NASD PLC

creating liquidity...transparently

Sustaining Growth

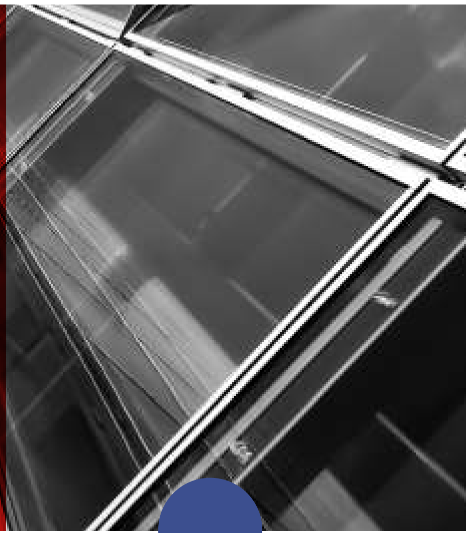
ANNUAL REPORT

2018

Contents

Corporate Profile

NASD Plc evolved from the National Association of Securities Dealers. It was incorporated as a Private Limited Liability Company in June 1998 and converted to a Public Limited Company in April 2012. NASD is an Over The Counter ["OTC"] exchange registered by the Securities and Exchange Commission ["SEC"] to facilitate trade activity on public securities transparently and in an orderly manner.



What we do

NASD eases access to funding for Issuers required for capital projects, growth opportunities for small companies and a transparent secondary market for shareholders.

As an OTC Securities Exchange, NASD's value proposition to its stakeholders (including Issuers, investor, Venture Capital/Private Equity and to the economy in which it operates) is to:

- Provide a cost effective alternative to full listing
- Create public visibility for issuers and pool information on all non-quoted securities
- Provide a new exit window for Venture Capital and Private Equity investors
- Deepen the capital market by providing public access to non- quoted investment opportunities
- Create transparency around transactions in all publicly held securities
- Provide a platform on which issuers may seek project funding.
- Ultimately encourage growth in the real sector by providing an alternative liquidity platform for investors

OUR VISION

We will be the hub of first call for capital formation in West Africa.

OUR GUIDING PRINCIPLES

Transparency

Provide information that is relevant, necessary and timely.

Integrity

We will honour all commitments and never compromise our ethics.

Performance

Ensure that all requirements to stakeholders of the Capital Market are met and satisfied.

OUR ECOSYSTEM

229

individuals who are members of the Chartered Institute of Stockbrokers who are the only authorised traders on the platform

The CSCS which clears all transactions executed on the market

6

Nominated Settlement Banks which ensure the prompt settlement and completion of the transaction cycle on the market

129

Registered broker/dealer firms who interact on behalf of their clients

Corporate Information

Board of Directors

1. Mr. Olutola Mobolurin	(Chairman)
2. Mr. Chike Nwanze	(Vice Chairman)
3. Mr. Bola Ajomale	(MD/CEO)
4. Mr. Oladipo Aina	
5. Mr. Ariyo Olushekun	
6. Mr. Abubakar Lawal	
7. Mr. Kayode Falowo	
8. Mr. Samuel Nwanze	
9. Ms. Obiageli Ugboma	
10. Mr. Aigbovbioise Aig-Imoukhuede	

Company Secretary	GIO Nominees Limited 864B, Bishop Aboyade Cole Street Victoria Island Lagos
Registered Office	9th Floor, UBA House 57, Marina Lagos
Auditors	Deloitte & Touche Civic Towers Plot GA1, Ozumba Mbadiwe Avenue Victoria Island, Lagos
Registrars	United Securities Limited Plot 009, Amodu Ojikutu Victoria Island, Lagos
Bankers & Settlement Banks	Access Bank Plc First Bank of Nigeria Plc Guaranty Trust Bank Plc Stanbic IBTC Bank Plc Sterling Bank Plc United Bank for Africa Plc

Notice of Annual General Meeting

Notice is hereby given that the 6th Annual General Meeting of NASD PLC will hold on Wednesday, 17 July 2019 at Meeting Room 1, Westwood Hotel, 22, Awolowo Road, Ikoyi, Lagos at 3.00pm for the transaction of the following business:

Ordinary Business

1. To lay before the members the Audited Financial Statements for the year ended 31st December 2018 together with the reports of Directors, Independent Auditors and Audit Committee thereon.

2. To re-elect Directors.

Special notice is hereby given by the Company to the members in accordance with Section 256 of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria 2004 that the following resolution will be moved at the Meeting:

"That Mr. Chike Nwanze be re-elected a Director of the Company notwithstanding that he attained the age of 79 years on 7 November 2018."

3. To re-appoint Messrs Deloitte & Touche as Independent Auditors.
4. To authorise the Directors to fix the remuneration of the Independent Auditors.
5. To elect/re-elect Shareholders' Representatives in the Statutory Audit Committee.

Special Business

1. To approve the remuneration of the Directors.
2. To consider and, if thought fit, to pass the following resolution as a special resolution:

"That pursuant to Section 48 of the Companies and Allied Matters Act (Cap. C20 Laws of the Federation of Nigeria 2004), the Articles of Association of the Company be hereby altered by inserting the following as Clause 13:

- Any Director may at any time appoint any other person approved by a majority of the other Directors for the time being to be his/her alternate and may remove an alternate Director appointed by him/her and appoint another in his/her place subject to such approval as aforesaid.

  An alternate Director shall not be required to acquire or hold any qualification share but he/she shall be entitled to attend and vote as a Director at any such meetings at which the Director appointing him/her is not present and at such meetings to exercise all powers, duties and authorities of the Director appointing him/her.

  An alternate Director, if his/her appointor ceases for any reason to be a Director, shall ipso facto cease to be an alternate Director. Every person acting as an alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his/her own acts and defaults, and he/she shall not be deemed to be an agent of or for the Director appointing him/her.

  All appointments and removals of an alternate Director made by any Director in pursuance of this Article shall be in writing under the hand of the Director making the same and shall be sent to or left at the registered office of the Company."

Notes

(a) Special Notice

Mr Chike Nwanze has given notice to the Company and by doing so hereby further discloses to members that he attained the age of 79 years on 7 November 2018.

(b) Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member. A form of proxy is attached. All instruments of proxy should be stamped and deposited at the registered office of the Company, 9th Floor, UBA Building, 57, Marina, Lagos or office of the Company Secretary, GIO Nominees Limited, 864B, Bishop Aboyade Cole Street, Victoria Island, Lagos not later than 48 hours before the time for holding the meeting.

(c) Audit Committee Members

In accordance with Section 359(5) of the Companies and Allied Matters Act (Cap. C20 Laws of the Federation of Nigeria 2004), any Shareholder may nominate another shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the office of the Company Secretary, GIO Nominees Limited, 864B, Bishop Aboyade Cole Street, Victoria Island, Lagos at least 21 days before the Annual General Meeting.

(d) Closure of Register of Members

In compliance with the provision of Section 89 of the Companies and Allied Matters Act, 2004, the Register of Members will be closed from the 8th day of July 2019 to the 12th day of July, 2019, (both dates inclusive) for the purpose of preparing an up-to-date Register of Members.

DATED THIS 4TH DAY OF JUNE, 2019
BY ORDER OF THE BOARD

L. Omolola Ikwuagwu (Mrs.)
FRC/2015/NBA/00000007013
GIO NOMINEES LIMITED
Company Secretary

Statement From The Chairman

Distinguished shareholders, ladies and gentlemen, on behalf of the Board of NASD Plc ("the Company"), it is my pleasure to welcome you to the 6th Annual General Meeting and to present to you the Annual Report and Financial Statements for the year ended 31 December 2018.

Mr. Olutola Mobolurin
Chairman, Board of Directors
NASD Plc

The Company's performance in the year under review was shaped by various events during the period and I would like to give a review of some of the major ones in the global and domestic terrain.

The Global Economy in 2018

The global economy maintained its growth momentum in 2018, although the emergence of macroeconomic, geo-political as well as country specific risks meant that growth was unevenly distributed across major economies. Growth remained strong in the U.S, buoyed by strong fiscal stimulus even as the U.S. Federal Reserve intensified its rate hike policy in order to keep inflation in check. The year also saw the U.S embroiled in a host of disputes with major trade partners in Europe and China, as well as neighbours, Canada and Mexico. Weak exports and geo-political tensions continued to inhibit growth in the Euro area while the Brexit conundrum continues to linger. The European Central Bank brought an end to its quantitative easing program. However the largely uninspiring growth in 2018 meant that policy rates will remain accommodative until fundamentals improve. Most emerging economies witnessed a turbulent 2018 characterized by massive capital outflows arising from higher U.S interest rates, monetary policy normalization in other advanced economies, currency depreciation and other country specific risk factors. However, recovery in global oil prices for the most part of 2018 supported growth in oil producing economies, as the Organisation of Petroleum Exporting Countries (OPEC) and its allies employed coordinated supply cuts to reduce the impact of increased U.S shale production.

The Nigerian Economy

On the domestic front, the Nigerian economy witnessed expansion in all four quarters of 2018, further consolidating its exit from recession. The pace of growth was however slower than anticipated as factors such as oil production shortages, herdsmen-farmer conflicts, capital flow reversals, late budget passage, weak consumer spending etc. impeded growth. Nonetheless, the economy grew 1.93% year on year supported by relatively stable oil production as well as growth in the agriculture and service sector. The Central Bank of Nigeria (CBN) maintained its tight monetary policy stance throughout 2018, opting to use Open Market Operations as its policy implementation tool even as inflation trended downwards for the most part of the year. Nevertheless, inflation gradually ticked upwards in Q3 & Q4 as the base effect wore off and major inflationary pressures began to surface. The CBN's foreign exchange intervention policy ensured that the Naira remained stable throughout the year. This policy stance was supported by the steady accretion of the foreign reserves as higher oil revenues ensured that the impact of capital outflows was minimal.

NASD OTC: Business Environment

In the capital markets, capital outflows in Q1 through to Q3 2018 rocked the equities market, due to rising U.S yields and uncertainty regarding the elections. However, strong domestic participation in the OTC market ensured a 22.45% return of the NASD in 2018.

The year also saw the launch by the Securities & Exchange Commission of its Green Bond rules which is expected to support sourcing of capital to be applied to finance or refinance projects which have positive environmental impact.

You will recall that last year, I informed you that the Company had embarked on the reconfiguration of its proprietary Bilateral Interdealer Trading System (BITS) platform. I am happy to inform you that the BITS platform went live in April 2018. As anticipated, the transition has resulted in a significant reduction of the Company's trading platform cost from ₦63 million in 2017 to ₦1.4 million in 2018.

The Company also formally launched its information repository, the NASD Enterprise Portal (“NASDeP”) in April 2019 at an event which was well attended by various stakeholders including representatives of the Securities & Exchange Commission and has received significant interest till date.

In November 2018, NASD obtained the approval of the Securities & Exchange Commission of its Trade Guarantee Fund Rules and Penalties for Breaches of the Rules and Regulations of the OTC Market. It is expected that these Rules will further strengthen the Market and increase investors' confidence.

Trade Activity

Trading activity during the year increased as the number of trades executed on the NASD OTC Market increased by 5.17% over the preceding period.

The Market witnessed only a 5.40% increased the number of admitted securities, 7.5% increase in Authorised Traders and 1.55% increase in Participating Institutions. NASD admitted 2 new securities; to close with 39 securities and traded bonds worth ₦57.87 billion.

The volume of shares traded during the year increased by 1867%, while the value traded increased by 604.53% compared to the previous year. As at 31 December 2018 the value of transactions executed on the market was ₦30.72 billion.

Financial Performance

Distinguished shareholders, your company earned ₦134.4 million as trading commission in the year under review in comparison to ₦23.1 million achieved in the preceding year, representing 481.82% increase over the previous year's performance. This was due to increase in activities carried out by the respective Participating Institutions. From membership fees, the company earned ₦24.9 million and ₦57.7 million from interest on investments representing 1.6% increase and 19% decrease respectively over the previous year's revenue of ₦24.5 million and ₦71.2 million. The marginal increase in membership fees for 2018 was largely due to non-renewal of registration by some Participating Institutions and non-listing of new companies, while the decrease in interest income was due to the general fall of interest for a significant period of the year.
Our direct trading expenses in the year under review was ₦1.4 million in comparison with ₦63 million in the preceding year, representing a decrease of 97.8%. This was as a result of the company's transition from the trading platform leased from The Nigerian Stock Exchange, to an

Nonetheless, the economy grew 1.93% year on year supported by relatively stable oil production as well as growth in the agriculture and service sector. The Central Bank of Nigeria (CBN) maintained its tight monetary policy stance throughout 2018, opting to use Open Market Operations as its policy implementation tool even as inflation trended downwards for the most part of the year.

"

alternative trading platform which has enabled the Company align trading costs with the growth of activities in the market as promised last year.

Other costs during the review period (marketing, payroll and general administration costs) stood at ₦161.7 million as against ₦135.3 million in the preceding year, representing an increase of 19.5%.

Future Outlook

The year ahead holds its own challenges not just for the capital market but the country. Nonetheless, we are optimistic that the increased awareness of the OTC Market and the support of the Securities and Exchange Commission to provide the regulatory framework required to grow the fledgling OTC space will in no distant time yield the much-awaited results.

Appreciation

I would like to use this opportunity to thank Management and other employees for their ceaseless dedication to the success of the Company.

I would also like to thank the Securities and Exchange Commission for its continued support of the OTC Market. The Market has continued to grow and strengthen under the Commission's watchful supervision and we look forward to its continued support. To the shareholders, I extend my appreciation for their unwavering belief in the Company even in uncertain times. As the operating result for 2018 reflects, there is much to hope for in the future. I also say a big thank you to our Participating Institutions for your cooperation and active participation.

Finally, I thank my colleagues on the Board for their sacrifice, co-operation, dedication and committed service to the company with no remuneration. We look forward with great expectancy to better years to come.

Thank you all for your attention.

Olutola Mobolurin
Chairman, Board of Directors NASD Plc
July 17, 2019

Letter From The Chief Executive Officer

Dear Shareholders,

In many ways, 2018 was a watershed year for your company.A slight recovery in world oil prices (especially oil) provided Nigeria with some much needed respite from the recession of 2016 and 2017. Pent up demand for securities trading on the NASD OTC platform were therefore facilitated all through the year 2018.

Mr. Bola Ajomale
Chief Executive Officer / Managing Director
NASD Plc

Activity in the year was however dominated by another driver – FinTech. NASD embarked on a deliberate strategy of deploying a very focussed investment in technology to achieve disproportionate fiscal and service delivery returns.

Bilateral Interdealer Trading System

NASD | BITS BILATERAL INTER-DEALER TRADING SYSTEM

At the start of 2018 we successfully migrated our trading platform from the leased Nasdaq OMX platform to our proprietary Bilateral Inter-dealer Trading System ["BITS"]. This fit for scale (and purpose) platform provided your company with increased ability to meet client demands and data integrity. Being a fully clouded system, we have empowered traders with access the OTC market from any smart device without geographical restriction. We released a second version of BITS later in 2018 that included enhancements and fixes requested by Participants.

The trading platform also gave NASD full determination over price making and market administration. For example; we expeditiously improved price discovery by changing from a last trade closing price mechanism to a more appropriate Value Weighted Average Pricing ["VWAP"] module. As NASD continues to evolve to a more accessible and liquid market, we will continue deploying relevant and focussed technology to meet ever evolving market demands.

NASD Data Portal

The NASD data portal was the second portal deployed to enhance the visibility and transparency of the OTC market. Observers of the market can visit www.Dataex.nasdotc.ng to view market activity in real time for any of our traded securities once available. The portal also holds trading history dating back to market opening in 2013. On top of the trading platform and data portal we enabled SMS trade alerts and data feed API's for data vendors. This has allowed us commence discussions with S&P and Refinitiv (formerly Thompson Reuters) to create a tradable index based on the best performing securities on the OTC market.

NASD Enterprise Portal (NASDeP)

A third technology-enabled initiative was to launch the NASD enterprise Portal["NASDeP"]. The portal opens up the capital market to a new group of pre-IPO companies who are seeking to interact with a limited number of single (non-bank) financiers such as PE Firms and Asset Managers. It also widens the NASD OTC Securities Exchange community as other capital market professionals are able to register and advise on this portal. Through NASDeP we will give growth companies the needed capital market support that may ensure their long-term sustainability and will ultimately increase the level of listings in the sub- Saharan region.

Our technology deployment directly translated to our financial results:

- **Core trading activity – transactions rose from ₦4.36 billion in 2017 to ₦30.77 billion in 2018. Revenues increased by 300% over 2017 numbers [2017: ₦50m; 2018: ₦167m].**

- **NASDeP as a new revenue line earned ₦7.5 million in the first year and we expect significant growth as this model continues to impact the economy.**

- The most direct and dramatic financial impact of this strategy decision manifested in our ability to crash Trading Costs from over ₦60 million in 2017 to less than ₦2 million in 2018. We appreciate Agemate Limited, developers of BiTS and all other individual developers for their creativity, we also appreciate the Participating Institutions who provided critical feedback.

By increasing our deployment of locally developed technology, we have also been able to significantly reduce our foreign exchange fluctuation risk while supporting the inevitable growth of Nigeria's FinTech industry. Interestingly, we noted no change in revenues that were not technology driven:

- Registration fees were essentially flat at ₦24million [2017: ₦24million] as only a few new participants entered the OTC market.

- Interest income remained significant but declined from ₦71 million in 2017 to ₦57.7 million in 2018. This was mainly due to a dip in prevailing interest rates in 2018.

Market development and growth:

By the end of Q1 2018, NASD launched the NASD Enterprise Portal. Memoranda of understanding were signed to on-board business accelerators (Enterprise Development Centre, FATE Foundation, The Tony Elumelu Foundation and The Bank of Industry). The first partners to the portal (PricewaterhouseCoopers, Banwo & Ighodalo and Verod Capital Management) also gained access to the information repository. We continue to build strategic alliances with Multilateral Finance Institutions, trade groups, professional associations and chambers of commerce who we believe have critical roles to play on the portal. We anticipate on boarding a sizable number of growth companies in 2019 from a wide range of sectors like energy, manufacturing, agriculture and fintech.

2018 also saw the inauguration of the Association of Securities Exchanges of Nigeria [“ASEN”]. Objectives of the association include fostering cooperation among members, cohesive development of the Nigerian capital market and providing a platform on which issues of mutual benefit for the member exchanges can be considered. NASD welcomes the opportunity to serve as an inaugural trustee of the association.

In continuation of our interest in deepening the capital market, we co-hosted the 1st Nigeria-Canada Investment Summit. Canada has long been a dominant power in the energy, solid minerals and mining space and we expect to see interesting developments from this private sector initiative in the future.

3 additional securities were added to the NASD Unlisted Securities Index [“USI”] in 2018.

- **Apel Asset Limited introduced the shares of Mass Telecommunication & Innovation Plc (SDMASSTCOM). Mass Telecom has a share capital of 4,893,593,900 ordinary shares at 50 Kobo each and was introduced at a price of ₦0.5 per share.**

- **Equity Capital Solutions Limited introduced the shares of UBN Property Company Plc (SDUBNPROP). UBN Property has a share capital of 5,626,416,051 ordinary shares at ₦1 each and was introduced at a price of ₦2 per share.**

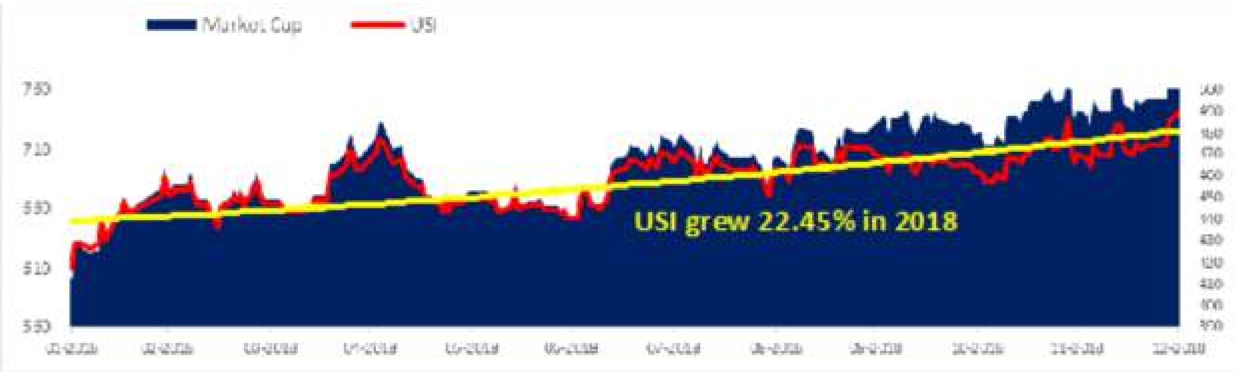
- **Vetiva Capital Management Limited** introduced the shares of Providus Bank Plc **(SDPROVIDUS)** at the close of 2018. Providus has a share capital of 14,915,200,788 ordinary shares of 50Kobo each and was introduced at a price of ₦0.85 per share.

We look forward to creating liquidity for the shareholders of each of these respective companies.

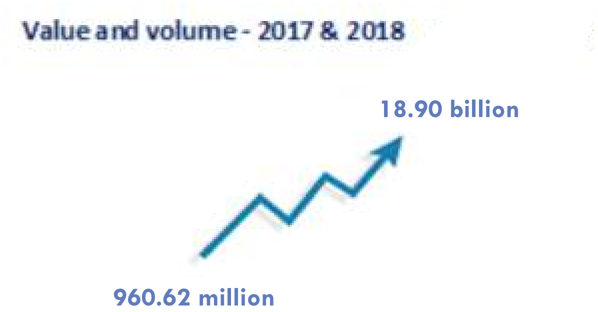
NASD OTC market currently only trades public securities that are registered with the Securities and Exchange Commission (SEC). We note however that some public securities are not registered at the SEC and therefore cannot trade on the OTC market. We shall continue to work with Corporate Affairs Commission [“CAC”] in identifying such Public companies and fully support the efforts of the Securities and Exchange Commission in ensuring all issuers of such securities comply with the law.

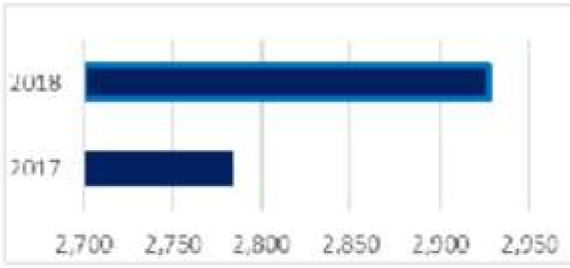
NASD IN NUMBERS

Market Capitalisation And Unlisted Securities Index Performance



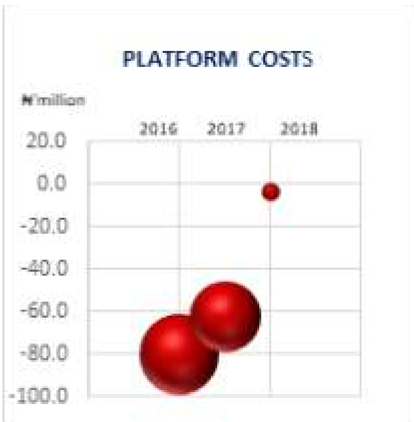
Growth In Trade Activity

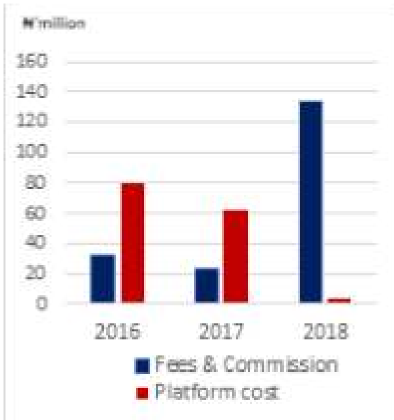




·Highest trade activity was in Category Blue securities (See categories on the next page.)

Profitability 2016 - 2018





Categorisation of Securities On NASD OTC Securities Exchange

We continue to maintain two main methods for securities to enter the OTC Market

1. Admission of Securities : where an individual shareholder can mandate a Participating Institution [PI] to dematerialise their holding into the market

2. Admission of Companies : where the company applies directly to NASD and undertakes to comply with our admission requirements.

In order to improve transparency and investor confidence, we commenced ranking securities based on the amount of information available to the public and the level of each company's compliance with capital market rules. Each trading security was placed in one of 3 categories

I. **Blue Categor** securities that demonstrated the highest level of compliance with financial reporting and corporate governance standards.

Security code	2018 AGM date	Open price 2018(₦)	Close price 2018 (₦)	Market Cap (₦)
SDAFRILAND	27-Mar-18	2.45	2.25	3,434.75
SDALLINSURPLC	26-Oct-18	1.10	0.99	7,439.95
SDARMLIFE	25-Jul-18	0.50	0.50	3,857.12
SDCSCSPLC	28-May-18	7.15	12.00	60,000.00
SDFCWAMCO	17-May-18	147	164.55	160,656.08
SDNASDPLC	11-Jul-18	2.59	2.59	1,150.49
SDNDEP	27-Jun-18	123.01	308.00	55,873.66
SDNMRCPLC	31-Jul-18	4.55	4.55	8,703.70
SDUBNPROP	31-Jul-18	2.00	1.50	8,439.62

See NASD Security Directory by Industry

ii. **Pink category:** securities that demonstrated some compliance with financial reporting standards.

Security code	2018 AGM date	Open price 2018(₦)	Close price 2018 (₦)	Market Cap (₦)
SDAGMBANK	27-Sep-18	0.60	0.60	4,442.88
SDAIRLIQ	30-Aug-18	0.60	0.60	1,080.00
SDCRSBUR	Nil	1.90	1.90	648.42
SDFANMILK	26-Jun-18	20.00	20.00	19,996.32
SDFOODCPT	01-Nov-18	0.63	0.66	3,856.59
SDFUMMAN	Nil	1.58	1.58	1,896.00
SDGOLDEN	Nil	1.00	1.00	1,170.32
SDIGIPLC	02-Mar-18	0.06	0.07	996.19
SDLIGHTFSP	Nil	0.50	0.50	1,076.00
SDMASSTCOM	Nil	0.50	0.53	2,593.60
SDMIXREAL	12-Jul-18	2.23	2.20	21,622.19
SDNIPCOPLC	19-Jul-18	71.50	71.50	13,418.29
SDSWAPPLC	Nil	0.97	0.88	2,380.73
SDTRUSTMB	13-Dec-18	0.60	0.71	3,319.25

iii. **Red category:** These are companies that fell below financial reporting standards.

Security code	2018 AGM date	Open price 2018(₦)	Close price 2018 (₦)	Market Cap (₦)
SDCOSTAIN	Nil	0.50	0.50	540.00
SDDUFIL	Nil	9.00	9.00	60,780.00
SDFAMADPLC	Nil	1.25	1.25	232.03
SDFARMSPLC	Nil	1.00	1.00	520.00
SDGEFLUID	Nil	0.58	0.48	2,086.26
SDIPIPLC	Nil	0.50	0.50	20.00
SDRSOURCE	Nil	0.50	0.45	1,525.13
SDRIGGS	Nil	0.95	0.95	1,639.95
SDSPRINGM	Nil	1.20	1.20	8,565.84
SDVITPROD	Nil	2.59	2.33	4,247.79

See NASD Security Directory by Industry

NASD will continue to build confidence in the OTC market by working with issuers to improve their reporting and information disclosure.

We also continue to build market structure and regulation in 2019. In 2018, new rules were codified to identify and appropriately treat market infractions and disputes. We are at the final stage of opening a Trade Guarantee Fund and have approved the structure for an Investor Protection Fund. As the market continues to grow in 2019, we will commence PI compliance visits to complement our regular surveillance activity.

Overall market activity

The overall Unlisted Securities Index appreciated 19.7 % between January 2018 and December 2018 while Market Capitalisation rose 21.8% from ₦402.51 Billion in January 2018 to ₦514.77 Billion as at 31 December 2018.

Although we had more trades in general, activity is still not evenly spread across all brokers. Of the total of 129 Participating Institutions, 98 were active in 2018 and the 15 most active Institutions accounted for more than 90% of deals and value traded. We believe that as more information is disseminated about the market, more Participating Institutions will become active for their investing clients.

Staffing

The core of our business development and market structure has been our staff. We have created new corporate values and structure to encourage continued high quality intellectual and technical output from our staff. All staff have the opportunity to attend relevant training that will enhance both their personal and professional value. We also thank the staff for their dedicated hard work and drive in 2018.

Looking forward

We have started the 2019 financial year with strong momentum and clarity on what we need to achieve. Your company and its staff anticipate the future with enthusiasm.

I would like to thank all our people for their hard work and commitment to providing our customers and other stakeholders with reliable, resilient and high-quality infrastructure, Underpinning it all is their dedication to integrity and ethical behaviour. We thank our shareholders for their continuous support. We believe that with a continuation of the established trend of driving efficiency, opening new opportunities and creating liquidity we shall deliver sustainable and attractive returns. We also appreciate our apex regulator the Securities and Exchange Commission for creating a fair and well managed environment for the OTC market to grow.

Yours Sincerely

Bola Ajomale
Chief Executive Officer / Managing Director

Board Of Directors

Mr. Olutola Mobolurin
Chairman

Mr. Chike Nwanze
Vice Chairman

Mr. Bola Ajomale
MD/CEO

Mr. Oladipo Aina
Director

Mr. Ariyo Olushekun
Director

Mr. Abubakar Lawal
Director

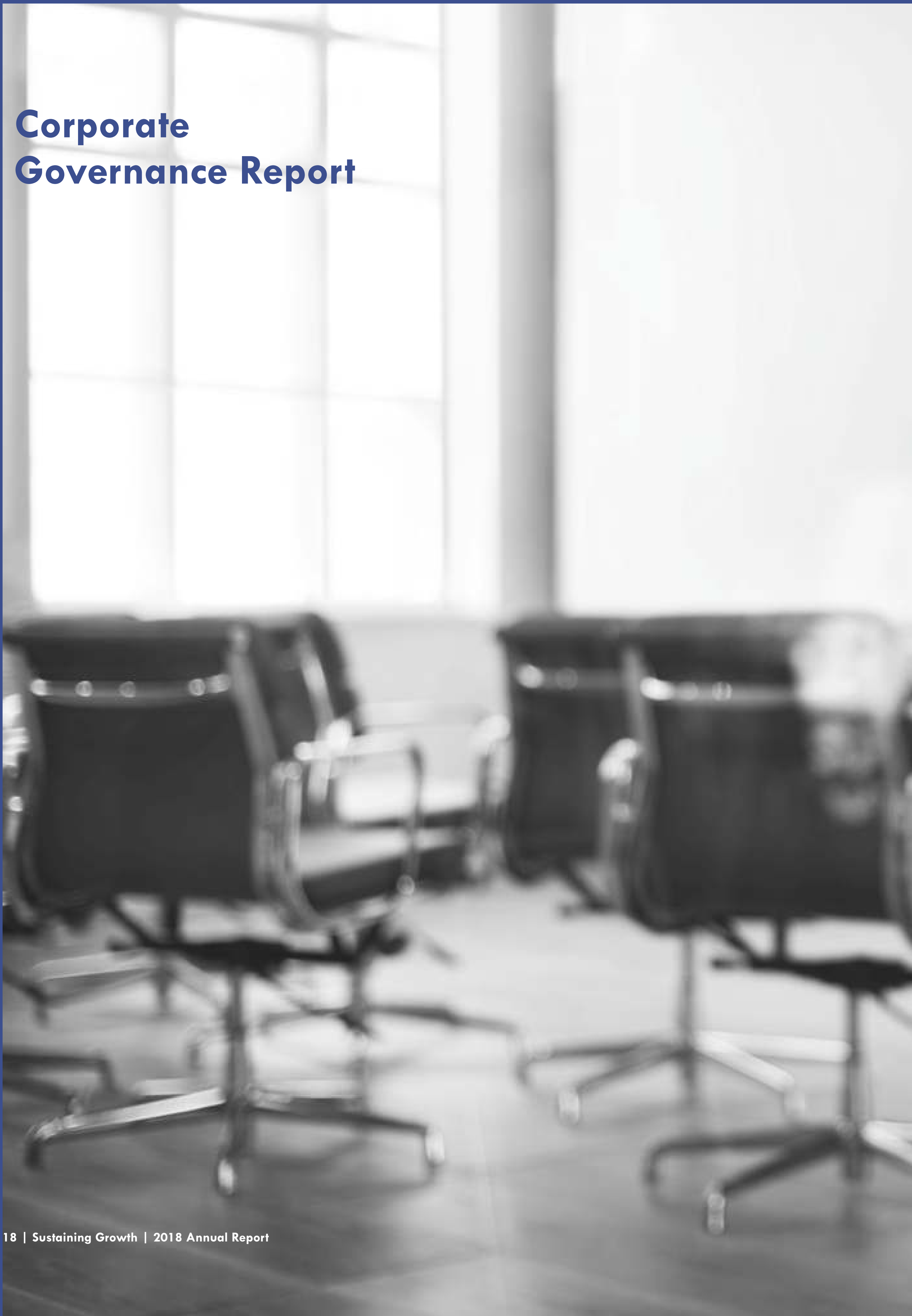
Mr. Kayode Falowo
Director

Mr. Samuel Nwanze
Director

Ms. Obiageli Ugboma
Director

Mr. Aigbovbioise
Aig-Imoukhuede
Director

Corporate Governance Report



1. INTRODUCTION

NASD Plc recognises the importance of good corporate governance as a means of sustaining viability of the business in the long term, and further believes that the attainment of business objectives is directly aligned to good corporate behaviour.

In the conduct of its business, NASD Plc has sought to comply with all statutory requirements, adopted tried and proven best practices to protect the environment and its employees, invested in the community in which it operates and striven to enhance shareholder value in the process. NASD Plc adopts both medium and long-term growth strategies and allocates resources in order to guarantee the creation of wealth. NASD Plc promotes and recognises excellence through its employee development programmes.

The Company has put in place systems of internal controls in order to safeguard the interest of shareholders and stakeholders and ensure the reliability of its records. The business adopts standard accounting practices to facilitate transparency in the disclosure of information and to give assurance of the reliability of the financial statements.

2. BOARD OF DIRECTORS

The responsibility for good corporate governance is placed on the Board of Directors and the Management Team. The Board of Directors are highly qualified and experienced in their professional areas of expertise. As at December 31, 2018, the Board had one full time Executive Director- the Managing Director of the Company. The Board also had nine other members who are non-Executive Directors. The Board meets regularly to deliberate on policy matters, corporate strategy and implementation, review Company's performance, operations, finances and set standards for ethical conduct of the Company's performance, operations, and finances, amongst other critical activities.

Responsibilities of the Board

The Board is primarily responsible for ensuring the proper management of the affairs of the Company. The Board has a good relationship with Management with adequate information flow between them. The Board's specific responsibilities include:

- Determining the Company's objectives and strategies and monitoring implementation.
- Approving Senior Management staff appointments, promotions and discipline.
- Approving annual budgets and monitoring financial performance.
- Ensuring that adequate budgetary and planning processes exist such that performance is monitored against budget and plans.
- Approving the general policies of the Company.
- Ensuring that an effective risk management process exists and is maintained.
- Ensuring balanced and understandable reporting to shareholders.
- Ensuring adequacy of systems of financial, operational and internal controls and regulatory compliance.
- Ensuring value creation for shareholders and employees.
- Approving major capital expenditure acquisitions.
- Ensuring adequate disclosure and communication.
- Succession planning.
- Reviewing and approving the Audited Financial Statements of the Company for presentation to shareholders at the Annual General Meeting.
- Ensuring the implementation of all decisions taken at General Meetings.
- Monitoring compliance with Legal and Regulatory requirements.

Board Meetings

The Board meets at least once every quarter and when it deems necessary. In compliance with Section 258 (2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, the Record of Directors' attendance at Board Meetings is exhibited as follows:

Names of Directors	Institutions Represented	Meetings Held					
		18/01/18	26/03/18	11/04/18	19/7/18	15/10/18	Total
Mr Olutola Mobolurin	Capital Bancorp Plc.	✓	✓	✓	✓	✓	5
Mr. Chike Nwanze	Icon Stockbrokers Limited	✓	x	✓	✓	✓	4
Mr. Oladipo Aina	Signet Investments & Securities Ltd	✓	✓	✓	✓	✓	5
Mr. Ariyo Olushekun	Capital Assets Ltd	x	x	✓	✓	✓	3
Mr. Abubakar Lawal	GTI Capital Ltd	✓	✓	✓	✓	✓	5
Mr. Kayode Falowo	Greenwich Securities Ltd	x	✓	✓	✓	✓	4
Ms. Obiageli Ugboma	Chapel Hill Denham Group	✓	x	✓	✓	✓	4
Mr. Aigbovbioise Aig-Imoukhuede	Coronation Securities Ltd	✓	✓	✓	✓	✓	5
Mr. Samuel Nwanze	Heirs Holdings Group	✓	x	x	x	x	1
Mr. Bola Ajomale	NASD Plc.	✓	✓	✓	✓	✓	5

Directors Retiring by Rotation

The following Directors retiring by rotation in accordance with Section 259 of the Companies and Allied Matters Act being eligible are presenting themselves for re-election:

a. Mr. Aigbovbioise Aig-Imoukhuede

Mr. Aig-Imoukhuede has over 18 years' experience in the Financial Services Industry, spanning Corporate Banking, Commercial Banking, Treasury and Private Banking. He joined Marina Securities Limited in 2007 as the Vice President, Wealth Management Group; he moved on to become the Director of Wealth Management and Business Development in 2011 and then Deputy Managing Director in 2014 in Coronation Securities Limited (formerly Marina Securities Stockbroking Services Limited), presently Head of Coronation Capital Markets at Coronation Merchant Bank Ltd. He is an Associate Member of the Institute of Directors (IoD) Nigeria.

He holds a Bachelor of Science Degree in Business Studies from the University of Buckingham, UK.

b. Ms. Obiageli Ugboma

Ms. Obiageli Ugboma joined Chapel Hill Denham Group in July 2011 as the Chief Risk Officer – Executive Director and leader of a team spread across Risk Management, Compliance and Internal Audit. She also sits on the Board of Chapel Hill Denham Securities Limited.

Prior to her current position, she worked with J.P. Morgan, Investors, London, from October 2007 to June 2011 as Executive Director and Head of EMEA, FMP Risk Management and Vice- President, EMEA Compliance. She worked with HSBC Bank Plc, London in various positions: Sales and Relationship Manager, Corporate and Commercial; Manager, Credit & Risk and Branch Manager between 1999 and 2005. She also had a stint with Deloitte & Touche, London as Trainee Chartered Accountant within audit and financial services functions from August 1998 to August 1999.

She holds a B.Sc. (Hons.) Biotechnology from the Imperial College of Science and Technology in 1998 and a B.Sc. in Financial Services from the UMIT (UK) in 2002.

She is a Fellow of the Chartered Institute of Bankers of Nigeria and an Associate of the Institute of Financial Services, UK.

c. Mr. Chike Nwanze

Mr. Chike Nwanze is Vice Chairman/CEO of ICON Stockbrokers Limited. He holds a bachelor's degree in Business Administration and also an MBA in Financial Management. He has had diverse work experience in the oil and gas, banking, and stock broking sectors of the economy.

Prior to his current position, he worked in Shell, Houston Texas from 1969 to 1972 before returning to Nigeria to join Shell-BP Petroleum Development Company Nigeria. In 1975, he joined the Nigerian Bank for Commerce and Industry (now Bank of Industry) and ICON Limited (Merchant Bankers) as a General Manager.

He has participated in various workshops, seminars and executive programs at The Economic Development Institute of the World Bank; Industrial Projects Course and Amos Tuck School of Business Administration, USA. He is a fellow of the Institute of Directors, Fellow of the Economic Development Institute (F.E.D.I) and a Fellow of the Chartered Institute of Stockbrokers.

He is the Chairman of the Disciplinary Committee and the Governance & General-Purpose Committee.

3. BOARD COMMITTEES

In conformity with the Code of Corporate Governance and Best Practices, the Board of Directors worked through 6 (six) committees:

Rules & Membership Committee

The Rules & Membership Committee chaired by Mr. Kayode Falowo is responsible for reviewing the Rules of the NASD OTC Market, applications for membership, participation on the Market and admitting new companies. The decisions of the Committee are ratified by the Board.

The Terms of Reference of the Rules and Membership Committee include:

- To monitor and ensure the Company's regulatory program for sufficiency, effectiveness and independence.
- To oversee all issues in the Company's regulatory program including trade practice and market surveillance and other regulatory responsibilities with respect to Authorized Dealers including stating policy for the conduct of investigations and review of disciplinary actions.
- To propose resources required to effectively manage the Company's regulatory and market practice functions.
- To review all relevant laws and regulations that may impact the Company and make recommendations to the Board of Directors on any identified gaps.

The Committee meets every quarter or on an ad-hoc basis whenever firms seeking registration with NASD have fulfilled all the necessary requirements. The Rules & Membership Committee has the following as members:

Names of Directors	Institutions Represented	Meetings Held	
		13/06/18	Total
Mr. Kayode Falowo	Greenwich Securities Ltd		1
Ms. Obiageli Ugboma	Chapel Hill Denham Group		1
Mr. Chike Nwanze	Icon Stockbrokers Ltd	x	x
Mr. Bola Ajomale	NASD Plc.		1

Finance & Investment Committee

The Finance & Investment Committee chaired by Mr. Ariyo Olushekun was set up to expedite the process for approval of certain actions which can only be carried out by the authority of the Board. It is authorised to determine on behalf of the Board, matters relating to staffing, finance, financial procedures and any other matter the Board may determine.

The Terms of Reference of the Finance & Investment Committee include:

- To ensure that statements of financial position are presented to the Board on a regular basis and that appropriate action is taken on matters raised.

- To ensure that clear policies are in place on treasury management, investment management, risk management and other financial processes and that these policies are periodically reviewed.
- To be responsible to the Board for the development of recruitment policies, training and development, promotion and all other Human Capital Management issues and to ensure that such policies are in compliance with the Company's strategic focus.

The Finance & Investment Committee has the following as members:

Names of Directors	Institutions Represented	Meetings Held				
		11/01/18	09/04/18	12/07/18	10/10/18	Total
Mr. Ariyo Olushekun	Capital Assets Ltd	👤	👤	👤	👤	4
Mr. Abubakar Lawal	GTI Capital Ltd	👤	👤	👤	👤	4
Mr. Samuel Nwanze	Heirs Holdings Group	👤	x	x	x	1
Mr. Bola Ajomale	NASD Plc.	👤	👤	👤	👤	4

Governance Committee

The Governance Committee is chaired by Mr. Chike Nwanze. The Committee was set up to assist the Board in fulfilling its obligations by providing focus on governance intended at enhancing the Board's performance, taking into consideration established governance best practices and ensuring that there is a robust and effective process for evaluating the performance of the Board, Board Committees and individual directors.

The Governance Committee has the following as members:

Names of Directors	Institutions Represented	Meetings Held				
		08/03/18	17/07/18	25/10/18	30/10/18	Total
Mr. Chike Nwanze	Icon Stockbrokers Ltd	👤	👤	👤	👤	4
Mr. Oladipo Aina	Signet Investments & Securities Ltd	👤	👤	👤	👤	4
Mr. Ariyo Olushekun	Capital Assets Ltd	👤	👤	👤	👤	4
Ms. Obiageli Ugboma	Chapel Hill Denham Group	x	👤	👤	👤	3
Mr. Abubakar Lawal	GTI Capital Ltd	x	x	👤	👤	2

Audit & Risk Committee

The Audit & Risk Committee chaired by Mr. Abubakar Lawal was set up to assist the Board in fulfilling its corporate governance and oversight responsibilities relating to the integrity of NASD's financial reporting, the effectiveness of the Company's system of financial risk management framework.

The Audit & Risk Committee has the following as members:

Names of Directors	Institutions Represented	Meetings Held	
		30/10/18	Total
Mr. Abubakar Lawal	GTI Capital Limited		1
Mr. Aigbovbioise Aig-Imoukhuede	Coronation Securities Limited		1
Ms. Obiageli Ugboma	Chapel Hill Denham Group		1
Mr. Samuel Nwanze	Heirs Holdings Group		1

Technical Committee

The Technical Committee is chaired by Mr. Ariyo Olushekun. The Committee assists the Board in its responsibility to choose and maintain a reliable trading platform, assess the viability and integrity of the trading network, product development and improving IT strategy.

The Terms of Reference of the Technical Committee include:

- To constitute an interview panel to assess the suitability of Technical Consultants for various projects and advise the Board accordingly.
- To define the scope of work and deliverables of technical consultants and vendors.
- To monitor the effectiveness and efficiency of the Technical consultants in meeting set objectives.
- To report to the Board on all activities that pertain to the activities of the Technical Consultants.

The Technical Committee has the following as members:

Names of Directors	Institutions Represented	Meetings Held		
		30/10/18	15/11/18	Total
Mr. Ariyo Olushekun	Capital Assets Limited			2
Mr. Aigbovbioise Aig-Imoukhuede	Coronation Securities Limited		x	1
Ms. Obiageli Ugboma	Chapel Hill Denham Group			2
Mr. Kayode Falowo	Greenwich Securities Limited	x		1
Mr. Bola Ajomale	NASD Plc.			2

Disciplinary Committee

The Disciplinary Committee was set up to investigate any allegation of violation of the NASD OTC Rules and adjudicate all disputes between Participating Institutions and their customers. It is chaired by Mr. Chike Nwanze. The Committee which had no cause to meet in 2018 has the following as members:

Names of Directors	Institutions Represented
Mr. Chike Nwanze	Icon Stockbrokers Limited
Mr. Aigbovbioise Aig-Imoukhuede	Coronation Securities Limited
Mr. Samuel Nwanze	Heirs Holdings Group
Mr. Oladipo Aina	Signet Investments & Securities Limited

4. STATUTORY AUDIT COMMITTEE

As at 31 December 2018, the Audit Committee consisted of Six (6) members, three of whom are members of the Board of Directors, the other four members being Shareholders Representatives. The Audit Committee is chaired by a Shareholder Representative. The Committee meets to review the adequacy of the internal and external audit plan, to receive and deliberate on the report of the external auditors, to review progress on recommendations made in both the internal and external audit reports, to review the adequacy of internal control systems and the degree of business compliance with laid down internal policies, laws, code of business principles and any other relevant regulatory framework.

The Audit Committee met five (5) times during the 2018 financial year and the following members served on the Committee during this period:

Names of Directors	Institutions Represented	Meetings Held					Total
							Total
Mr. Kashimu Garba Kurfi	APT Securities and Funds Ltd	👤	👤	x	x	👤	3
Mr. Abubakar Lawal	GTI Capital Ltd	👤	👤	👤	👤	x	4
Ms. Obiageli Ugboma	Chapel Hill Denham Group	👤	x	👤	👤	👤	4
Mr. Aigbovbioise Aig-Imoukhuede	Coronation Securities Ltd	👤	👤	👤	👤	👤	5
Mrs. Ayodeji Oloye*	WSTC Financial Services Ltd	👤	x	N/A	N/A	N/A	1
Ms. Temitope Adeosun	FBN Securities Ltd	👤	👤	x	👤	x	3
Mr. Nornah Awoh **	Palesa Capital Associates Ltd	N/A	N/A	👤	👤	👤	3

*Mrs. Ayodeji Oloye was not re-elected at the 2018 Annual General Meeting held on the 11th day of July 2018.
** Mr Nornah Awoh was elected at the 2018 Annual General Meeting held on 11th day of July 2018.

5. CODE OF CONDUCT

NASD Plc has a documented Code of Professional Conduct which guides all employees in the discharge of their duties. The code sets the standard of professionalism and degree of integrity required for business operations. Among other things, the code covers the following areas: compliance with the law, conflicts of interest, government reporting, etc. It also covers procedure for handling breaches and instances of non-compliance.

The Company has adopted a Personal Account Trading Policy to guide securities transactions by its directors and employees.

6. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

The Board understands the importance of effective communication with shareholders. NASD has a vibrant and dynamic website where important information is provided on a timely basis. There is also an information desk where email enquiries are responded to. The Annual General Meeting gives the shareholders an opportunity to communicate and interact with members of the Board.

7. WHISTLE BLOWING POLICY

The Company has established a Whistle Blowing Policy which provides a secure channel of communication for all employees and stakeholders to report issues of a sensitive nature or wrongdoing to the Board and management of NASD while maintaining the confidentiality of the whistle-blower. The Company has a dedicated email address through which such complaints can be received.

The Management Team

The Management Team, consisting of the Managing Director and heads of various departments/functions, meets regularly to review the performance of the Company and assess progress against the achievement of laid down objectives. It also reviews programmes and strategies and assigns responsibilities and resources for achievement of set goals.

It is charged with the responsibility of identifying and assessing the risk profile within which the Company is operating, with a view to eliminating or minimizing the impact of such risks to the achievement of set Company's objectives.

Bola Ajomale
Managing Director/ CEO

Kolawole Jiboku
Head, Finance & Accounts

Jane Ijegbulem
Head, Legal & Compliance

Chioma Mbagwu
Head, Human Resources & Admin.

Chinwendu Ekeh
Head, Market Operations & IT

Ernst & Young
10th and 13th Floors,
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57, Marina
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Email: services@ng.ey.com
www.ey.com

March 26, 2019

The Chairman, Board of Directors
NASD Plc
9th Floor, UBA House
57 Marina
Lagos, Nigeria

Dear Sir,

Board Appraisal Report for the year ended December 31, 2018

We are pleased to submit our report on the Board Appraisal of NASD Plc.

We have completed the Board Appraisal for NASD Plc for the year ended 31st December 2018, in accordance with our Statement of Work dated 1st of Febuary 2019.

The fieldwork was performed between the 18th of Febuary till 8th of march 2019. The scope of our work, related findings, and recommendations resulting from our review procedures are provided in the detailed report.

Thank you for entrusting us to work with you on this project, we are willing to discuss any aspect of this report with you. If you have any questions regarding our report, please feel free to contact the under signed Bunmi Akinde: e-mail: Bunmi.Akinde@ng.ey.com.

Yours faithfully,

For: Ernst & Young

Bunmi Akinde
Partner Advisory Services

Report Of The Audit Committee

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, 2004, we, the Members of the Audit Committee of NASD Plc, having carried out our statutory functions under the Act, hereby report that:

(a) the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;

(b) the scope and planning of both the external and internal audit programmes for the year ended 31 December 2018 are satisfactory and reinforce the Company's internal control system;

(c) having reviewed the external auditors' findings and recommendations on Management matters, we are satisfied with Management's response thereto.

Finally, we acknowledge the cooperation of Management in the conduct of these duties.

Mr Kasimu Garba Kurfi
Chairman
FRC/2013/ICSN/00000004053

Directors Report

For the year ended 31 December 2018

Directors' report

The Directors submit their report together with the audited financial statements for the year ended 31 December 2018.

(a) Legal form and principal activity

NASD Plc is licensed by the Securities and Exchange Commission to operate as an over the counter market for securities of unquoted companies.

(b) Operating results

Highlights of the Company's operating results for the year are as follows:

	2018 ₦' 000	2017 ₦' 000
Profit/(Loss) before tax	62,023	(78,585)
Tax	28,331	(2,537)
Profit/(Loss) after tax	90,354	(81,122)
Profit/(Loss) per share (kobo)	20.34	(19.92)

The directors do not recommend the payment of a dividend.

(c) Directors and their interests

The directors who served during the year were as follows:

Name	Designation	Interests Ordinary shares of ₦1 each Direct	Indirect
Mr. Olutola Mobolurin	Chairman	-	21,490,311
Mr. Bola Ajomale	Managing Director	-	-
Mr. Abubakar Lawal	Non-Executive	-	30,476,190
Mr. Ariyo Olushekun	Non-Executive	-	35,652,703
Ms. Obiageli Ugboma	Non-Executive	-	29,957,653
Mr. Chike Nwanze	Non-Executive	-	2,777,773
Mr. Aigbovbiose Aig-Imokhuede	Non-Executive	-	30,173,690
Mr. Kayode Falowo	Non-Executive	-	22,727,773
Mr. Oladipo Aina	Non-Executive	-	5,444,440
Mr. Samuel Nwanze	Non-Executive	-	38,093,333

Mr. Chike Nwanze, Mr. Aigbovbiose Aig-Imokhuede and Ms. Obiageli Ugboma are directors retiring by rotation in accordance with Section 259 of the Companies and Allied Matters Act and all being eligible, offer themselves for re-election.

Special notice is given in accordance with Section 256 of the Companies and Allied Matters Act, Cap. C20 Laws of the Federation of Nigeria 2004 in respect of Mr. Chike Nwanze who attained the age of 79 years on 7 November 2018.

(d) Shareholding

According to the register of members at 31 December 2018, the spread of shareholding in the Company was as follows:

Number of holding	Number of shareholders	Number of shares held	Percentage
1 -1,000,000	20	8,692,463	2%
1,000,000 -10,000,000	35	104,964,397	24%
Over 10,000,001	12	330,547,528	74%
	67	444,204,388	100%

Shareholders with 5% and above are listed below:

Greenwich Trust Limited	5.12
BGL Securities Limited	6.54
Chapel Hill Advisory Partners Limited	6.74
Falcon Securities Limited	6.75
Coronation Securities Limited	6.79
GTI Capital Limited	6.86
NSE Consult Limited	6.86
Capital Assets Limited	8.03
Heirs Holdings	8.58

(e) Human resources

Employment of disabled persons

The Company has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees.

Employee health, safety and welfare at work

The Company enforces strict health and safety rules and practices in the work environment, which are reviewed and tested regularly. The Company provides subsidies to all levels of employees for medical expenses and transportation.

Fire prevention and fire-fighting equipment are installed in strategic locations within the company's premises.

(f) Employee training and involvement

The directors maintain regular communication and consultation with the employees and staff representatives on matters affecting employees and the company

Training is carried out at various levels through in-house and external courses. Incentive schemes designed to encourage the involvement of employees in the Company's performance are implemented, whenever appropriate.

(g) Donations and gifts

The Company did not make any donation during the year (2017: Nil)

(h) Auditors

Deloitte & Touche have indicated their willingness to continue in office as auditors in accordance with section 357 (2) of the Companies and Allied Matters Act of Nigeria.

By order of the Board

L. Omolola Ikwuagwu (Mrs)
GIO Nominees Limited
Company Secretary
FRC/2014/NBA/00000007013
20 March 2019

Statement of directors' responsibility

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. This responsibility includes:

(a) ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act;

(b) designing, implementation and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and

(c) preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards as well as the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Company and of the profit for the period.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern for at least twelve months from the date of this statement.

Olutola Mobolurin
Chairman
FRC/2014/CISN/00000003804
20 March 2019

Bola Ajomale
MD/CEO
FRC/2014/CISN/00000005778
20 March 2019

Certification Pursuant To Section 60(2) Of The Investments And Securities Act

We the undersigned hereby certify the following with regards to our Audited Financial Report for the year ended 31 December 2018 that:

1) We have reviewed the report;

2) To the best of our knowledge, the report does not contain:
a) Any untrue statement of a material fact, or
b) Omit to state a material fact, which would make a statement, misleading in light of the circumstance under which such statements were made;

3) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects, the financial condition and results of operation of the company as of, and for the periods presented in the report.

4) We:
a) are responsible for establishing and maintaining internal controls
b) have designed such internal controls to ensure that material information relating to the company is made known to us by others within the company particularly during the period in which the periodic reports are being prepared;
c) have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
d) have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of date;

5) We have disclosed to the Auditors of the company and Audit Committee:
a) all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
b) any fraud whether or not material, that involves management or other employees who have significant roles in the company's internal controls.

We have identified in the report whether or not there were significant deficiencies and material weaknesses.

MANAGING DIRECTOR/CEO

HEAD, FINANCE & ACCOUNTS

Deloitte.

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Lagos
Nigeria

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Independent Auditor's Report
To the Shareholders of NASD Plc

Opinion
We have audited the financial statements of **NASD PLC** which comprise the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of **NASD PLC** as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies and Allied Matters Act CAP C20 LFN 2004, and the Financial Reporting Council of Nigeria Act 2011.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of **NASD PLC** in accordance with the requirements of the Institute of Chartered Accountants of Nigeria professional code of conduct and guide for Accountants (ICAN code) and other ethical requirements in the International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants adopted in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The directors are responsible for the other information. The other information comprises the Directors' Report and Audit Committee's Reports as required by Companies and Allied Matters Act CAP C20 LFN 2004, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements
The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council of Nigeria Act 2011, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Deloitte.

Auditor's Responsibilities for the Audit of the Entity's Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Deloitte.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of Companies and Allied Matters Act CAP C20 LFN 2004, Pension Reform Act and the Financial Reporting Council of Nigeria Act 2011, we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Company has kept proper books of account, so far as appears form our examination of those books.

iii) The Company's statements of financial position and its statements of profit or loss and other comprehensive income are in agreement with the books of account.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
27 March 2019

Engagement Partner: Joshua Ojo, FCA
FRC/2013/ICAN/00000000845

Financial Statement

Statement of Comprehensive Income

	Notes	31 December 2018 ₦'000	31 December 2017 ₦'000
Fees and commission income	5	167,379	50,392
Employee benefits and compensation costs	6	(70,760)	(72,316)
Impairment charge on receivables	13	-	(1,942)
Other operating expenses	7	(92,344)	(125,963)
Operating profit/(loss)		**4,275**	**(149,829)**
Interest income	8	57,748	71,244
Profit/(loss) before tax		62,023	(78,585)
Taxation	9	28,331	(2,537)
Profit/(loss) for the year		**90,354**	**(81,122)**
Total comprehensive profit/(loss) for the year		**90,354**	**(81,122)**
Earnings/(Loss) per share (kobo) - basic/adjusted	10	20.34	(19.92)

The accompanying notes form an integral part of these financial statements

Statement of Financial Position

	Notes	31 December 2018 ₦'000	31 December 2017 ₦'000
Assets			
Cash and cash equivalents	11	96,104	1,693
Investment securities	12	401,707	479,481
Other assets	13	10,500	11,291
Intangible assets	14	8,697	10,727
Property and equipment	15	6,581	2,334
Deferred tax asset	16	94,276	62,683
Total assets		**617,865**	**568,209**
Liabilities			
Accounts payable	17	18,926	60,116
Current income tax	18	3,029	2,537
Total liabilities		**21,955**	**62,653**
Equity			
Share capital		444,204	444,204
Share premium		288,214	288,214
Accumulated losses	21	(136,508)	(226,862)
Total equity		**595,910**	**505,556**
Total liabilities and equity		**617,865**	**568,209**

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Head, Finance and Accounts
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Bola Ajomale
Managing Director/Chief Executive Officer
FRC/2014/CISN/00000005778

Olutola Mobolurin
Chairman
FRC/2014/CISN/00000003804

Statements Changes in Equity

	Share capital ₦'000	Share premium ₦'000	Accumulated losses ₦'000	Total ₦'000
At 1 January 2017	333,153	236,260	(144,729)	424,684
Loss for the year	-	-	(81,122)	(81,122)
	333,153	236,260	(225,851)	343,562
Transactions between equity owners				
Share Capital rights issued	111,051	51,954	-	163,005
At 31 December 2017	**444,204**	**288,214**	**(225,851)**	**506,567**
At 1 January 2018	444,204	288,214	(225,851)	506,567
IFRS 9 Day 1 Adjustment (see note 2.4.2g)	-	-	(1,011)	(1,011)
	444,204	288,214	(226,862)	505,556
Profit for the year	-	-	90,354	90,354
At 31 December 2018	**444,204**	**288,214**	**(136,508)**	**595,910**

The accompanying notes form an integral part of these financial statements

Statement of cash flow

	Notes	31 December 2018 ₦'000	31 December 2017 ₦'000
Operating activities			
Cash used in operations	23	(31,349)	(87,785)
Tax paid	18	(2,537)	(2,031)
Net cash used in operating activities		(33,886)	(89,816)
Investing activities			
Purchase of government bond and treasury bills		(348,508)	(273,877)
Proceeds from redemption of treasury bills		438,841	134,156
Purchase of property and equipment	15	(5,727)	(329)
Purchase of intangible assets	14	(1,793)	(10,727)
Proceeds from sale of property and equipment		529	-
Interest received		44,955	27,395
Net cash generated from investing activities		128,297	(123,382)
Financing activities			
Proceeds from rights issue		-	163,005
Net cashflow from financing activities		-	163,005
(Decrease)/Increase in cash and cash equivalents		94,411	(50,194)
Cash and cash equivalents at start of year		1,693	51,887
Cash and cash equivalents at end of year	11	96,104	1,693

The accompanying notes form an integral part of these financial statements

Notes to the financial statements

1 The Company

NASD Plc was incorporated as a private limited liability company in 1998 and converted to a public company in May 2013. It was licensed by the Securities and Exchange Commission in December 2012 to operate an over the counter ("OTC") market for securities of unquoted companies.

Ownership

NASD Plc is owned by a number of licensed and corporate capital market operators.

2.1 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements include the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and explanatory notes. The financial statements were authorised for issue by the Board of Directors on 20th March 2019.

The financial statements are presented in Nigerian Naira (₦), which is the Company's presentation currency, and rounded to the nearest thousand (₦'000) unless otherwise indicated. Items in the statement of financial position have been presented in order of liquidity.

2.3 Basis of measurements

The financial statements have been prepared on a going concern basis using the historical cost convention.

2.4.1 Financial instruments

Recognition and initial measurement

Financial instruments are recognised initially when NASD becomes a party to the contractual provisions of the instruments. NASD classifies financial instruments, or their components parts, on initial recognition as a financial asset, a liability or an equity instrument in accordance with the substance of the contractual arrangement. Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

For financial instruments which are not at fair value through profit or loss, transactions costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Derecognition

Financial assets or liabilities are derecognised when the rights to receive cash flows from the investments or settlement of obligations have expired or have been transferred and NASD has transferred substantially all risks and rewards of ownership.

Off-setting

Financial assets or liabilities are set off and the net amount presented in the statement of financial position only when the company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

a) Financial assets

Classification and subsequent measurement (Policies applicable up to 31 December 2017)

For the purpose of measuring a financial asset after initial recognition, IAS 39 classifies financial assets into Fair Value through profit or loss, Held to Maturity, Loans and receivables and Available for sale instruments. The categories relevant to NASD are held to maturity and loans and receivables.

i) Held to Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that an entity intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held-to-maturity investments are measured at amortised cost. If an entity sells a held-to-maturity investment other than in insignificant amounts or as a consequence of a non-recurring, isolated event beyond its control that could not be reasonably anticipated, all of its other held-to-maturity investments must be reclassified as available-for-sale for the current and next two financial reporting years.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reductions for impairment of financial assets. The company's loans and receivables include receivables less than 3 months. The carrying amounts represents the fair value amount.

iii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with Company and money market placements which are subject to insignificant risk of changes in value, all of which are available for use by the company unless otherwise stated.

For cashflow purposes, cash and cash equivalents include cash in hand, balances with Company's and money market placements with original maturity of three months or less including treasury bills with less than three months from original maturity.

Impairment of financial assets

Assets carried at amortised cost

At each reporting date, the Company assesses whether there is objective evidence that a financial asset or Company of financial assets is impaired. A financial asset or a Company of financial assets is impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it then includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

Financial liabilities

Classification and subsequent measurement

NASD's financial liabilities comprises of accounts payable. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. If collection is expected in one year or less (or in the normal operating cycle of the business) they are classified as current liabilities. If not, they are presented as non-current liabilities.

2.4.2 Changes in accounting policy on adoption of new standard: Financial assets and liabilities

2.4.2a Financial assets - Classification and Measurement (Policies applicable from January 1, 2018)

From 1 January 2018, the Company has applied IFRS 9 and classifies its financial assets in accordance with this standard. Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instrument. For non-revolving facilities, origination date is the date the facility is disbursed while origination date for revolving facilities is the date the line is availed. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

a) A financial asset is measured at amortized cost if it meets both of the following conditions:

(i.) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) 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.

After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

b) A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

(i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset; and

(ii) 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.

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse. Movements in the carrying amount of these assets are taken through OCI, except for the recognition of impairment gains or losses, and interest revenue on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in income (as part fees and commission income). Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL. However, on initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect for strategic or long-term investment reasons to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Income Statement. For equity instruments measured at FVTPL, changes in fair value are recognized in the Income Statement. Dividends received are recorded as income in the Income Statement. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Income Statement on sale of the security. NASD does not currently have any equity security it its portfolio.

All other financial assets not classified as measured at amortized cost or FVTOCI as discussed above are measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

d) Business model assessment

Business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Other factors considered in the determination of the business model include:

(i) the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

(ii) how the performance of the portfolio is evaluated and reported to the Company's management;

(iii) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

(iv) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

(v) the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Company may decide to sell financial instruments held under the business model category with the objective to collect contractual cash flows without necessarily changing its business model if one or more of the following conditions are met:

(i) When the Company sells financial assets to reduce credit risk or losses because of an increase in the assets' credit risk. The Company considers sale of financial assets that may occur in assets held with the sole objective of collecting cashflows to be infrequent if the sales is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.

(ii) Where these sales are infrequent even if significant in value. A Sale of financial assets is considered infrequent if the sale is one-off during the Financial Year and/or occurs at most once during the quarter or at most three (3) times within the Financial Year.

(iii) Where these sales are insignificant in value both individually and in aggregate, even if frequent. A sale is considered insignificant if the portion of the financial assets sold is equal to or less than five (5) per cent of the carrying amount (book value) of the total assets within the business model.

- Selling the financial asset to realize cash to deal with unforeseen need for liquidity (infrequent).
- Selling the financial asset to manage credit concentration risk (infrequent).
- Selling the financial assets as a result of changes in tax laws or due to a regulatory requirement e.g. comply with liquidity requirements (infrequent).
- Other situations also depends upon the facts and circumstances which need to be judged by the management

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

e) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. Principal may change over the life of the instruments due to repayments. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. nonrecourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

2.4.2b Financial liabilities - Policy applicable from January 1, 2018

The accounting for financial liabilities remains largely the same under IFRS 9 as it was under IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVTPL. Such movements are presented in OCI with no subsequent reclassification to the income statement. The Company does not currently have such instruments. Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

2.4.2c Financial liabilities - Policy applicable before January 1, 2018

The Company's holding in financial liabilities is in financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and financial liabilities at amortised cost. Financial liabilities are derecognised when extinguished.

a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the Company as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the Income Statement and are reported as 'income'. Interest expenses on financial liabilities held for trading are included in 'interest income'.

Financial liabilities for which the fair value option is applied are recognised in the statement of financial position as 'Financial liabilities designated at fair value'. Fair value changes relating to such financial liabilities are passed through the statement of comprehensive income.

b) Other liabilities measured at amortised cost

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from Companies and customers, other deposits, financial liabilities in other liabilities, borrowed funds which the fair value option is not applied, convertible bonds and subordinated debts.

2.4.2d Impairment of financial assets - Policy applicable from January 1, 2018

The adoption of IFRS 9 has fundamentally changed the Company's accounting for loan loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL, together with receivables. No impairment loss is recognized on equity investments.

The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition. The Company generally considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Expected Credit Loss Impairment Model

The Company's allowance for losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either over the following twelve months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

The Company adopts a three-stage approach for impairment assessment based on changes in credit quality since initial recognition:

(i) **Stage 1 –** Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

(ii) **Stage 2 –** When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

(iii) **Stage 3 –** Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition. The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

a) Measurement

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- ◆ financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
- ◆ financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cashflows;

b) Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- ◆ significant financial difficulty of the borrower or issuer;
- ◆ a breach of contract such as a default or past due event;
- ◆ the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- ◆ it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- ◆ the disappearance of an active market for a security because of financial difficulties;
- ◆ observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio.

A debt instrument that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in debt securities is credit-impaired, the Company considers the following factors.

- ◆ The market's assessment of creditworthiness as reflected in the bond yields.
- ◆ The rating agencies' assessments of creditworthiness.
- ◆ The issuer's ability to access the capital markets for new debt issuance.
- ◆ The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

c) Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

Debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

d) Write-off

Receivables and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

e) Definition of default

The Company considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria
- The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

f) Explanation of inputs, assumptions and estimation techniques: Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD)

ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per “Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. This 12M PD is used to calculate 12-month ECLs. The Lifetime PD is used to calculate lifetime ECLs for stage 2 and 3 exposures.

EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime. LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the assets. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.
The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

For amortising products and bullet repayment debts, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type:

LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a semi-annual basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. g) Significant Increase in Credit Risk (SICR)

At each reporting date, the Company assesses whether there has been a significant increase in credit risk (SICR) for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers counterparty-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors. The common assessments for SICR include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on factors such as the type of product, industry, counterparty, etc.

The Company adopts a multi factor approach in assessing changes in credit risk. This approach considers: Quantitative, Qualitative and Back stop indicators which are critical in allocating financial assets into stages. The quantitative models considers deterioration in the credit rating of obligor/counterparty based on the Company's internal rating system or External Ratings while qualitative factors considers information such as expected forbearance, restructuring, exposure classification by licensed credit bureau etc. A backstop is typically used to ensure that in the (unlikely) event that the quantitative indicators do not change and there is no trigger from the qualitative indicators, an instrument that has breached the 30 days past due criteria for SICR and 90 days past due criteria for default is transferred to stage 2 or stage 3 as the case may be except where there is a reasonable and supportable evidence available without undue cost to rebut the presumption.

2.4.2e Reclassification of financial assets - Policy applicable from January 1, 2018

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. There were no changes to any of the Company's business models during the current period. A change in the Company's business model will occurs only when the Company either begins or ceases to perform an activity that is significant to its operations such as: - Significant internal restructuring or business combinations;

Any other reason that might warrant a change in the Company's business model as determined by management based on facts and circumstances

The following are not considered to be changes in the business model:

A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions) - A temporary disappearance of a particular market for financial assets.

When reclassification occurs, the Company reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'.

Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not be restated when reclassification occurs.

There were no changes to any of the Company's business models during the current period.

Classes of financial instruments from January 1, 2018

The Company classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of these financial instruments. The classification made can be seen in the table

Financial Assets	
Amortised Cost	Cash and Cash Equivalents
	Investment Securities
	Other assets

2.4.2f Changes in accounting policies

The Company has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements.

As permitted by the transitional provisions of IFRS 9, The Company elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings of the current period. The Company does not currently apply hedge accounting.

Consequently, for notes disclosures, the amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Company. Further details of the specific IFRS 9 accounting policies applied in the current period (as well as the previous IAS 39 accounting policies applied in the comparative period) are described in more detail in sections below as well as in the accounting policies/note to these financial statements.

Classification and measurement of financial instruments

₦'000	IAS 39		IFRS 9	
Financial Assets	**Measurement category**	**Carrying amount**	**Measurement category**	**Carrying amount**
Cash and cash equivalents	Loans and receivables	1,693	Amortised cost	1,693
Investment securities	Held to Maturity	479,972	Amortised cost	479,481
Other assets	Loans and receivables	520	Amortised cost	-

There is no change in the classification and measurement rules of financial liabilities between IAS 39 and IFRS 9, except in the recognition of fair value gains or losses due to changes in own credit risk for financial liabilities measured at fair value through profit or loss. The Company does not currently hold any such instruments. The Company does not have any financial liabilities measured at fair value through profit or loss

2.4.2g Reconciliation of statement of financial position balances from IAS 39 to IFRS 9

The Company performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics.

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with IAS 39 as at 31 December 2017 to their new measurement categories upon transition to IFRS 9 on 1 January 2018:

	As at December 2017 IAS 39 ₦'000	Impact of classification & measur-ement ₦'000	Impact of impairment ₦'000	Total Impact ₦'000	As at January 1 2018 IFRS 9 ₦'000
Assets					
Cash and cash equivalents					
Cash	23	-	-	-	23
Balances with Banks	1,670	-	-	-	1,670
	1,693	-	-	-	1,693
Investment securities					
Bonds	164,689	(490)	-	(490)	164,198
Treasury bills	315,283	-	-	-	315,283
	479,972	(490)	-	(490)	479,481
Other assets					
Financial Assets					
Fee receivables	5,099	-	-	-	5,099
Impairment provision	(4,579)	-	(520)	(520)	(5,099)
Non-Financial					
Prepaid rent	5,833	-	-	-	5,833
Prepaid insurance	3,165	-	-	-	3,165
Other prepaid expenses	2,293	-	-	-	2,293
	11,811	-	(520)	(520)	11,291
Intangible assets					
Net book value	10,727	-	-	-	10,727
Property and equipment	2,334	-	-	-	2,334
Deferred tax asset	62,683	-	-	-	62,683
	65,017	-	-	-	65,017
Total assets	**569,220**	**(490)**	**(520)**	**(1,011)**	**568,209**
Liabilities					
Accounts payable					
Withholding tax payable	388	-	-	-	388
Accrued expenses	34	-	-	-	34
Other payables	59,694	-	-	-	59,694
Current income tax	2,537	-	-	-	2,537
Total liabilities	62,653	-	-	-	62,653
Equity					
Share capital	444,204	-	-	-	444,204
Share premium	288,214	-	-	-	288,214
Accumulated losses	(225,851)	(490)	(520)	(1,011)	(226,862)
Total equity	506,567	(490)	(520)	(1,011)	505,556
Total liabilities and equity	**569,220**	**(490)**	**(520)**	**(1,011)**	**568,209**

2.4.2h Reconciliation of impairment allowance balance from IAS 39 to IFRS 9

The following table reconciles the prior period's closing impairment allowance measured in accordance with the IAS 39 incurred loss model to the new impairment allowance measured in accordance with the IFRS 9 expected loss model at 1 January 2018:

Measurement Category	Provision under IAS 37 ₦'000	IFRS 9 Adjustment ₦'000	Total ₦'000
Cash and cash equivalents	-	-	-
Investment securities	-	490	490
Other assets	4,579	520	5,099

2.5 Intangible assets

Initial recognition and measurement

i. Internally generated intangible assets

An internally generated intangible asset that arises from the company's computer software program development is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally generated intangible assets are initially measured at cost and subsequently amortised on a straight-line basis over their expected useful lives. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

ii. Purchased computer software

Intangible assets that arises from purchased software are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity; and the cost of the item can be reliably measured. Purchased computer software are measured initially at cost and are amortised on a straight-line basis over their expected useful lives.

Subsequent measurement/amortisation

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation period, amortisation method and residual value is reviewed at each financial year-end.

The estimated useful life of intangible assets is as follows:

Computer software 3 years.

The residual value of intangible assets is assumed to be zero.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.6 Property and equipment

Recognition and measurement

An asset is recognized when it is probable that economic benefits associated with the item would flow to the company, the cost of the item can be reliably measured and when it is available for use.

All property and equipment are initially recognized at cost. They are subsequently sated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Property and equipment items are recognised in the book of the company when they are available for use.

All repairs and maintenance costs are charged to other operating expenses in the financial period in which they occur

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the income statement during the financial period in which they are incurred.

Depreciation

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is de-recognised or classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued operations.

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

Computer equipment	:	4 years
Furniture and fittings	:	5 years
Office equipment	:	5 years
Motor vehicles	:	4 years

Each part of an item of office equipment, furniture and fittings with a cost that is significant in relation to the total cost of the item is depreciated separately.
The asset's residual values, useful lives and depreciation method are reviewed on an annual basis, and are adjusted if appropriate.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the income statement under other operating expenses.

2.7 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Company is currently not under any operating agreement.

2.8 Share capital

i. Ordinary shares

Ordinary shares are classified as equity and are recorded at the proceeds received net of incremental external costs directly attributable to the issue.

ii. Share premium

This represents the excess of share issuance price over the nominal price of the shares.

2.9 Employee benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the company does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In accordance with the provisions of the Pension Reform Act (PRA), the Company operates a defined contributory pension scheme. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of employment at the Company. The employee and the Company contribute 8% and 10% respectively of the employee's total emoluments to the scheme. The Company's contributions to the scheme are charged to profit and loss account in the year to which they relate.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

2.10 Taxation

The tax expense represents the sum of the current tax and deferred tax charge.

The current tax is based on taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is charged or credited to profit or loss for the period, except to the extent that the tax arises from (1) a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity or (2) a business combination. Deferred tax is charged or credited outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss.

Deferred tax assets are recognised for taxable temporary differences arising on depreciation of property and equipment and unutilised tax losses. The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.11 Provisions

Provisions are liabilities of uncertain timing or amount, and are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.12 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of VAT and other related sales taxes.

i. Fees and commission income

Commission income comprises transaction fees earned on trading activities and registration/ annual fees paid by registered participating institutions and their sponsored representatives.

ii. Interest income

Interest income comprises interest income on short term deposits, treasury bills and federal government bonds.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.13 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The functional currency is the currency of the primary economic environment in which the entity operates, which is the Nigerian Naira.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.14 Changes in accounting policies and disclosures

a) Other standards and amendments that were effective for the first time in 2018 that do not

Standard	Effective Date
Amendment to IFRS 9-Financial Instruments	1 January 2018
Revenue from contracts with customers IFRS 15	1 January 2018

IFRS 9 Financial Instruments: Classification and measurement (effective 1 January 2018)

IFRS 9 introduces new requirements for the classification and measurement of financial assets.

The IFRS 9 requirements represents a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories of financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables. For an investment in equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividend on such investments are recognized in the income statement, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investments. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognized in the income statement.

IFRS 9 also requires that credit losses expected at the balance sheet date on financial instruments held at amortised cost are reflected in impairment allowances.

IFRS 15 Revenue from contracts with customers (effective 1 January 2018)

The Standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

IFRS 16 – Leases (effective 1 January 2018)

This is a new standard introduced by IASB to replace existing standard IAS 17 - Leases.

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases.

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting substantially carries forward the lessor accounting requirements in IAS 17.

Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

b) Other standards and amendments that were issued but not effective for the first time in 2018 and that are not relevant to NASD

Standard	Effective Date
Amendments to IFRS 10 and IAS 28 Sale or contribution of Assets between an Investor and its Associate and Joint Venture	Deferred indefinitely
IFRS 1 - First time Adopters: Deletion of short-term exemptions for first-time adopters	1 January 2018
Amendments to IFRS 2-Share based Payment-Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to IAS 40-Investment Property-Transfers of Investment Property	1 January 2018
Amendments to IAS 28-Investing in Associates and Joint Ventures at fair value	1 January 2018
Amendments to IFRS 4-Insurance Contracts - Applying IFRS 9 with IFRS 4	1 January 2018

3.0 Financial risk management

3.1 (a) Introduction and overview

NASD Plc has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk
-

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

(i) Risk management framework

The company maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The company's investment strategy states that its investible funds shall be spread among different financial institutions in such a way that no single financial institutions shall hold more than 25% of its invested funds. The company's investment profile comprises short term deposit in financial institution in Nigeria and Nigerian Treasury Bills.

Financial assets & liabilities

Financial assets and liabilities are recognised in the statement of financial position and measured in accordance with their assigned category. The Company uses settlement date accounting for regular way contracts when recording financial asset transactions.

The Company classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The Company allocates financial assets to the following categories: loans and receivables and held-to-maturity investments, and financial liabilities to financial liabilities at amortized cost. Management determines the classification of its financial instruments at initial recognition. The classification made can be seen below:

31 December 2018	Financial assets			Financial liabilities	
₦'000	FVTPL	FVTOCI	Amortized Cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost
Cash and cash equivalents	-	-	96,104	-	-
Investment securities	-	-	401,707	-	-
Other assets	-	-	5,124	-	-
Account payable	-	-	-	-	18,926
	-	**-**	**502,935**	**-**	**18,926**

31 December 2017	Financial assets				Financial liabilities	
₦'000	HFT	AFS	HTM	Loans and Receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost
Cash and cash equivalents	-	-	-	1,693	-	-
Investment securities	-	-	479,481	-	-	-
Other assets	-	-	-	5,099	-	-
Account payable	-	-	-	-	-	60,116
	-	**-**	**479,481**	**6,792**	**-**	**60,116**

	31 Dec. 2018 ₦'000	31 Dec. 2017 ₦'000
Financial assets		
Cash and cash equivalents	96,104	1,693
Investment securities	401,707	479,481
Other assets	5,124	5,099
Financial liabilities		
Account payable	18,807	59,728

3.1a Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the company, resulting in a financial loss to the company. It arises principally from debt securities held, and from non-derivative financial assets, cash and cash equivalents and balances due from brokers. For risk management reporting purposes the company considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

Maximum exposure to credit risk	31December 2018 ₦'000	31 December 2017 ₦'000
Balances with banks	95,957	1,670
Money market placement	-	-
Treasury bills	240,000	315,283
FGN bonds	161,707	164,198
Other assets	5,124	5,099
	502,788	486,250

The exposures set out above are based on amounts reported in the statements of financial position.

Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors:

The following table shows the Company's credit exposure at their carrying amounts as categorised by geographical region as of 31 December 2018 and 31 December 2017.

31 December 2018	Treasury bills ₦'000	FGN bonds ₦'000	Money market placement ₦'000	Balances with banks ₦'000	Other assets ₦'000	Total ₦ '000
Nigeria	240,000	161,707	-	95,957	5,124	502,788
	240,000	**161,707**	**-**	**95,957**	**5,124**	**502,788**
31 December 2017	**Treasury bills ₦'000**	**FGN bonds ₦'000**	**Money market placement ₦'000**	**Balances with banks ₦'000**	**Other assets ₦'000**	**Total ₦'000**
Nigeria	315,283	164,198	-	1,670	5,099	486,250
	315,283	**164,198**	**-**	**1,670**	**5,099**	**486,250**

(b) Industry sector: The following table breaks down the Company's credit exposure at their carrying amounts as categorised by industry as of 31 December 2018 and 31 December 2017.

31 December 2018	Treasury bills ₦'000	FGN bonds ₦'000	Money market placement ₦'000	Balances with banks ₦'000	Other assets ₦'000	Total ₦'000
Government	240,000	161,707	-	-	-	401,707
Financial services	-	-	-	95,957	-	95,957
Others	-	-	-	-	5,124	5,124
	240,000	**161,707**	**-**	**95,957**	**5,124**	**502,788**

31 December 2017	Treasury bills ₦'000	FGN bonds ₦'000	Money market placement ₦'000	Balances with banks ₦'000	Other assets ₦'000	Total ₦'000
Government	315,283	164,198	-	-	-	479,481
Financial services	-	-	-	1,670	-	1,670
Others	-	-	-	-	5,099	5,099
	315,283	**164,198**	**-**	**1,670**	**5,099**	**486,250**

3.1b Credit quality of financial assets

IFRS 7 requires information about the credit quality of financial assets. This information is provided below for balances held with banks, money market placements, federal government bond and treasury bills.

FGN Bonds & Treasury Bills	31 Dec 18 ₦'000	31 Dec 17 ₦'000
Sovereign Ratings		
Nigeria (B) S&P	401,707	479,481
	401,707	**479,481**
Balances with banks		
External credit rating (S&P)		
B+	95,957	1,670
	95,957	**1,670**
Money market placement		
External credit rating (S&P)		
B-	-	-
	-	**-**
Unrated (other assets)	5,124	5,099
	5,124	**5,099**

Rating Legend:

External credit rating (S&P)
B: Highly speculative credit rating
B+: Highly speculative credit rating
B-: Highly speculative credit rating

(i) Management of credit risk

The Company's policy over credit risk is not to deal with counterparties with perceived higher risk of default and by dealing only with counterparties meeting the credit standards set out in the company's prospectus.

NASD Plc is not currently involved in granting credit facilities to counterparties and does not hold investment securities of any organisation. Also, NASD Plc does not collect funds directly from brokers for trades executed through its platform, rather all cash settlements for trades executed are managed by Central Securities Clearing Systems Ltd (CSCS) and accredited settlement banks.

(ii) Exposure to credit risk

The Company's maximum credit risk exposure is managed by only investing idle funds in Treasury bills and financial institutions with high credit rating and at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

(iii) Cash and cash equivalents

The Company's cash and cash equivalents are held mainly with selected deposit money banks. The investment team monitors the financial position of the institutions on a monthly basis.

(iv) Settlement risk

The company's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the company mitigates this risk by conducting settlements through Central Securities Clearing Systems Ltd and its accredited six (6) settlement banks which executed firm agreements with CSCS that all trades executed by the bank's clients (that is, brokers firms) will be settled.

3.1c Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

a) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.
b) If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer below for a description of how the Company determines when a significant increase in credit risk has occurred.
c) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer below for a description of how the Company defines credit-impaired and default.
d) Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

e) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

f) Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Company determines appropriate groupings when ECL is measured on a collective basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition		
Stage 1 (initial recognition)	**Stage 2** Significant increase in credit risk since initial	**Stage 3** (Credit-impaired assets)
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

3.1d Significant increase in credit risk

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

The quantitative criteria is based on either absolute or relative changes in credit quality. In both cases, the Company is expected to specify the percentage change, for either 12-month or lifetime PDs in comparison to the corresponding 12-month or lifetime PDs as calculated at origination, respectively, that would indicate a significant increase in credit risk since origination.

3.1e Maximum exposure to credit risk

Maximum exposure to credit risk – Financial instruments subject to ECL impairment

For ECL purposes, the bank's financial asset is segmented into sub-portfolios as listed below:

- Money market placements
- Investment securities - Debt instruments
- Other assets- Fees receivables

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

Investment Securities-Debt Instruments						
	As at December 31 2018					31-Dec-17
ECL Staging	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**	**Total**
	12-month	Lifetime	Lifetime		**₦'000**	**₦'000**
	ECL	ECL	ECL			
Gross carrying amount	402,089	-	-	-	402,089	479,971
Loss allowance	(382)	-	-	-	(382)	(490)
Carrying amount	**401,707**	**-**	**-**	**-**	**401,707**	**479,481**

Other assets						
	As at December 31 2018					31-Dec-17
ECL Staging	**Stage 1**	**Stage 2**	**Stage 3**	**Purchased credit-impaired**	**Total**	**Total**
	12-month	Lifetime	Lifetime			
	ECL	ECL	ECL		**₦'000**	**₦'000**
Gross carrying amount	10,374	-	5,124	-	15,498	16,390
Loss allowance	-	-	(5,099)	-	(5,099)	(4,579)
Carrying amount	**10,374**	**-**	**25**	**-**	**10,399**	**11,811**

3.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

3.2a (i) Management of liquidity risk

The Company's policy and the investment team's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of short term fund placements, without incurring unacceptable losses or risking damage to the company's reputation.

The Company's liquidity risk is managed on a daily basis by the investment team in accordance with policies and procedures in place. The Company's investment team at all time may invest up to 40% of the Company's assets in cash, cash equivalents and money market instruments.

3.2b (ii) Liquidity gap analysis

The table below analyses financial liabilities of the Company into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The table includes both principal and interest cash flows.

31 December 2018	Carrying amount ₦'000	Gross nominal ₦'000	less than 3months ₦'000	3-6 months ₦'000	6-12 months ₦'000	1-5 years ₦'000
Financial liabilities						
Accounts payable	18,807	18,807	18,807	-	-	-
	18,807	18,807	18,807	-	-	-
Financial assets						
Cash and cash equivalents	96,104	96,104	96,104	-	-	-
Investment securities	401,707	401,707	240,000	-	-	161,707
Other assets	5,124	5,124	5,124	-	-	-
	502,935	502,935	341,228	-	-	161,707
Gap(assets-liabilities)	484,128	484,128	322,421	-	-	161,707
Cumulative liquidity gap			**322,421**	**322,421**	**322,421**	**484,128**

31 December 2018	Carrying amount ₦'000	Gross nominal ₦'000	less than 3months ₦'000	3-6 months ₦'000	6-12 months ₦'000	1-5 years ₦'000
Financial liabilities						
Accounts payable	59,728	59,728	59,728	-	-	-
	59,728	59,728	59,728	-	-	-
Financial assets						
Cash and cash equivalents	1,693	1,693	1,693	-	-	-
Investment securities	479,481	479,481	315,283	-	-	164,198
other assets	2,434	2,434	2,434	-	-	-
	483,608	483,608	319,410	-	-	164,198
Gap(assets-liabilities)	423,880	238,804	259,682	-	-	164,198
Cumulative liquidity gap			**259,682**	**259,682**	**259,682**	**423,880**

3.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices will affect the company's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Management of market risk

The company's strategy for the management of market risk is driven by the company's investment objective, which focuses on long-term growth while taking into cognizance the preservation of investor capital.

The company's market risk is managed on a daily basis by the investment team in accordance with policies and procedures in place. The company's investment team may not invest more than 25% of its investible funds in any single financial institution.

(ii) Currency risk

NASD Plc has no investments that are exposed to currency risk and it does not plan to enter into such investment in the foreseeable future.

(iii) Interest rate risk

The Company's investment in fixed interest money market placements, treasury bills and Federal Government Bonds are not exposed to interest rate risks, due to the short term nature of the placements and treasury bills the fair value risk is considered insignificant.

Exposure to fixed interest rate risk

31 December 2018			
Assets			
	Fixed ₦'000	**Non-Interest bearing ₦'000**	**Total ₦'000**
Balances with banks	-	95,957	95,957
Money market placement	-	-	-
Treasury bills	240,000	-	240,000
FGN bonds	161,707	-	161,707
Other assets	-	5,124	5,124
Liabilities			
Accounts payable	-	18,807	18,807

31 December 2017			
Assets			
	Fixed ₦'000	**Non-Interest bearing ₦'000**	**Total ₦'000**
Balances with banks	-	1,670	1,670
Money market placement	-	-	-
Treasury bills	315,283	-	315,283
FGN bonds	164,198	-	164,198
Other assets	-	5,099	5,099
Liabilities			
Accounts payable	-	59,728	59,728

A reasonably possible change of 1% in interest rates of the Company's Federal Government Bonds at the reporting date would increase (decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	1% Increase ₦'000	**1% Decrease ₦'000**
31 December 2018		
Profit before tax	62,221	61,825
31 December 2017		
Loss before tax	(77,588)	(79,582)

3.1 Fair value of financial assets and liabilities

All of NASD's assets and liabilities are measured at amortized cost. For financial assets with short-term maturity the amortized cost closely approximates the fair value

The table below shows the analysis of financial instruments not measured at fair value:

At 31 December 2018	Carrying value ₦'000	Fair value ₦'000
Financial assets		
Cash and cash equivalents	96,104	96,104
Investment securities	401,707	401,707
Other assets	5,124	5,124
	502,935	**502,935**
Financial liabilities		
Accounts payable	18,807	18,807
	18,807	**18,807**
At 31 December 2017	**Carrying value ₦'000**	**Fair value ₦'000**
Financial assets		
Cash and cash equivalents	1,693	1,693
Investment securities	479,481	479,481
Other assets	5,099	5,099
	486,273	**486,273**
Financial Liabilities		
Accounts payable	59,728	59,728
	59,728	**59,728**

Fair value hierarchy for financial assets not measured at fair value

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflects market data obtained from independent sources; unobservable inputs reflect the company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data

The table below sets out the fair values of investment securities not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

At 31 December 2018	Level 1	Level 2	Level 3	Total
Assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Investment securities	-	401,707	-	401,707
At 31 December 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Investment securities	-	479,481	-	479,481

Fair valuation methods and assumptions

For other financial assets and liabilities not measured at fair value, due to their short-term nature, the fair values are not significantly different from their carrying amounts. These financial assets and liabilities are as follows:

(i) Cash and cash equivalents

Cash and cash equivalents represent cash and short-term deposit held with various banks in Nigeria. The fair value of these balances approximates their carrying amounts.

(ii) Other assets

Other assets represent short-term receivables from third parties, therefore the fair values of theses balances approximate their carrying amounts.

(iii) Accounts payable

Sundry creditors represent short-term payables to third parties. The carrying value approximates the value required to settle these liabilities. Hence, the fair values of these balances approximate their carrying amount.

4 Critical judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions have been based on historical experience and other factors that management believes to be reasonable under the circumstances.

(a) Recoverability of deferred tax assets

The company has deferred tax assets amounting to ₦94.28m (31 December 2017: ₦106.14 out of which ₦62.68m was recognised). The deferred tax assets are primarily due to taxable losses of ₦325 million (31 December 2017: ₦350 million). The company has concluded that deferred tax assets will be recoverable using the estimated future taxable income based on approved profit projections of the company. The losses can be carried forward indefinitely and have no expiry date.

		31 December 2018 ₦'000	31 December 2017 ₦'000
5	**Fees and commission income**		
	Trading commission	134,413	23,079
	Registration fees	24,937	24,530
	NASDep	7,500	-
	Other income	529	2,783
		167,379	**50,392**
6	**Employee benefits and compensation costs**		
	Salaries and wages	65,678	67,035
	Pension cost	5,082	5,281
		70,760	**72,316**
7	**Other operating expenses**		
	Trading costs	1,390	62,972
	Marketing expenses	17,082	7,978
	Professional Membership Subscription	1,090	577
	Consultancy fees	11,589	2,098
	Rent	10,833	10,542
	Service charge	6,000	6,087
	Depreciation (note 15)	1,480	2,279
	Amortisation (note 14)	3,823	-
	Annual general meeting expense	1,595	1,519
	Travelling expenses	2,933	3,005
	Insurance expense	3,594	4,039
	Training expenses	1,230	564
	Auditor's remuneration	3,675	4,200
	Meetings, Conference and seminars	1,374	1,914
	Penalties	-	2,162
	Printing and stationeries	1,534	2,027
	Directors Fees	4,550	-
	General and administrative expenses	18,572	14,000
		92,344	**125,963**

No non-audit services was provided to the Company during the year. (2017: Nil)

		31 December	31 December
8	**Interest income**	**2018**	**2017**
		₦'000	**₦'000**
	Treasury bills	22,233	45,632
	Money market placements	15,737	5,285
	Bonds	19,778	20,327
		57,748	**71,244**
9	**Taxation**		
	Deferred tax income (Note 16)	(31,593)	-
	Minimum tax (Note 18)	3,029	2,537
	Increase/(Decrease) in taxcharge for the year	233	-
		(28,331)	**2,537**
	Reconciliation of effective tax rate		
	Profit/(Loss) before income tax	62,023	(78,585)
	Non-deductible expenses	5,537	9,268
	Tax exempt income	(41,520)	(32,102)
	Taxable loss	**26,040**	**(101,419)**
	Education tax	-	-
	Minimum tax	3,029	2,537
	Current tax on income for the year	3,029	2,537
	Increase/(Decrease) in tax charge for the year	233	-
	Deferred tax credit to income statement	(31,593)	-
	Tax (credit)/expense for the year	**(28,331)**	**2,537**

The Company has a 'Nil' company income tax for 2018 (2017: nil) due to its carried forward unrelieved losses situation. Minimum tax has been computed as the Company is liable to be assessed under the minimum tax law. However, education tax is not included as a result of the assessable loss situation.

		31 December 2018 ₦'000	December 2017 ₦'000
10	**Earnings/(Loss) per share**		
	Profit/(Loss) for the year attributable to shareholders (N'000)	90,354	(81,122)
	Weighted average number of ordinary shares in issue (000)	444,204	407,187
	Basic earnings/(loss) per share (expressed in kobo per share)	20.34	(19.92)
11	**Cash and cash equivalents**		
	Cash	147	23
	Balances with banks	95,957	1,670
		96,104	**1,693**
12	**Investment securities**		
	Bonds	161,707	164,198
	Treasury bills	240,000	315,283
		401,707	**479,481**
	Current	240,000	315,283
	Non-current	161,707	164,198
	Total current and non-current	**401,707**	**479,481**
13	**Other assets**		
	Financial assets:		
	Fee receivables	5,124	5,099
	Non-financial assets:		
	Prepaid rent	5,500	5,833
	Prepaid insurance	3,246	3,165
	Other prepaid expenses	1,729	2,293
		15,599	16,390
	Impairment provision	(5,099)	(4,579)
		10,500	**11,811**
	Current	10,500	11,811
	Movement impairment provision		
	At 1 January	4,579	2,637
	Charge for the year	-	1,942
	IFRS 9 Day adjustment (Note 2.4.2g)	520	-
	At 31 December	**5,099**	**4,579**

14	Intangible assets				
	Cost	**Computer software ₦'000**	**Trading software ₦'000**	**Work in progress ₦'000**	**Total ₦'000**
	At 1 January 2018	370	11,606	-	11,976
	Addition	-	1,793	-	1,793
	At 31 December 2018	370	13,399	-	13,769
	Accumulated amortisation				
	At 1 January 2018	370	879	-	1,249
	Charge for the year	-	3,823	-	3,823
	At 31 December 2018	370	4,702	-	5,072
	Net book value as at 31 December 2018	**-**	**8,697**	**-**	**8,697**
	Cost	**Computer software ₦'000**	**Trading software ₦'000**	**Work in progress ₦'000**	**Total ₦'000**
	At 1 January 2017	370	879	-	1,249
	Addition	-	-	10,727	10,727
	At 31 December 2017	370	879	10,727	11,976
	Accumulated amortisation				
	At 1 January 2017	370	879	-	1,249
	Charge for the year	-	-	-	-
	At 31 December 2017	370	879	-	1,249
	Net book value as at 31 December 2017	**-**	**-**	**10,727**	**10,727**

15	Property and equipment	Motor vehicles ₦'000	Office equipment ₦'000	Furniture and fittings ₦'000	Computer equipment ₦'000	Total ₦'000
	Cost					
	At 1 January 2018	16,598	343	9,576	4,799	31,316
	Addition	-	10	273	5,444	5,727
	Disposal	(5,295)	-		-	(5,295)
	At 31 December 2018	11,303	353	9,849	10,243	31,748
	Accumulated depreciation					
	At 1 January 2018	15,239	300	8,869	4,574	28,982
	Charge for the year	601	14	255	610	1,480
	Disposal	(5,295)	-		-	(5,295)
	At 31 December 2018	10,545	314	9,124	5,184	25,167
	Net book value					
	At 31 December 2018	**758**	**39**	**725**	**5,059**	**6,581**
	Cost					
	At 1 January 2017	16,598	298	9,496	4,595	30,987
	Addition	-	45	80	204	329
	At 31 December 2017	16,598	343	9,576	4,799	31,316
	Accumulated depreciation					
	At 1 January 2017	14,786	261	7,814	3,842	26,703
	Charge for the year	453	39	1,055	732	2,279
	At 31 December 2017	15,239	300	8,869	4,574	28,982
	Net book value					
	At 31 December 2017	**1,359**	**43**	**707**	**225**	**2,334**

16 Deferred tax asset

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2017: 30%).

	31 December 2018 ₦'000	31 December 2017 ₦'000
At 1 January	(62,683)	(62,683)
Credited to profit and loss account(Note 9)	(31,593)	-
At 31 December	**(94,276)**	**(62,683)**

16.1	**Deferred tax assets**		
	Deferred income tax assets are attributable to the following items:		
	Property and equipment	(7,094)	(8,504)
	Unutilised tax losses	(87,182)	(54,179)
		(94,276	**(62,683)**

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

	Deferred tax assets to be recovered after more than		
	12monthts	(94,276)	(62,683)
17	**Accounts payable**	**31 December 2018 ₦'000**	**31 December 2017 ₦'000**
	Withholding tax payable	119	388
	Accrued expenses	5	34
	Other payables	18,802	59,694
		18,926	**60,116**
	Current	18,926	60,116
18	**Current income tax**		
	At 1 January	2,537	2,031
	Payments made during the year	(2,537)	(2,031)
	Charge for the year (Note 9)	3,029	2,537
	Under provision in prior year tax	233	-
	At 31 December	**3,262**	**2,537**
		31 December 2018 ₦'000	**31 December 2017 ₦'000**
19	**Share Capital**		
	Authorised Share Capital:		
	Issued and fully paid:		
	At 1 January	444,204	333,153
	Additions during the year	-	111,051
	At 31 December	**444,204**	**444,204**

20	**Share Premium**		
	At 1 January	288,214	236,260
	Additions during the year	-	51,954
	At 31 December	**288,214**	**288,214**

During the year 2017, the company issued 111.05 million units of its ordinary shares of ₦1.00 per share at ₦1.49 each to its existing shareholders by way of right issue. This resulted to a total premium on issue of ₦51.95 million which was credited to the share premium account.

		31 December 2018 ₦'000	31 December 2017 ₦'000
21	**Accumulated losses**		
	At 1 January	(225,851)	(144,729)
	FRS 9 Day 1 Adjustment (Note 2.4.2g)	(1,011)	-
	Profit/(Loss) for the year	90,354	(81,122)
	At 31 December	**(136,508)**	**(225,851)**
22	**Contingent liabiities**		

The Company had no pending litigation or other contingent liabilities as at 31 December 2018 (31 December 2017: Nil).

23 Cash (used in)/generated from operations

	31 December 2018 ₦'000	31 December 2017 ₦'000
Profit before income tax	62,023	(78,585)
Adjustments for		
- Depreciation (Note 15)	1,480	2,279
- Amortisation (Note 14)	3,823	-
- Interest income (Note 8)	(57,748)	(71,244)
- Profit on disposal of fixed asset	(529)	-
- Impairment provision	-	1,942
Changes in components of working capital		
- Decrease in other assets	791	10,362
- Decrease in payables	(41,190)	47,461
	(31,349)	**(87,785)**

24 Related party transactions

The Company has related party relationships where control and/or significant influence exists with its shareholding members. The company enters into business transactions with these members who are also its customers, on an arm's length basis in the normal course of business.

The income and expenses and assets and liabilities resulting from transactions with related parties are as follows:

Transactions	Type of relationship	Nature of transaction	2018 ₦'000	2017 ₦'000
Income:				
Registration fees	Shareholding companies	Fees from shareholding companies that are also dealers	24,937	19,204
Assets:				
Chapel Hill Denham Group	Shareholder	Money market placement	-	-

24.1	Key management compensation	31 December 2018 ₦'000	31 December 2017 ₦'000
	Salaries and other short-term employee benefits	26,875	45,000
	Defined contribution	2,102	3,483
		28,977	**48,483**

Key management comprise of the Managing director, Chief financial officer and Operations manager.

25 Directors and employees

The average number of persons employed by the Company during the year was as follows:

	31 December 2018	31 December 2017
Executive director	1	1
Management	3	3
Non-management	13	10
	17	**14**

	31 December 2018	31 December 2017
The total employee benefits expense in the year	**₦'000**	**₦'000**
comprise the following:		
Salaries and other short term benefits	65,678	67,035
Post employment benefits	5,082	5,281
	70,760	**72,316**

The number of employees of the company, other than directors, who received emoluments in the following ranges were:

₦500,001 - ₦1,000,000	3	3
₦1,000,000 - ₦4,000,000	7	6
Over N4,000,000	7	4
	17	**13**
25.1 Directors' emoluments		
Remuneration paid to the Company's directors:		
Executive directors' compensation	26,875	25,000
Fees and other emoluments disclosed above include amounts paid to:		
Highest paid director	**26,875**	**25,000**

26 Capital commitments

There were no capital commitments to purchase any asset as at 31 December 2018 (31 December 2017: Nil).

Value Added Statement

	31 Dec 2018 ₦'000	%	31 Dec 2017 ₦'000	
Gross income	225,127		108,998	
Cost of services	(87,041)		(143,703)	
Value Added	**138,086**	**100**	**(34,705)**	**100**
Distribution				
Directors and employees				
Salaries and benefits	70,760	51	67,820	(195)
Government				
Taxes	(28,331)	(21)	(37,499)	108
Retained in the Company				
Profit	90,354	66	(71,421)	206
The future				
Asset replacement (depreciation & amortization)	5,303	4	6,395	(18)
	138,086	**100**	**(34,705)**	**100**

Five-year financial summary

31 December

	2018	2017	2016	2015	2014
Statement of financial position	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Assets					
Cash and cash equivalents	96,104	1,693	51,887	239,260	147,681
Investment securities	401,707	479,481	296,535	211,318	228,569
other assets	10,500	11,291	24,116	26,597	15,251
Intangible assets	8,697	10,727	-	402	805
Property and equipment	6,581	2,334	4,285	9,020	12,092
Deferred tax asset	94,276	62,683	62,683	23,153	35,597
	617,865	**568,209**	**439,507**	**509,750**	**439,995**
Liabilities					
Accounts payable	18,926	60,116	12,791	12,637	5,557
Current income tax	3,029	2,537	2,031	1,008	-
	21,955	**62,653**	**14,822**	**13,645**	**5,557**
Equity					
Share capital	444,204	444,204	333,153	333,153	333,153
Share premium	288,214	288,214	236,260	236,260	236,260
Accumulated losses	(136,508)	(226,862)	(144,729)	(73,308)	(134,975)
Total liabilities and equity	**617,865**	**568,209**	**439,506**	**509,750**	**439,995**
Statement of comprehensive income					
Gross earnings	225,127	121,636	108,998	311,780	71,439
Net operating income	225,127	121,636	108,998	311,780	71,439
Employee benefits and compensation cost	(70,760)	(72,316)	(67,820)	(71,783)	(67,059)
Other operating expenses	(92,344)	(127,905)	(150,098)	(164,878)	(81,021)
(Loss)/profit before tax	62,023	(78,585)	(108,920)	75,119	(76,641)
Tax	28,331	(2,537)	37,499	(13,452)	33,095
Profit/(Loss) for the year	**90,334**	**(81,122)**	**(71,421)**	**61,667**	**(43,546)**
Basic earnings/(loss)per share (kobo)	**20.34**	**(19.92)**	**(21.44)**	**18.51**	**(13.00)**

NASD Security Directory by industry

CONSUMER GOODS:

These are products that are purchased for consumption by the average consumer. Alternatively called final goods, consumer goods are the result of production and manufacturing and are what a consumer will see on the store shelf.

Admitted Securities under Consumer Goods:

Food Product:

Dufil prima food Plc was incorporated in 1995 and admitted to trade on NASD OTC Securities Exchange market on January 20, 2015 with security code **SDDUFIL**. The principal activities of the company are manufacturing and marketing of indomie brand of instant noodles.

It has an issued and fully paid capital of 6.8 billion Ordinary Shares of 50 kobo each.

Friesland Campina Wamco Plc was incorporated in April 1973 and admitted to trade on NASD OTC Securities Exchange market on July 25, 2013 with security code **SDFCWAMCO**. The company is principally engaged in manufacturing and marketing of evaporated milk, instant milk powder and other dairy products. It has an issued and fully paid capital of 976 million Ordinary Shares of 50 kobo each.

Fumman Agricultural Product Industries Plc was incorporated in 1994 and admitted to trade on NASD OTC Securities Exchange market June 8, 2015 with security code **SDFUMMAN**. The company is principally engaged in producing and marketing wholesome fruits and juices in Nigeria. It has an issued and fully paid capital of 3.6 billion Ordinary Shares of 50 kobo each

Free Range Farms Plc was incorporated in 2009 and admitted to trade on NASD OTC Securities Exchange market on September 28, 2015 with security code **SDFARMSPLC**. The company is principally engaged in carrying out integrated poultry farming. It has an issued and fully paid capital of 520 million Ordinary Shares of 50 kobo each.

Vital Product Plc was incorporated in 1999 and admitted to trade on NASD OTC Securities Exchange market on January 25, 2016 with security code **SDVITPROD**. The company is principally engaged in manufacturing and distribution of fruit drinks and non-alcoholic beverages. It has an issued and fully paid capital of 1.82 billion Ordinary Shares of 50 kobo each.

Fan Milk Plc was incorporated on the 4 November 1961 and admitted to trade on NASD OTC Securities Exchange market on February 25, 2016 with security code **SDFANMILK**. The company is principally engaged in production and distribution of dairy and food products. It has an issued and fully paid capital of 999.82 million Ordinary Shares of 50 kobo each.

Consumer Services.

A sector of the economy that consists of businesses that sells non-essential goods and services. Companies in this sector include retailers, media companies, consumer services companies, consumer durables and apparel companies and automobiles and components companies.

Admitted Securities under Consumer Services.

Food Concepts Plc commenced operations in 2001 and admitted to trade on NASD OTC Securities Exchange market on July 15, 2013 with security code **SDFOODCPT**. The company is engaged in the provision of restaurant services, bakery and confectionery products. It has an issued and fully paid capital of 5.7 billion Ordinary Shares of 50 kobo each.

This company (originally known as Bata Trading Company) was founded in 1932 and admitted to trade on NASD OTC Securities Exchange market on April 5, 2016 with security code **SDFAMADPLC**. The company is mainly into manufacturing and marketing of footwear and purchasing and sales of footwear accessories. It has an issued and fully paid capital of 185 million Ordinary Shares of 50 kobo each

FINANCIALS

This category of stocks contains firms that provides financial services to commercial and retail customers. This sector includes banks, investment funds, insurance companies and real estate.

Admitted Securities under Financials Industry

Real Estate Services

Afriland Properties Plc was incorporated on 14 March 2007 and admitted to trade on NASD OTC Securities Exchange market on April 9, 2014 with security code **SDAFRILAND.**
The company principal line of business includes Property Development, Project Management and Property Acquisition and Sales. It has an issued and fully paid capital of 1.3 billion Ordinary Shares of 50 kobo each.

Mixta Real Estate Plc (formerly ARM Properties Plc) commenced operations in February 2006 as a real estate investment fund management and admitted to trade on NASD OTC Securities Exchange market on May 11, 2015 with security code **SDMIXREAL**.
The company is licensed to provide property development and investment services.
It has an issued and fully paid capital of 1.9 billion Ordinary Shares of 50 kobo each

UBN Property Company Plc was incorporated on November 1, 2003 and admitted to trade on NASD OTC Securities Exchange market on January 25, 2018 with security code **SDUBNPROP**. The company's principal line of business includes purchase and sale of land properties, management of real estate properties and construction of estate and estate sales. It has an issued and fully paid capital of 5.6 billion Ordinary Shares of ₦₦1

Insurance

ARM Life Plc was incorporated in 1994 and admitted to trade on NASD OTC Securities Exchange market on February 10, 2014 with security code **SDARMLIFE**. The company is licensed and regulated by the National Insurance Commission of Nigeria (NAICOM) to underwrite Life, Annuity and Health insurance. It has an issued and fully paid capital of 5.8 billion Ordinary Shares of 50 kobo each.

Industrial & General Insurance Plc was incorporated on 31 October 1991 and admitted to trade on NASD OTC Securities Exchange market on July 19, 2013 with security code **SDIGIPLC**. The company is licensed and regulated by the National Insurance Commission of Nigeria (NAICOM) to cover tailor-made Life and Non-Life Insurance protection. It has an issued and fully paid capital of 14.2 billion Ordinary Shares of 50

Allianz Insurance Nigeria PLC (formerly known as Ensure Insurance PLC) was established in 1993 and admitted to trade on NASD OTC Securities Exchange market on December 21, 2018 with security code **SDALLINSUR**. The company is licensed and regulated by the National Insurance Commission of Nigeria (NAICOM) to cover underwriting of Life and Non–Life businesses. It has an issued and fully paid capital of 4.3 billion Ordinary Shares of 50 kobo each

Mortgage Finances

Spring Mortgage Plc commenced business in July 2004 and admitted to trade on NASD OTC Securities Exchange market on May 12, 2015 with security code **SDSPRINGM**.
The company is licensed to performing property management, trading and estate agency duties in Nigeria. It has an issued and fully paid capital of 7.1 billion Ordinary Shares of 50 kobo each.

Trustbond Mortgage Bank Plc was incorporated in 2014 and admitted to trade on NASD OTC Securities Exchange market on August 7, 2014 with security code **SDTRUSTMB**.
The company is licensed to provide Mortgages, Real Estate Finance and Financial Advisory services. It has an issued and fully paid capital of 10.95 billion Ordinary Shares of ₦1 each.

Nigeria Mortgage Refinance Company Plc was incorporated on 24th of June 2013 and admitted to trade on NASD OTC Securities Exchange market on November 27, 2015 with security code **SDNMRCPLC**. The company is licensed to provide and encourage financial institutions by increasing their mortgage lending and providing them with long term funding. It has an issued and fully paid capital of 1.76 billion Ordinary Shares of ₦1 each.

AG Mortgage Bank Plc was incorporated on 21st July 2004 and admitted to trade on NASD OTC Securities Exchange market on June 17, 2016 with security code **SDAGMBANK**.
The company is licensed to carry on business as a Primary Mortgage Institution [PMI].
It was granted a mortgage banking license by the Central Bank of Nigeria in December 2004 and commenced full operations by 31st January 2005.
It has an issued and fully paid capital of 3.08 billion Ordinary Shares of 50 kobo each.

Special Services

Central Securities Clearing System Plc was incorporated on July 29, 1992 and admitted to trade on NASD OTC Securities Exchange market on May 14, 2014 with security code **SDCSCSPLC**. The company was licensed by the Securities and Exchange Commission as an agent for Central Depository, Clearing and Settlement of transactions in the stock market.

It has an issued and fully paid capital of 5 billion Ordinary Shares of ₦1 each.

NASD PLC was incorporated in June 1998 and admitted to trade on the NASD OTC Securities Exchange market on August 4, 2016 with security code **SDNASDPLC.** The company provides a Network that eases secondary market trading of all Securities of unquoted public companies. It has an issued and fully paid capital of 444 million Ordinary Shares of ₦1 each

CR Services (Credit Bureau) PLC was incorporated in January 2003 and admitted to trade on the NASD OTC Securities Exchange market on March 29, 2017 with security code **SDCRSBUR**. The company is a licensed by the Central Bank of Nigeria as a credit bureau providing credit and risk management solutions. It has an issued and fully paid capital of 49.99 million Ordinary Shares of ₦1 each.

Investment Services

Golden Capital Plc was incorporated on 16 September 2008 and admitted to trade on NASD OTC Securities Exchange market on March 18, 2014 with security code **SDGOLDEN**.

The Company is licensed to carry out issuing House, financial consultancy and investment activities. It has an issued and fully paid capital of 1.2 billion Ordinary Shares of 50 kobo each

Lighthouse Financial Services PLC was incorporated in January 1984 and admitted to trade on the NASD OTC Securities Exchange market on September 25, 2017 with security code **SDLIGHTFSP**. The company is registered with the Securities and Exchange Commission that provides financial advisory and fund-raising services to SMEs through its group registered subsidiaries. It has an issued and fully paid capital of 2.15 billion Ordinary Shares of 50 kobo each

Providus Bank (formerly United Mortgage PLC) commenced operations in May 2016 as a regional commercial bank in Nigeria and admitted to trade on NASD OTC Securities Exchange market on December 7, 2018 with security code **SDPROVIDUS.** The company is licensed to provide business banking, digital banking and institutional banking service across Nigeria. It has an issued and fully paid capital of 1.2 billion Ordinary Shares of 50 kobo each

INDUSTRIALS:

These are companies that produce goods for construction and manufacturing purposes. This sector includes companies involved with aerospace and defense, industrial machinery, tools, lumber production, construction, cement and metal fabrication

Heavy Construction

Cappa &D'Alberto Plc was incorporated in 1932 and admitted to trade on NASD OTC Securities Exchange market on January 22, 2015 with security code **SDCAPDBETO.** The company is principally engaged in Engineering, Procurement and Construction (EPC). It has an issued and fully paid capital of 197 million Ordinary Shares of 50 kobo each.

Costain West Africa Plc was incorporated in 1948 and admitted to trade on the NASD OTC Securities Exchange market on March 10, 2017 with security code **SDCOSTAIN.** The Company is principally engaged in building and civil engineering projects. It has an issued and fully paid capital of 1.08 billion Ordinary Shares of 50 kobo each.

Industrial Supplies

Geo-Fluids Plc was incorporated in 1994 and admitted to trade on NASD OTC Securities Exchange market on August 20, 2013 with security code **SDGEOFLUID.** The Company is principally engaged in Drilling, Mud engineering services, Filtration services and product, Storage capacity and Laboratory services. It has an issued and fully paid capital of 4.3 billion Ordinary Shares of 50 kobo each.

Container & Packaging

Riggs Ventures West Africa Plc was incorporated on the 22nd of August 1993 and admitted to trade on NASD OTC Securities Exchange market on 9 April 2014 with security code **SDRIGGS.** The Company is principally engaged in production of high-quality poly-propylene sacks. It has an issued and fully paid capital of 880 million Ordinary Shares of 50 kobo each.

International Packaging Industries of Nigeria Plc was incorporated 26th September 1964 and admitted to trade on the NASD OTC Securities Exchange market on June 20, 2016 with security code **SDIPIPLC**. The Company is principally engaged in manufacturing and sale of waxed sheets, paper bags, exercise books, toilet roll wrappers and other printing materials. It has an issued and fully paid capital of 40 million Ordinary Shares of 50 Kobo each.

OIL & GAS

A business entity that engages in the exploration, production, refinement and distribution of oil and gas in Nigeria. Admitted Securities under Oil & Gas.

Acorn Petroleum Plc was incorporated in 1981 and admitted to trade on NASD OTC Securities Exchange market on November 14, 2014 with security code **SDACORN.** The Company is principally engaged in trading and distribution of refined petroleum products. It has an issued and fully paid capital of 2 billion Ordinary Shares of 50 kobo each.

Niger Delta Exploration & Production Plc was incorporated on 25 March 1992 (as the Midas Drilling Fund) and admitted to trade on NASD OTC Securities Exchange market on August 1, 2013 with security code **SDNDEP.** The Company is principally engaged in Exploration and production of oil and natural gas.
It has an issued and fully paid capital of 181 million Ordinary Shares of 1kobo each.

Air Liquide Nigeria Plc, a subsidiary of Air Liquide Group was incorporated in 1992 and admitted to trade on NASD OTC Securities Exchange market on September 5, 2016 with security code **SDAIRLIQ.** The Company is principally engaged in the production and sales of industrial and medical gases in the country.
It has an issued and fully paid capital of 180 million Ordinary Shares of 50 kobo each

Nipco Plc was incorporated on 8 January 2001 and admitted to trade on NASD OTC Securities Exchange market on February 16, 2017 with security code **SDNIPCOPLC**.
The Company is principally engaged in the distribution of Oil products, Compressed Natural Gas (CNG) and Liquefied Petroleum Gas (LPG).
It has an issued and fully paid capital of 187.67 million Ordinary Shares of 1kobo each

TECHNOLOGY:

This sector contains businesses revolving around the manufacturing of electronics, creation of software, computers or products and services relating to information technology.
Admitted Securities under Technology:

Telecommunication Equipment

Resourcery Plc was incorporated in 1985 and admitted to trade on NASD OTC Securities Exchange market on November 25, 2013 with security code **SDRSOURCE.**
The Company provides Network and Infrastructure, business voice & video and data security solutions. It has an issued and fully paid capital of 2.6 billion Ordinary Shares

Swap technologies & telecoms Plc was incorporated in June 1996 and admitted to trade on NASD OTC Securities Exchange market on September 30, 2013 with security code **SDSWAPPLC.** The company provides engineering & project service, networking sharing & managed service and international operation.
It has an issued and fully paid Capital of 2.7 billion Ordinary Shares of 50 kobo each.

Mass Telecom Innovation Plc was incorporated in the year 2001 and admitted to trade on NASD OTC Securities Exchange market on December 14, 2017 with security code **SDMASSTCOM.** The company provides telecommunication products & services especially in the area of sales, installation and maintenance of telecommunication switching and transmission equipment. It has an issued and fully paid capital of 4.9 billion Ordinary Shares of 50 kobo each.

Participating Institutions by Activity(Value)

Participating Institution	Value ₦'000	Volume	Deals
Chapel Hill Denham Securities	22,448.02	30,983.44	35
Afrinvest Securities Ltd	13,502.35	1,075.68	52
Stanbic IBTC Stockbrokers Limited	5,425.17	454.21	88
Greenwich Securities Limited	4,873.69	1,260.78	104
Capital Bancorp Plc	2,314.19	19.99	279
Springboard Trust And Investment Limited	1,659.41	200.06	8
Capital Asset Limited	1,636.66	9.49	127
Qualinvest Capital Limited	1,279.94	127.99	5
Anchoria Investment & Securities Limited	1,038.70	26.20	300
Apel Asset Limited	830.90	1,496.03	338
United Capital Securities Limited	634.79	203.19	105
Cashcraft Securities Limited	630.90	1,001.47	108
GTI Securities Limited	579.04	13.17	113
Reward Investments & Services Limited	472.33	35.55	115
Magnartis Finance & Investment Limited	399.21	18.13	304
Nigerian International Securities Limited	373.82	10.60	266
Equity Capital Solution Limited	366.01	277.81	208
CSL Stockbrokers Limited	259.84	6.61	43
Arthur Steven Asset Management Limited	214.24	2.86	230
Tiddo Securities Limited	188.10	68.27	203
SFC Securities Limited	164.38	3.73	132
Cordros Capital Limited	155.47	9.90	38
Tradelink Securities Limited	139.81	9.34	254
Lighthouse Asset Management Limited	135.27	191.01	19
Valmon Securities Limited	124.79	2.45	187
The Bridge Securities Limited	111.39	13.83	46
Trusthouse Investments Limited	103.27	178.51	72
Bestworth Assets & Trust Limited	94.83	0.67	21
Cardinal Stone Securities Limited	89.73	0.52	5
Capital Trust Brokers Limited	84.04	5.35	211
Mega Equities Limited	76.30	1.05	52
Wstc Financial Services Limited	74.52	2.24	56
TRW Stockbrokers Limited	66.40	8.20	68
FBN Securities Limited	65.52	5.22	5
Icon Stockbrokers Limited	63.76	0.94	76
Pivot Capital	56.81	5.02	17
Nigerian Stockbrokers Limited	51.53	0.34	38
Network Capital Limited	46.80	0.36	10
Meristem Securities Limited	40.60	2.45	178
Regency Assets Management Limited	38.19	0.66	56

Participating Institution	Value ₦'000	Volume	Deals
Coronation Securities Limited	31.72	1.82	41
Foresight Securities & Investment Limited	30.00	0.50	1
Planet Capital Limited	29.76	0.18	6
Skyview Capital Limited	28.86	0.21	39
Portfolio Advisers Limited	21.39	0.57	48
Dynamic Portfolio Limited	19.77	0.83	44
Kinley Securities Limited	19.50	1.36	253
Lambeth Trust & Investment Company Limited	18.84	1.11	23
FCSL Asset Management Company Limited	18.57	1.65	45
Rostrum Investment & Securities Limited	17.51	1.64	28
Primera Africa Securities Limited	16.96	30.68	44
Calyx Securities Limited	15.87	0.77	25
Lead Securities & Investment Limited	14.54	0.12	19
Pilot Securities Limited	14.02	0.57	4
EDC Securities Limited	13.19	0.64	9
ARM Securities Limited	13.04	20.01	15
Fortress Capital Limited	12.12	0.80	6
Kapital Care Trust & Securities Limited	11.92	0.62	26
Harmony Securities Limited	8.38		
Cashville Investments & Securities Limited	6.50	0.50	1
Traders Trust And Investment Company Limited	6.47	0.07	7
Mbc Securities Limited	3.58	0.20	81
Signet Investments & Securities Limited	3.28	0.11	39
Mayfield Investments Limited	3.15	0.02	1
Investment One Stockbrokers International Limited	3.02	0.23	39
Dunn Loren Merrifield Securities Limited	2.90	0.34	11
FSDH Securities Limited	2.89	0.02	8
Readings Investments Limited	2.34	4.10	2
Woodland Capital Market Plc	1.74	0.03	4
Apt Securities And Funds Limited	1.40	0.63	28
Golden Securities Limited	1.32	0.05	4
Phronesis Securities Limited	1.07	0.01	5
Adonai Stockbrokers Limited	1.07	0.71	12
Topmost Securities Limited	1.00	0.06	8
Milestone Capital Management Limited	0.87	0.13	9
Rencap Securities Limited	0.83	0.33	2
Resort Securities & Trust Limited	0.82	0.24	38
Fidelity Finance Company Limited	0.72	0.10	3
Core Trust & Investment Limited	0.72	0.01	3
Dunbell Securities Limited	0.56	0.04	23
Edgefield Capital Management Limited	0.44	0.00	2
Valueline Securities & Investments Limited	0.42	0.00	1
Sigma Securities Limited	0.33	0.08	40

Participating Institution	Value ₦'000	Volume	Deals
Valueline Securities & Investments Limited	0.42	0.00	35
Sigma Securities Limited	0.33	0.08	40
Fundvine Capital & Securities Limited	0.24	0.02	3
Finmal Finance Services Limited	0.2	0.01	27
Vetiva Securities Limited	0.22	0.00	2
Newdevco Investments And Securities Company Limited	0.21	0.01	15
Solid Rock Securities & Investments Plc	0.20	0.02	3
Dominion Trust Limited	0.19	0.04	7
Chartwell Securities Limited	0.18	0.01	10
Securities Africa Financial Limited	0.05	0.02	8
Elixir Securities Limited	0.01	0.01	4
Fidelity Securities Limited	0.01	0.01	19
Imperial Asset Managers Limited	0.01	0.00	3
Eurocomm Securities Limited	0.00	0.00	1
Pedminent Securities Limi	0.00	0.00	4
Pac Securities Limited	0.00	0.00	1
Heritage Capital Markets Limited	0.00	0.00	1
	61,315.66	**-**	**5,779.00**

Our Partners

Settlement Banks

Trading Platforms

Proxy Form

NASD PLC

I,

Being a member of NASD PLC hereby

		RESOLUTIONS	FOR	AGAINST
I desire this proxy to be used in favour of/or against the resolution as indicated alongside	1	To re-elect Mr. Chike Nwanze as a director.		
	2	To re-elect Mr. Aigbovbioise Aig-Imoukhuede as a director.		
	3	To re-elect Ms. Oby Ugboma as a director		
	4	To re-appoint Messrs Deloitte & Touche as Independent Auditors of the company.		
	5	To authorize the Directors to fix the remuneration of the Independent Auditors.		
	6	To approve the remuneration of Directors.		
	7	To elect/re-elect Shareholders' Representatives on the Audit Committee.		
	8	To alter the Articles of Association of the Company by inserting Clause 13 for the provision of Alternate Directors.		
Please t				

appoint...or failing him..or failing him

.... as my proxy to act and vote for me and on my behalf at the Annual General Meeting of the Company to be held on 17 July, 2019 and at any adjournment thereof.

As witness my hand this ....day of.....................2019

Signed..

Notes:
A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his or her stead. All the documents appointing a proxy should be deposited at the registered office of the Company, 9th Floor, UBA Building, 57, Marina, Lagos or the office of the Registrar, United Securities Limited, Plot 009, Amodu Ojikutu Street, Off Saka Tinubu, Victoria Island, Lagos, not less than 48 hours before the time for holding the Annual General Meeting. A proxy need not be a member of the Company.

It is required by the law under the Stamp Duties Act, Cap. S8 Laws of the Federation of Nigeria 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear Stamp Duty at the appropriate rate, not adhesive postage stamps.

If the shareholder is a corporation, this form must be under its common seal.

Before posting the above slip, tear off this part and retain it.
ADMISSION SLIP
NASD PLC
6th ANNUAL GENERAL MEETING

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR HIS/HER DULY APPOINTED PROXY TO THE 6TH ANNUAL GENERAL MEETING THAT WILL BE HELD ON 17th JULY 2019 AT MEETING ROOM 1, WESTWOOD HOTEL, 22, AWOLOWO ROAD, IKOYI, LAGOS AT 3.00PM

NAME OF SHAREHOLDER ……………………………………………………………….
SIGNATURE………………………………………………..

ADDRESS…….

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