000

19 **Trade and other receivables**

As at <i>in thousands of Nigerian Naira</i>	Notes	30 June 2022	31 December 2021
Financial assets			
Trade debtors		581,306	430,028
Non-financial assets			
Withholding tax receivables		57,419	51,283
Prepaid directors emolument		68,150	17,625
Prepayments		311,721	183,502
		1,018,596	682,439
receivables	19.1	(56,812)	(56,812)
At period end		961,784	625,626

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.

19.1 Allowances for expected credit losses on trade receivables

As at <i>in thousands of Nigerian Naira</i>	Notes	30 June 2022	31 December 2021
At 1 January		56,812	30,205
Allowance for expected credit losses	9	-	29,125
Written off/(Write back)		-	(2,518)
		56,812	56,812

20 Property Plant and equipment

<i>in thousands of Nigerian Naira</i>	Buildling	Computer equipment	Motor vehicles	Furniture, fitting & equipment	Total
Cost:					
At 1 January 2021	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 1 January 2022	200,908	136,603	39,761	192,101	569,373
Additions during the period	-	11,425	-	3,146	14,571
As at period end	200,908	148,028	39,761	195,247	583,944
Accumulated depreciation:					
At 1 January 2021	22,070	94,057	24,709	131,152	271,988
Charge during the year	5,023	14,050	7,952	20,187	47,212
Disposal	-	(3,530)	-	(3,036)	(6,566)
At 1 January 2022	27,093	104,577	32,661	148,303	312,634
Charge for the period	2,516	7,278	3,976	9,589	23,359
As at period end	29,610	111,855	36,637	157,892	335,993
Carrying amount					
At 30 June 2022	171,298	36,173	3,124	37,355	247,950
At 31 December 2021	173,815	32,026	7,100	43,798	256,739

- i No leased assets are included in the above property, plant and equipment (2021: Nil).
- ii There were no capital commitment contracted or authorised as at the reporting date (2021: Nil).
- iii There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (2021: Nil).

21 Lease

Company as a lessee

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

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

21.1 Right-of-use-assets

<i>in thousands of Nigerian Naira</i>	Office building
Cost	
As at 1 January 2022	28,760
Additions	-
At period end	28,760
Accumulated depreciation	
As at 1 January 2022	21,888
Charge for the period	2,845
At period end	24,734
Carrying amount	
At 30 June 2022	4,026
At 31 December 2021	6,872

21.2 Lease liabilities	30 June 2022	31 December 2021
As at 1 January	6,519	7,198
Accretion of interest	978	1,462
Payments	(489)	(2,141)
	7,008	6,519
Current	7,008	6,519
Maturity analysis of undiscounted cashflows		
Less than one year	489	2,141
21.3 The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	2,845	5,154
Interest expense on lease liabilities	978	1,462
Expense relating to short-term leases	954	10,343
	4,777	16,959

22 Intangible assets

<i>in thousands of Nigerian Naira</i>	Computer software	Total
Cost:		
At 1 January 2021	165,747	165,747
Additions during the year	27,835	27,835
At 1 January 2022	193,582	193,582
Additions during the period	960	960
At period end	194,542	194,542
Accumulated amortisation and impairment		
At 1 January 2021	103,912	103,912
Amortisation charge for the year	28,335	28,335
At 1 January 2022	132,247	132,247
Amortisation charge for the period	14,819	14,819
At period end	147,066	147,066
Carrying amount		
At 31 June 2022	47,476	47,475
At 31 December 2021	61,335	61,335

23 Customers' deposits

<i>in thousands of Nigerian Naira</i>	30 June 2022	31 December 2021
As at		
Dividend: ordinary shares	29,000,149	5,978,472
Return money - public offers	-	186,799
Brokerage: ordinary shares	4,679	2,853
Redemption debentures	31,802	31,801
	29,036,630	6,199,925

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

23.1 Movement in customer deposit

Opening Balance	6,199,925	8,639,683
Amount received during the period	87,775,132	139,635,250
Amount paid out during the period	(64,938,427)	(142,075,008)
	29,036,630	6,199,925

24 Creditors and accruals

<i>in thousands of Nigerian Naira</i>	30 June 2022	31 December 2021
As at		
Accounts payable	99,009	52,083
Accrued expenses	52,395	52,774
	151,404	104,857

Terms and conditions of the above financial liabilities:

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

25 **Current income tax payable**

As at <i>in thousands of Nigerian Naira</i>	Notes	30 June 2022	31 December 2021
At the beginning of the year:			
		629,429	579,083
Current income tax charge			
Company income tax		225,287	579,519
Education tax		15,019	49,810
Capital gains tax		-	100
(Over)/Under provision in prior periods		(20,765)	(44,302)
	13.1	219,541	585,127
Payments during the year			
Withholding tax credit utilised		(50,784)	(108,763)
Payments during the period		(557,879)	(426,018)
		(608,663)	(534,781)
Balance at period end			
		240,307	629,429

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

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

As at <i>in thousands of Nigerian Naira</i>		30 June 2022	31 December 2021
At the beginning of the year:			
		52,656	46,379
Tax (income)/expense during the period recognised in profit or loss		-	6,277
Balance at period end			
		52,656	52,656

27 **Share capital and reserves**

As at <i>in thousands of Nigerian Naira</i>		30 June 2022	31 December 2021
i Authorised share capital			
Two billion ordinary shares of 50k each		1,000,000	1,000,000
ii Issued and fully paid:			
Two billion ordinary shares of 50k each		1,000,000	1,000,000
iii Share premium			
At period end		624,446	624,446
iv Fair value reserve			
At the beginning of the year		5,082	18,612
Fair value gain/(loss) on equity instruments		(16,027)	(13,530)
		(10,945)	5,082
v Retained earnings			
At the beginning of the year		7,070,666	6,655,999
Dividends declared and paid		(1,000,000)	(1,000,000)
Profit for the period		935,777	1,414,667
		7,006,443	7,070,666
vi Revaluation reserve			
At the beginning of the year:		70,596	70,596
		70,596	70,596

28 Free Float Computation - Shareholding Pattern

(A) Hypothetical Case on Free Float Computation

AFRICA PRUDENTIAL PLC				
Company Name	AFRICA PRUDENTIAL PLC			
Board Listed:				
Year End:	31 DECEMBER			
Reporting Period	Half Year Ended 30 June 2022			
Share price at end of reporting period	N5.65(2021: N5.90)			
Shareholding Structure/Free Float Status				
Description	30-Jun-22		30-Jun-21	
	Units	Percentage	Units	Percentage
Issued Share Capital	2,000,000,000	100%	2,000,000,000	100.00%
Substantial Shareholdings (5% and above)				
International Equity Limited	519,000,000	25.95%	519,000,000	25.95%
Total substantial shareholdings	519,000,000	25.95%	519,000,000	25.95%
Directors' Shareholdings (Direct and indirect), excluding directors with substantial interest				
Chief (Mrs) Eniola Fadayomi	4,006,060	0.20%	4,006,060	0.20%
Mr. Emmanuel Nnorom	10,558,865	0.53%	10,558,865	0.53%
Mr. Samuel Nwanze	83,009	0.00%	83,009	0.00%
Mrs Zainab Mahey Rasheed	--	--	--	--
Mrs Funmibi Chima	--	--	--	--
Mr. Peter Elumelu	13,891	0.00%	13,891	0.00%
Mr. Peter Ashade	1,703,864	0.09%	1,703,864	0.09%
Mr. Obong Idiong	4,063,743	0.20%	3,796,848	0.19%
Total Directors' Shareholdings	20,429,432	0.73%	20,162,537	0.73%
Other influential Shareholdings				
Stanbc Ibtc Nominees Nigeria Ltd	2,000,000	0.10%	2,000,000	0.10%
Total other influential shareholdings	2,000,000	0.10%	2,000,000	0.10%
Free float in units and percentage	1,458,570,568	73.22%	1,458,837,463	73.22%
Free float in Value	8,240,923,709	72.93%	8,607,141,032	72.94%

- (B) Africa Prudential Plc Plc with a free float percentage of 72.93% as at 30 June 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board
Africa Prudential Plc with a free float value of N8,240,923,709 as at 30 June 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

29 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 period