Africa Prudential

AFRICA PRUDENTIAL PLC
LAGOS, NIGERIA

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 September 2022

CONTENTS PAGE

AFRICA PRUDENTIAL PLC
CORPORATE INFORMATION

FOR PERIOD ENDED 30 SEPT 2022

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
	Hajia Zubaida Mahey Rasheed	Independent Non-Executive Director
Registered Office	220b, Ikorodu Road Palmgrove, Lagos	
Company Secretary	Joseph Jibunoh FRC/2018/NBA/00000017719	
Auditors	Ernst & Young UBA House, 10th and 13th 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 September 30, 2022 *in thousands of Nigerian Naira*	Notes	**3 Months 30 Sept 2022**	**9 Months 30 Sept 2022**	**3 Months 30 Sept 2021**	**9 Months 30 Sept 2021**
Revenue from contracts with customers	6.2	222,243	1,150,353	320,390	838,130
Interest income	7	756,889	1,819,073	456,326	1,607,098
Gross Revenue		**979,132**	**2,969,426**	**776,716**	**2,445,228**
Other income	8	4,780	26,615	26,157	112,491
Credit loss expense	9	-	(1,425)	(1,030)	(3,548)
Personnel expenses	10	(207,581)	(538,373)	(166,988)	(454,544)
Other operating expenses	11	(306,466)	(787,883)	(239,909)	(690,300)
Depreciation of property and equipment	20	(11,697)	(35,056)	(12,236)	(37,512)
Depreciation of right of use assets	21.1	(2,031)	(4,876)	(1,716)	(4,562)
Amortisation of intangible assets	22	(6,384)	(21,203)	(7,740)	(21,060)
Profit before finance costs and tax		**449,753**	**1,607,225**	**373,254**	**1,346,193**
Finance costs	12	(75)	(564)	(304)	(914)
Profit before income tax expense		**449,678**	**1,606,661**	**372,950**	**1,345,279**
Income tax expense	13.1	(97,535)	(317,076)	(48,482)	(193,168)
Profit after tax		**352,143**	**1,289,585**	**324,468**	**1,152,111**
(Net loss)/gain on quoted equity instruments at fair value through other comprehensive income	27	(10,680)	(26,707)	9,150	(26,740)
Total other comprehensive loss for the year, net of tax		**(10,680)**	**(26,707)**	**9,150**	**(26,740)**
Total comprehensive income for the year, net of tax		**341,463**	**1,262,878**	**333,618**	**1,125,371**
Basic and diluted earnings per share (Kobo)	15	18	64	16	58

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

AFRICA PRUDENTIAL PLC

STATEMENT OF FINANCIAL POSITION

For the period ended *in thousands of Nigerian Naira*	Notes	30 September 2022	31 December 2021
Assets			
Cash and cash equivalents	16	1,389,665	866,192
Equity instruments at fair value through OCI	17.1	2,947,783	274,490
Debt instruments at amortised cost	17.2	14,381,416	10,902,922
Deposit for shares	18	70,000	2,770,000
Trade and other receivables	19	1,017,219	625,626
Property and equipment	20	241,009	256,739
Right-of-use-assets	21.1	3,887	6,872
Intangible assets	22	41,093	61,335
Total assets		**20,092,072**	**15,764,176**
Liabilities			
Customers' deposits	23	9,867,352	6,199,925
Creditors and accruals	24	791,579	104,857
Lease liabilities	21.2	8,974	6,519
Current income tax payable	25	337,843	629,429
Deferred tax liabilities	26	52,656	52,656
Total liabilities		11,058,404	6,993,386
Equity			
Share capital	27	1,000,000	1,000,000
Share premium	27	624,446	624,446
Fair value reserve	27	(21,625)	5,082
Retained earnings	27	7,360,251	7,070,666
Revaluation reserve	27	70,596	70,596
Total equity		9,033,668	8,770,790
Total liabilities and equity		**20,092,072**	**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 19 October 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 September 30, 2022

in thousands of Nigerian Naira	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		-	-	-	-	1,289,585	1,289,585
Other comprehensive loss for the period	27	-	-	-	(26,707)	-	(26,707)
Total other comprehensive income for the year, net of tax		-	-	-	(26,707)	1,289,585	1,262,878
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 September 2022		**1,000,000**	**624,446**	**70,596**	**(21,625)**	**7,360,251**	**9,033,668**
As at 1 January 2021		1,000,000	624,446	70,596	18,612	6,655,999	8,369,653
Profit for the period		-	-	-	-	1,152,111	1,152,111
Other comprehensive loss for the period	0	-	-	-	(26,740)	-	(26,740)
Total other comprehensive income for the period, net of tax		-	-	-	(26,740)	1,152,111	1,125,371
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 September 2021		**1,000,000**	**624,446**	**70,596**	**(8,128)**	**6,808,110**	**8,495,024**
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**

STATEMENT OF CASH FLOWS

For the period ended *in thousands of Nigerian Naira*	Notes	**30 Sept 2022**	**30 Sept 2021**
Cash flows from operating activities			
Profit before income tax expense		1,606,661	1,345,279
Adjustment to reconcile profit before tax to net cash flows			
Depreciation of propert, plant and equipment	20	35,056	37,512
Amortization of intangible assets	22	21,203	21,060
Depreciation of right-of-use asset	21.1	4,876	4,562
Impairment reversal on financial assets	9	1,425	3,548
Gain from disposal of plant and equipment	8	-	(209)
Interest income	7	(1,819,073)	(1,607,098)
Dividend income	8	(23,984)	(14,605)
Finance costs	12	564	914
Changes in working capital			
Changes in trade and other receivables		(442,377)	(431,932)
Changes in customers' deposits		3,667,427	(1,084,901)
Changes in creditors and accruals		686,722	605,447
Interest received		1,792,071	1,098,448
Interest paid		(564)	(914)
Income tax paid	25	(557,879)	(426,512)
Net cash (used in)/from operating activities		4,972,128	(449,401)
Cash flows from investing activities			
Purchase of property, Plant and equipment	20	(19,327)	(18,772)
Proceeds from sale of property, plant and equipment		-	209
Purchase of intangible assets	22	(961)	(19,029)
Purchase of debt instrument at amortised cost		(5,736,946)	(1,405,171)
Disposal of debt instrument at amortised cost		2,285,159	4,381,175
Dividend received	8	23,984	14,605
Net cash flows from/(used in) investing activities		(3,448,091)	2,953,017
Financing activities			
Dividends paid	14	(1,000,000)	(1,000,000)
Payment of principal portion of lease liabilities	21.2	(564)	(754)
Net cash flows (used in)/from financing activities		(1,000,564)	(1,000,754)
Net decrease in cash and cash equivalents		523,473	1,502,862
Cash and cash equivalents as at 1 January	16	866,192	1,005,752
Cash and cash equivalents as at period end	16	**1,389,665**	**2,508,614**

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 September 2022, with comparative figures for the financial year from 1 January to 30 September 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

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.

i) Financial assets

Initial recognition and measurement of financial assets

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

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

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

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

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

Subsequent measurement of financial assets

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

• 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.

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

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss and other comphrensive income when the right of payment has been established, except when the Group benefits from such proceeds 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.

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.

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.

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.

2.6.8 **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.

2.6.9 **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 (including any period covered by an extension option) 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.

2.6.10 **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.

2.6.11 **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.

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 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).

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.

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	*2022*	*2021*
Tier 1 Capital		
Share capital	1,000,000	1,000,000
Share premium	624,446	624,446
Fair value reserve	48,971	75,678
Retained earnings	7,360,251	7,070,666
	9,033,668	8,213,688
Total Regulatory minimum Capital	(150,000)	(150,000)
Capital surplus	**7,701,919**	**8,063,688**

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**

in thousands of Nigerian Naira	**3 Months 30 Sept 2022**	**9 Months 30 Sept 2022**	**3 Months 30 Sept 2021**	**9 Months 30 Sept 2021**
Types of services				
Fees from corporate actions	98,304	317,691	84,725	325,584
Registrar maintenance	59,010	205,590	68,101	221,468
Digital Technology Services	64,929	627,072	167,564	291,078
	222,243	1,150,353	320,390	838,130

6.3 **Contract balances**

As at *in thousands of Nigerian Naira*	Notes	**30 Sept 2022**	**31 December 2021**
Trade receivables	19	573,552	430,028
Allowances for expected credit losses on trade receivables	19	(56,812)	(56,812)
		516,740	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 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

7 **Interest income**

in thousands of Nigerian Naira	**3 Months 30 Sept 2022**	**9 Months 30 Sept 2022**	**3 Months 30 Sept 2021**	**9 Months 30 Sept 2021**
Interest on loans and advances	715,671	1,696,610	411,237	1,491,130
Interest on bonds	39,829	117,918	43,685	107,913
Interest on short-term deposits	1,389	4,545	1,404	8,055
	756,889	1,819,073	456,326	1,607,098

8 **Other income**

in thousands of Nigerian Naira	Notes	**3 Months 30 Sept 2022**	**9 Months 30 Sept 2022**	**3 Months 30 Sept 2021**	**9 Months 30 Sept 2021**
Withholding tax credit notes recovered	8.1	-	-	-	65,835
Dividend income		4,779	23,984	5,311	14,605
Profit from disposal of plant and equipment		-	-	209	209
other income		1	2,631	20,637	31,842
		4,780	26,615	26,157	112,491

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

in thousands of Nigerian Naira	Notes	Stage 1	Stage 2	Stage 3	**30 Sept 2022**	**30 Sept 2021**
Cash in banks and short-term deposits		-	-	-	-	(1,253)
Debt instruments at amortised cost:						
State government bonds		-	-	-	-	2,384
Loans and advances		-	-	-	-	2,417
Deposits with banks with maturity above 90 days		1,425	-	-	1,425	-
		1,425	**-**	**-**	**1,425**	**4,801**
Trade and other receivables		-	-	-	-	-
		1,425	**-**	**-**	**1,425**	**3,548**

10 **Personnel expenses**

in thousands of Nigerian Naira	**3 Months 30 Sept 2022**	**9 Months 30 Sept 2022**	**3 Months 30 Sept 2021**	**9 Months 30 Sept 2021**
Wages and salaries	188,145	497,678	155,391	419,462
Medical expenses	7,475	13,785	5,968	18,391
Defined contribution plans	7,257	18,360	5,110	14,994
Other employee benefits	4,704	8,550	519	1,697
	207,581	538,373	166,988	454,544

11 **Other operating expenses**

in thousands of Nigerian Naira	Notes	**3 Months 30 Sept 2022**	**9 Months 30 Sept 2022**	**3 Months 30 Sept 2021**	**9 Months 30 Sept 2021**
Administrative expenses					
Professional fees		103,681	336,000	114,537	318,226
Internet and communication		69,872	135,811	38,967	97,996
Business and other entertainment		23,614	40,104	10,992	27,452
Advert and business promotion		2,920	3,542	3,768	7,034
Travel expenses		15,348	30,508	7,426	19,002
Directors fees and other emoluments		40,182	84,557	36,333	94,724
Corporate social responsibility		10,000	30,000	3,801	39,801
Rent & Utilities		9,813	32,518	1,447	16,137
Training		4,591	10,103	4,359	11,910
Repairs and maintenance		5,462	16,007	4,337	13,592
Annual dues and subscription		11,144	27,190	8,164	18,144
AGM/EGM expenses		-	17,611	-	7,469
Bank charges		4,565	9,231	1,310	5,765
Audit fees		2,500	7,597	2,500	7,500
Insurance		2,774	7,104	1,968	5,548
		306,466	787,883	239,909	690,300

12 **Finance costs**

Finance charges on lease liability	21.2	75	564	304	914
		75	564	304	914

13 Income tax expense

The major components of income tax expense for the period ended

13.1 *Income tax expense*

in thousands of Nigerian Naira	3 Months 30 Sept 2022	9 Months 30 Sept 2022	3 Months 30 Sept 2021	9 Months 30 Sept 2021
Current income tax expense				
Income tax	80,378	305,665	45,452	181,095
Education tax	17,157	32,176	3,030	12,073
Under/(over) provision in prior years	-	(20,765)	-	-
	97,535	317,076	48,482	193,168
Deferred tax:				
Tax impact of temporary differences	-	-	-	-
	97,535	317,076	48,482	193,168

13.2 *Reconciliation of income tax expense*

	3 Months 30 Sept 2022	9 Months 30 Sept 2022	3 Months 30 Sept 2021	9 Months 30 Sept 2021
Profit before income tax expense	449,678	1,606,661	372,950	1,345,279
Tax at Nigeria's statutory income tax rate of 30%	134,903	481,998	111,885	403,584
Effect of:				
Tax exempt income	(56,529)	(176,333)	(66,433)	(222,489)
Prior year under provision	-	(20,765)	-	-
Education tax @ 2% of assessable profit	19,588	32,176	3,030	12,073
Total tax charged for the year	97,535	317,076	48,482	193,168

14 Dividends paid and proposed

in thousands of Nigerian Naira	30 Sept 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	1,000,000
Total dividend paid	1,000,000	1,000,000

15 Earnings per share

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

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

in thousands of Nigerian Naira	3 Months 30 Sept 2022	9 Months 30 Sept 2022	3 Months 30 Sept 2021	9 Months 30 Sept 2021
Net profit	352,143	1,289,585	324,468	1,152,111
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)	18	64	16	58

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

16 **Cash and cash equivalents**

As at *in thousands of Nigerian Naira*	Notes	**30 Sept 2022**	**31 December 2021**
Cash on hand		223	45
Current accounts with banks		893,632	670,263
Short-term deposits		495,842	195,916
		1,389,697	866,224
Allowance for credit loss impairment		(32)	(32)
		1,389,665	866,192

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 *in thousands of Nigerian Naira*	Notes	**30 Sept 2022**	**31 December 2021**
Equity instruments at fair value through Other			
17.1 Comprehensive income (OCI)			
Heirs Insurance		1,500,000	-
Heirs Life		1,200,000	-
United Bank for Africa		185,884	213,767
Medview Airline Plc		53,462	53,460
Transcorp Hotel Plc		8,437	7,263
		2,947,783	274,490

Movement in carrying amount:		
At 1 January	274,490	288,020
Additions	2,700,000	-
Fair value decrease recorded in OCI	(26,707)	(13,530)
At the period	2,947,783	274,490

17.2 **Debt instruments at amortised cost**

As at *in thousands of Nigerian Naira*	**30 Sept 2022**	**31 December 2021**
Corporate bonds	1,233,650	1,286,044
Loans and advances	4,365,898	4,258,908
Deposits with banks with maturity above 90 days	8,814,076	5,388,753
	14,413,624	10,933,705
Impairment allowance for debt instruments at amortised cost	(32,208)	(30,783)
At period end	14,381,416	10,902,922

18 Deposit for Shares

As at *in thousands of Nigerian Naira*	**30 Sept 2022**	**31 December 2021**
Amount Deposited as investment	70,000	2,770,000

19 **Trade and other receivables**

As at *in thousands of Nigerian Naira*	Notes	**30 Sept 2022**	**31 December 2021**
Financial assets			
Trade debtors		573,552	430,028
Non-financial assets			
Withholding tax receivables		77,076	51,284
Prepaid directors emolument		39,325	17,625
Prepayments		384,078	183,501
		1,074,031	682,438
trade receivables	19.1	(56,812)	(56,812)
At period end		1,017,219	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 *in thousands of Nigerian Naira*	Notes	**30 Sept 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**

in thousands of Nigerian Naira	Buidling	Computer equipment	Motor vehicles	Furniture, fitting & equipment	Total
Cost:					
At 1 January 2021	200,908	127,942	39,760	185,952	554,562
Additions during the year	-	12,773	-	9,185	21,958
Disposal	-	(4,111)	-	(3,036)	(7,147)
At 1 January 2022	200,908	136,604	39,760	192,101	569,373
Additions during the period	-	16,550	-	2,777	19,327
As at period end	**200,908**	**153,154**	**39,760**	**194,878**	**588,700**
Accumulated depreciation:					
At 1 January 2021	22,070	94,057	24,709	131,152	271,988
Charge during the year	5,023	14,050	7,951	20,188	47,212
Disposal	-	(3,530)	-	(3,036)	(6,566)
At 1 January 2022	27,093	104,577	32,660	148,304	312,634
Charge for the period	3,772	11,116	5,964	14,204	35,056
As at period end	**30,866**	**115,693**	**38,624**	**162,508**	**347,691**
Carrying amount					
At 30 September 2022	**170,042**	**37,461**	**1,136**	**32,370**	**241,009**
At 31 December 2021	**173,815**	**32,027**	**7,100**	**43,797**	**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 period (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**

in thousands of Nigerian Naira	**Office buidling**
Cost	
As at 1 January 2022	28,760
Additions	1,891
At period end	30,651
Accumulated depeciation	
As at 1 January 2022	21,888
Charge for the period	4,876
At period end	26,764
Carrying amount	
At 30 September 2022	3,887
At 31 December 2021	6,872

21.2 **Lease liabilities**

	30 Sept 2022	31 December 2021
As at 1 January	6,519	7,198
Accretion of interest	3,019	1,462
Payments	(564)	(2,141)
	8,974	6,519
Current	**8,974**	**6,519**
Maturity analysis of undiscounted cashflows		
Less than one year	564	2,141

21.3 **The following are the amounts recognised in profit or loss:**

Depreciation expense of right-of-use assets	4,876	5,154
Interest expense on lease liabilities	3,019	1,462
Expense relating to short-term leases	2,982	10,343
	10,877	**16,959**

22 **Intangible assets**

in thousands of Nigerian Naira	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	961	961
At period end	194,543	194,543
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	21,203	21,203
At period end	153,450	153,450
Carrying amount		
At 30 September 2022	41,093	41,093
At 31 December 2021	61,335	61,335

23 **Customers' deposits**

As at *in thousands of Nigerian Naira*	30 Sept 2022	31 December 2021
Dividend: ordinary shares	9,648,821	5,978,472
Return money - public offers	-	186,799
Brokerage: ordinary shares	31,802	2,853
Redemption debentures	186,729	31,801
	9,867,352	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	238,577,046	139,635,250
Amount paid out during the period	(234,909,619)	(142,075,008)
	9,867,352	6,199,925

24 **Creditors and accruals**

As at *in thousands of Nigerian Naira*	30 Sept 2022	31 December 2021
Accounts payable	748,624	52,083
Accrued expenses	42,955	52,774
	791,579	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 *in thousands of Nigerian Naira*	Notes	**30 Sept 2022**	**31 December 2021**
At the beginning of the year:		629,429	579,083
Current income tax charge			
Company income tax		305,666	579,519
Education tax		32,176	49,810
Capital gains tax		-	100
(Over)/Under provision in prior periods		(20,765)	(44,302)
	13.1	317,077	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		337,843	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 *in thousands of Nigerian Naira*	**30 Sept 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 *in thousands of Nigerian Naira*	**30 Sept 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 instuments	(26,707)	(13,530)
		(21,625)	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	1,289,585	1,414,667
		7,360,251	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**

Company Name	**AFRICA PRUDENTIAL PLC**			
Board Listed:				
Year End:	**31 DECEMBER**			
Reporting Period	**Quarter Ended 30 September 2022**			
Share price at end of reporting period	**N5.00(2021: N6.15)**			
Shareholding Structure/Free Float Status				
Description	**30-Sep-22**		**30-Sep-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**	**1.02%**	**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**	**72.93%**	**1,458,837,463**	**72.94%**
Free float in Value	**7,292,852,840**	**72.93%**	**8,971,850,397**	**72.94%**

(B) Africa Prudential Plc Plc with a free float percentage of 72.93% as at 30 September 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 N7,292,852,840 as at 30 September 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