



**AFRICA PRUDENTIAL PLC
LAGOS, NIGERIA**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

CONTENTS	PAGE
Corporate Information	3
Directors' Responsibility	4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	8-33

**AFRICA PRUDENTIAL PLC
CORPORATE INFORMATION**

FOR PERIOD ENDED 31 MAR 2023

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	

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the preparation and approval of the Financial statements

The Directors of **Africa Prudential Plc** accept responsibility for the preparation of the Financial statements that gives a true and fair view of the financial position of the Company as at 30 September 2023 and the result of its operation, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act, 2011, and the Investments and Securities Act.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance.
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

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.

The financial statements of the Company for the period ended 30 September 2023 have been authorised for issue and were approved by the Board of Directors on 24 October 2023.

On behalf of the Directors of the Company



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



Obong Idiong
(Managing Director)
FRC/2013/NBA/00000004696

24 October 2023

24 October 2023

AFRICA PRUDENTIAL PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended September 30, 2023

<i>in thousands of Nigerian Naira</i>	Notes	3 Months 30 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
Revenue from contracts with customers	6.2	342,547	1,555,362	222,243	1,150,353
Cost of sales	7	(294,404)	(848,837)	(23,312)	(175,904)
Gross Profit		48,143	706,525	198,931	974,449
Interest income	8	1,324,596	2,275,003	756,889	1,819,073
Other income	9	132	23,521	4,780	26,615
Net Operating income		1,372,871	3,005,049	960,600	2,820,137
Credit loss expense	10	(12,281)	(15,278)		(1,425)
Personnel expenses	11	(262,937)	(727,896)	(207,581)	(538,373)
Other operating expenses	12	(366,710)	(899,350)	(283,154)	(611,979)
Depreciation of property and equipment	21	(21,384)	(39,592)	(11,697)	(35,056)
Depreciation of right of use assets	22.1	(5,539)	(7,621)	(2,031)	(4,876)
Amortisation of intangible assets	23	(20,415)	(33,859)	(6,384)	(21,203)
Profit before finance costs and tax		683,606	1,281,454	449,753	1,607,225
Finance costs	13	-	-	(75)	(564)
Profit before income tax expense		683,606	1,281,454	449,678	1,606,661
Income tax expense	14.1	(218,754)	(410,065)	(97,535)	(317,076)
Profit after tax		464,852	871,388	352,143	1,289,585
Net loss on quoted equity instruments at fair value through other comprehensive income	18.1	(140,576)	(14,737)	(10,680)	(26,707)
Total comprehensive income for the year, net of tax		324,276	856,652	341,463	1,262,878
Basic and diluted earnings per share (Kobo)	16	23	44	18	64

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

STATEMENT OF FINANCIAL POSITION

<i>For the period ended in thousands of Nigerian Naira</i>	Notes	30 September 2023	31 December 2022
Assets			
Cash and cash equivalents	17	9,451,646	850,644
Equity instruments at fair value through OCI	18.1	3,104,655	3,001,515
Debt instruments at amortised cost	18.2	7,584,001	12,787,888
Deposit for shares	19	470,000	270,000
Trade and other receivables	20	2,245,525	1,514,551
Property and equipment	21	736,450	690,671
Right-of-use-assets	22.1	5,927	13,549
Intangible assets	23	133,278	141,868
Total assets		23,731,483	19,270,686
Liabilities			
Customers' deposits	24	11,688,964	8,985,030
Creditors and accruals	25	2,184,915	144,957
Lease liabilities	22.2	8,777	8,777
Current income tax payable	26	530,808	700,028
Deferred tax liabilities	27	46,306	46,306
Total liabilities		14,459,769	9,885,098
Equity			
Share capital	28	1,000,000	1,000,000
Share premium	28	624,446	624,446
Fair value reserve	28	46,844	32,107
Retained earnings	28	7,435,303	7,563,915
Revaluation reserve	28	165,120	165,120
Total equity		9,271,713	9,385,588
Total liabilities and equity		23,731,483	19,270,686

The financial statements and accompanying notes to the financial statements were approved and authorized for issue by the Board of Directors on 24 October 2023 and were signed on its behalf by:

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

Obong Idiong (Managing Director)
FRC/2013/NBA/00000004696

Festus Izevbizua (Chief Finance Officer)
FRC/2012/ICAN/00000001628

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

AFRICA PRUDENTIAL PLC

STATEMENT OF CHANGES IN EQUITY

For the period ended September 30, 2023

<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 2023		1,000,000	624,446	165,120	32,107	7,563,915	9,385,588
Profit for the period		-	-	-	-	871,388	871,388
Other comprehensive loss for the period		-	-	-	14,737	-	14,737
Total other comprehensive income for the year, 1		1,000,000	624,446	165,120	46,844	8,435,303	10,271,713
Transactions with owners of equity							
Dividends declared	15	-	-	-	-	1,000,000	1,000,000
Total transactions with owners of equity		-	-	-	-	1,000,000	1,000,000
As at 30 September 2023		1,000,000	624,446	165,120	46,844	7,435,303	9,271,713
As at 1 January 2022							
As at 1 January 2022		1,000,000	624,446	70,596	5,082	7,070,666	8,770,790
Profit for the year		-	-	-	-	1,493,249	1,493,249
Other comprehensive income for the year		-	-	94,524	27,025	-	121,549
Total other comprehensive income for the year, 1		-	-	94,524	27,025	1,493,249	1,614,798
Transactions with owners of equity							
Dividends declared and paid	15	-	-	-	-	(1,000,000)	(1,000,000)
Total transactions with owners of equity		-	-	-	-	(1,000,000)	(1,000,000)
As at 31 December 2022		1,000,000	624,446	165,120	32,107	7,563,915	9,385,588

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

AFRICA PRUDENTIAL PLC
STATEMENT OF CASH FLOWS

<i>For the period ended in thousands of Nigerian Naira</i>	Notes	30-Sep 2023	31 December 2022
Cash flows from operating activities			
Profit before income tax expense		1,281,454	2,166,162
net cash flows			
Depreciation of property, plant and equipment	21	47,213	45,883
Amortization of intangible assets	23	33,859	25,462
Depreciation of right-of-use asset	22.1	-	6,774
Impairment (reversal)/charge on financial assets	10	-	(22,281)
Gain from disposal of plant and equipment	9	(1,927)	
Credit loss expense		15,278	
Interest income	8	(2,275,003)	(2,229,631)
Dividend income			(23,984)
Finance costs			1,057
Foreign exchange loss			6,574
Changes in working capital			
Changes in inventories		-	-
Changes in trade and other receivables		(704,855)	(941,935)
Changes in customers' deposits		2,703,934	2,785,105
Changes in creditors and accruals		2,039,958	40,101
Interest received			2,227,509
Interest paid			(1,057)
Income tax paid	26	(579,285)	(557,879)
Net cash from operating activities		2,560,625	3,527,860
Cash flows from investing activities			
Purchase of property, plant and equipment	21	(93,098)	(385,292)
Proceeds from sale of property, plant and equipment	9	2,061	-
Purchase of intangible assets	23	(121,375)	(105,995)
Purchase of debt instrument at amortised cost		(40,681,956)	(3,482,524)
Disposal of debt instrument at amortised cost		48,113,078	1,617,703
Proceeds/(Investment) in Deposit for shares		(200,000)	(200,000)
Dividend received	0	21,667	23,984
Net cash flows from/(used in) investing activities		7,040,377	(2,532,124)
Financing activities			
Dividends paid	15	(1,000,000)	(1,000,000)
Proceeds from borrowings			-
Repayment of borrowings			-
Payment of principal portion of lease liabilities			(11,194)
Net cash flows (used in) financing activities		(1,000,000)	(1,011,194)
Net decrease in cash and cash equivalents		8,601,002	(15,458)
Cash and cash equivalents as at 1 January	17	850,644	866,192
Cash and cash equivalents as at period end	17	9,451,646	850,644

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

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 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.

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.

<i>in thousands of Nigerian Naira</i>	30-Sep 2023	31-Dec 2022
Tier 1 Capital		
Share capital	1,000,000	1,000,000
Share premium	624,446	624,446
Fair value reserve	211,964	197,227
Retained earnings	7,435,303	7,563,915
	<u>9,271,713</u>	<u>9,385,588</u>
Total Regulatory minimum Capital	<u>(150,000)</u>	<u>(150,000)</u>
Capital surplus	<u>9,121,713</u>	<u>9,235,588</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).

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 the period is presented in the respective notes.

2.4 Financial period

These financial statements cover from 1 January to 30 September 2023, with comparative figures for the financial year from 1 January to 30 September 2022.

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.

AFRICA PRUDENTIAL PLC
NOTES TO THE FINANCIAL STATEMENTS - Continued

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.

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 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.

2.6.6 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.

2.6.7 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.

AFRICA PRUDENTIAL PLC

NOTES TO THE FINANCIAL STATEMENTS - Continued

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.

6.1 Revenue from contracts with customers

6.2 Disaggregated revenue information

<i>in thousands of Nigerian Naira</i>	3 Months 30 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
Types of services				
Registrar maintenance	157,094	274,335	98,304	317,691
Fees from corporate actions	60,000	322,446	59,010	205,590
Digital Technology Services	125,453	958,582	64,929	627,072
	342,547	1,555,362	222,243	1,150,353
Geographical markets				
Nigeria	342,547	1,555,362	222,243	1,150,353
Timing of revenue recognition				
Services transferred over time	342,547	1,555,362	222,243	1,150,353

6.3 Contract balances

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 (2023: 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	Cost of Sales	3 Months 30 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
	<i>Cost of Sales is made up of</i>				
	IT Infrastructure	157,188	653,223	23,312	175,904
	IT Outsourcing	130,831	186,451	-	-
	Software	6,385	9,163	-	-
		<u>294,404</u>	<u>848,837</u>	<u>23,312</u>	<u>175,904</u>
8	Interest income	3 Months 30 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
	<i>in thousands of Nigerian Naira</i>				
	Interest on short-term deposits	1,189,667	1,752,929	1,389	4,545
	Interest on treasury bills	-	-	-	-
	Interest on bonds	41,684	104,291	39,829	117,918
	Interest on loans and advances	93,245	417,783	715,671	1,696,610
		<u>1,324,596</u>	<u>2,275,002</u>	<u>756,887</u>	<u>1,819,071</u>
	Investment income from items measured at FVTPL	1,231,351	1,857,220	41,217	122,462
	Investment income from items carried at fair value through OCI	93,245	417,783	715,671	1,696,610
		<u>1,324,597</u>	<u>2,275,003</u>	<u>756,888</u>	<u>1,819,072</u>
9	Other income	3 Months 30 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
	<i>in thousands of Nigerian Naira</i>				
	Withholding tax credit notes recovered	-	-	-	-
	Exchange gains/(loss)	(73)	(73)	-	-
	Dividend income	-	21,667	4,779	23,984
	Profit from disposal of plant and equipment	205	1,927	0	0
	other income	-	0	1	2,631
		<u>132</u>	<u>23,521</u>	<u>4,781</u>	<u>26,616</u>
10	Credit loss expenses	3 Months 30 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
	<i>in thousands of Nigerian Naira</i>				
				9 Months 30 Sep 2023	9 Months 30 Sep 2022
	ECL Impairment Allowance	Stage 1	Stage 2	Stage 3	
	ECL impairment allowance on cash and cash equivalents	(90)	-	-	(90)
	ECL impairment on FVOCI securities	-	-	-	-
	ECL Impairment on Amortised cost securities	(12,191)	-	-	(12,191)
		<u>(12,281)</u>	<u>-</u>	<u>-</u>	<u>(12,281)</u>
					<u>15,278</u>

11 Personnel expenses

	3 Months 30 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
<i>in thousands of Nigerian Naira</i>				
Wages and salaries	180,151	610,083	188,145	497,678
Medical expenses	4,776	9,119	7,475	13,785
Defined contribution plans	3,350	21,608	7,257	18,360
Other employee benefits	74,659	87,086	4,704	8,550
	<u>262,937</u>	<u>727,896</u>	<u>235,082</u>	<u>620,874</u>

12 Other operating expenses

	3 Months 30 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
<i>in thousands of Nigerian Naira</i>				
Administrative expenses				
Professional fees	137,331	339,077	103,680	160,967
IT Expenses	15,934	94,398	69,872	135,811
Directors fees and other emoluments	32,482	78,915	40,182	84,557
Business and other entertainment	27,795	87,833	23,614	40,104
Annual dues and subscription	27,295	67,433	11,144	27,190
Rent & Utilities	37,646	60,244	9,813	32,518
Advert and business promotion	17,879	30,758	2,920	3,542
Corporate social responsibility	21,665	39,847	10,000	30,000
Travel expenses	6,448	19,269	15,348	30,508
General administrative expenses	4,095	18,529	5,462	16,007
Insurance	(178)	7,774	2,774	7,104
Audit fees	9,674	11,841	2,500	7,597
Bank charges	5,635	7,115	4,565	9,231
Training	5,257	11,773	4,591	9,231
AGM Expenses	17,750	24,544	-	17,611
	<u>366,709</u>	<u>899,351</u>	<u>306,466</u>	<u>611,979</u>

13 Finance costs

Finance charges on lease liability	-	-	75	564
------------------------------------	---	---	----	-----

14 **Income tax expense**

The major components of income tax expense for the period ended

14.1 **Income tax expense**

	3 Months 30 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
<i>in thousands of Nigerian Naira</i>				
Current income tax expense				
Income tax	205,082	384,436	80,378	305,665
Education tax	13,672	25,629	17,157	32,176
Capital gains tax				
Nigerian Police Trust Fund	-	-	-	-
Under/(over) provision in prior years	-	-	-	(20,765)
	218,754	410,065	97,535	317,076
Deferred tax:				
Tax impact of temporary differences	-	-	-	-
	218,754	410,065	97,535	317,076

14.2 **Reconciliation of income tax expense**

Profit before income tax expense	683,606	1,281,454	449,678	1,606,661
Tax at Nigeria's statutory income tax rate of 30%	205,082	384,436	134,903	481,998
Effect of:				
Tax exempt income	-	-	(56,529)	(176,333)
Non-deductible expenses in determining taxable profit	-	-	-	-
Prior year under provision	-	-	-	(20,765)
Education tax @ 2% of assessable profit	13,672	25,629	19,588	32,176
Total tax charged for the year	218,754	410,065	97,535	317,076

15 **Dividends paid and proposed**

	30 Sep 2023	30 Sep 2022
<i>in thousands of Nigerian Naira</i>		
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend paid in 2023: ₦0.50 (2022: ₦0.50)	1,000,000	1,000,000
Total dividend paid	1,000,000	1,000,000

16 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 Sep 2023	9 Months 30 Sep 2023	3 Months 30 Sep 2022	9 Months 30 Sep 2022
Net profit	464,852	871,388	352,143	1,289,585
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)	23	44	16	64

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.

17 Cash and cash equivalents

<i>As at in thousands of Nigerian Naira</i>	Notes	30 Sep 2023	31 December 2022
Cash on hand		-	30
Current accounts with banks		1,134,436.94	596,081
Short-term deposits		8,317,298.87	254,623
		9,451,736	850,734
Allowance for credit loss impairment		(90)	(90)
		9,451,646	850,644

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.

18 Investment securities

As at <i>in thousands of Nigerian Naira</i>	Notes	30 Sep 2023	31 December 2022
Equity instruments at fair value through Other Comprehensive income (OCI)			
United Bank for Africa		325,298	201,817
Medview Airline Plc		53,460	53,460
Transcorp Hotel Plc		31,590	8,438
Quoted equity shares		410,348	263,715
Unquoted equity shares			
Hiers Insurance Limited		1,200,000	1,269,700
Heirs Life Assurance Limited		1,500,000	1,468,100
Fair value increase recorded in OCI		(5,693)	
Equity instruments at fair value through Other		3,104,655	3,001,515
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	3,001,515	274,490
Additions	108,833	2,700,000
Fair value increase recorded in OCI	(5,693)	27,025
At the period	3,104,655	3,001,515

18.2 Debt instruments at amortised cost

As at <i>in thousands of Nigerian Naira</i>	30 Sep 2023	31 December 2022
Corporate bonds	1,098,816	1,102,108
Loans and advances	6,494,230	4,306,075
Deposits with banks with maturity above 90 days	-	7,390,343
	7,593,045	12,798,526
Impairment allowance for debt instruments at amortise ^a	(9,044)	(10,638)
At period end	7,584,001	12,787,888

19

As at <i>in thousands of Nigerian Naira</i>	30 Sep 2023	31 December 2022
Amount Deposited as investment	270,000	270,000
Additions	200,000	
At period end	470,000	270,000

20 Trade and other receivables

As at <i>in thousands of Nigerian Naira</i>	Notes	30 Sep 2023	31 December 2022
Financial assets			
Trade debtors		1,442,016	733,832
Staff Loans		110,785	68,547
Non-financial assets			
Advance payment		21,026	417,956
Withholding tax receivables		255,052	149,565
Prepaid directors emolument		54,217	10,500
Prepayments		390,694	188,536
		2,273,791	1,568,936
trade receivables	20.1	(28,266)	(54,385)
At period end		2,245,525	1,514,551

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 60 days.

20.1 Allowances for expected credit losses on trade receivables

As at <i>in thousands of Nigerian Naira</i>	Notes	30 Sep 2023	31 December 2022
At 1 January		54,385	56,811
Allowance for expected credit losses	10	9,044	(2,226)
Written off/(Write back)		(35,163)	(200)
		28,266	54,385

21 **Property Plant and equipment**

<i>in thousands of Nigerian Naira</i>	Building	Computer equipment	Motor vehicles	Furniture, fitting & equipment	work in progress	Total
Cost:						
At 1 January 2022	200,908	136,603	39,760	192,101	-	569,372
Additions during the year	-	19,112	-	2,926	363,254	385,292
Revaluation	62,392	-	-	-	-	62,392
At 1 January 2023	263,300	155,715	39,760	195,027	363,254	1,017,056
Additions during the period	-	34,375	-	21,319	37,404	93,098
Disposal	-	-	-	(4,337)	-	(4,337)
As at period end	263,300	190,090	39,760	212,010	400,658	1,105,817
Accumulated depreciation:						
At 1 January 2022	27,093	104,577	32,661	148,303	-	312,634
Charge during the year	5,038	15,531	6,785	18,527	-	45,881
Transfer to revaluation reserve	(32,131)	-	-	-	-	(32,131)
At 1 January 2023	-	120,108	39,446	166,830	-	326,384
Charge for the period	4,417	20,694	313	17,559	-	42,983
Disposal	-	-	-	-	-	-
As at period end	4,417	140,802	39,759	184,389	-	369,367
Carrying amount						
At 30 Sept 2023	258,883	49,288	1	27,621	400,658	736,450
At 31 December 2022	263,300	35,607	314	28,197	363,254	690,672

- i No leased assets are included in the above property, plant and equipment (2022: Nil).
- ii There were no capital commitment contracted or authorised as at the reporting date (2022: Nil).
- iii There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (2022: Nil).

22 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.

22.1 Right-of-use-assets

<i>in thousands of Nigerian Naira</i>	Office building
Cost	
As at 1 January 2023	20,323
Additions	-
At period end	20,323
Accumulated depreciation	
As at 1 January 2023	6,774
Charge for the period	7,621
At period end	14,395
Carrying amount	
At 30 September 2023	5,927
At 31 December 2022	13,548

22.2 Lease liabilities

	30 Sept 2023	31 December 2022
As at 1 January	8,777	6,519
Additions	-	13,451
Accretion of interest	-	1,057
Payments	-	(12,250)
	8,777	8,777
Current	8,777	8,777

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

Depreciation expense of right-of-use assets	7,621	6,774
Interest expense on lease liabilities	-	1,057
Expense relating to short-term leases	-	8,138
	7,621	15,969

23 **Intangible assets**

<i>in thousands of Nigerian Naira</i>	Computer software	work in Progress	Total
Cost:			
At 1 January 2022	193,582	-	193,582
Additions during the year	960	105,035	105,995
At 1 January 2023	194,542	105,035	299,577
Additions during the period	111,722	9,653	121,375
Reclassification	-	(96,531)	(96,531)
At period end	306,264	18,157	324,421
Accumulated amortisation and impairment			
At 1 January 2022	132,247	-	132,247
Amortisation charge for the year	25,462	-	25,462
At 1 January 2023	157,710	-	157,709
Amortisation charge for the period	33,434	-	33,434
At period end	191,144	-	191,143
Carrying amount			
At 30 September 2023	115,120	18,157	133,278
At 31 December 2022	36,832	105,035	141,868

24 **Customers' deposits**

<i>As at in thousands of Nigerian Naira</i>	30 Sept 2023	31 December 2022
Dividend: ordinary shares	11,430,481	8,650,815
Return money - public offers	60,411	60,411
Interest on Bonds	198,072	273,804
	11,688,964	8,985,030

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

24.1 **Movement in customer deposit**

Opening Balance	8,985,030	6,199,925
Amount received during the period	176,601,014	246,448,620
Amount paid out during the period	(173,897,081)	(243,663,515)
	11,688,964	8,985,030

25 **Creditors and accruals**

As at <i>in thousands of Nigerian Naira</i>	30 Sept 2023	31 December 2022
Accounts payable	1,649	104,970
Accrued expenses	2,183,265	39,988
	2,184,914	144,957

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.

26 **Current income tax payable**

As at <i>in thousands of Nigerian Naira</i>	Notes	30 Sept 2023	31 December 2022
At the beginning of the year:		700,028	629,429
Current income tax charge			
Company income tax		410,065	645,126
Education tax		-	54,794
Capital gains tax		-	108
(Over)/Under provision in prior periods		-	(20,765)
	14.1	410,065	679,263
Payments during the year			
Withholding tax credit utilised		-	(50,785)
Payments during the period		(579,285)	(557,879)
		(579,285)	(608,664)
Balance at period end		530,808	700,028

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.

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

As at <i>in thousands of Nigerian Naira</i>	30 Sept 2023	31 December 2022
At the beginning of the year:	46,306	52,656
Tax (income)/expense during the period recognised in	-	(6,350)
Balance at period end	46,306	46,306

28 Share capital and reserves

As at In thousands of Nigerian Naira	30 Sept 2023	31 December 2022
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	32,107	5,082
Fair value gain/(loss) on equity instruments	14,737	27,025
	46,844	32,107
v Retained earnings		
At the beginning of the year	7,563,915	7,070,666
Dividends declared and paid	(1,000,000)	(1,000,000)
Profit for the period	871,388	1,493,249
	7,435,303	7,563,915
vi Revaluation reserve		
At the beginning of the year:	165,120	70,596
Revaluation surplus on building	-	94,524
	165,120	165,120

29 Free Float Computation - Shareholding Pattern

(A) Hypothetical Case on Free Float Computation

AFRICA PRUDENTIAL PLC					
Company Name					
Board Listed:					
Year End:					
Reporting Period					
Share price at end of reporting period					
Shareholding Structure/Free Float Status					
Description					
	30-Sep-23		30-Jun-23		
	Units	Percentage	Units	Units	Percentage
Issued Share Capital	2,000,000,000	100%	2,000,000,000	2,000,000,000	100%
Substantial Shareholdings (5% and above)					
International Equity Limited	519,000,000	25.95%	519,000,000	519,000,000	25.95%
Total substantial shareholdings	519,000,000	25.95%	519,000,000	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	4,006,060	0.20%
Mr. Emmanuel Nnorom	10,558,865	0.53%	10,558,865	10,558,865	0.53%
Mr. Samuel Nwanze	83,009	0.00%	83,009	83,009	0.00%
Mrs Zainab Mahey Rasheed	--	--	--	--	--
Mrs Funmibi Chima	--	--	--	--	--
Mr. Peter Elumelu	13,891	0.00%	13,891	13,891	0.00%
Mr. Peter Ashade	1,703,864	0.09%	1,703,864	1,703,864	0.09%
Mr. Obong Idiong	4,275,876	0.21%	4,275,876	4,275,876	0.21%
Total Directors' Shareholdings	20,641,565	1.03%	20,641,565	20,641,565	1.03%
Other influential Shareholdings					
Stanbc IbtC Nominees Nigeria Ltd	2,000,000	0.10%	2,000,000	2,000,000	0.10%
Total other influential shareholdings	2,000,000	0.10%	2,000,000	2,000,000	0.10%
Free float in units and percentage	1,458,358,435	72.92%	1,458,358,435	1,458,358,435	72.92%
Free float in Value	8,750,150,610	72.93%	8,750,150,610	8,750,150,610	72.93%

- (B) Africa Prudential Plc Plc with a free float percentage of 72.93% as at 30 Sept 2023, 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 N8,751,423,408 as at 30 Sept 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

30 **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