



Transforming Challenges To Growth

2016
Annual Reports &
Financial Statements



NASD PLC
creating liquidity...transparently

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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 OTC exchange registered by the Securities and Exchange Commission ["SEC"] to organise and manage Over-The-Counter ["OTC"] trading platform for unlisted public securities. There are presently 32 securities trading on the platform.

What we do

We provide an opportunity for investors in unlisted securities to trade their holdings transparently in a formal and orderly manner. The NASD OTC Market currently enables trade through a platform built by NASDAQ OMX and leased from the Nigerian Stock Exchange ["NSE"]. On the NASD platform, all unlisted publicly held securities registered with SEC are eligible to trade.

As an OTC Securities Exchange, NASD's value proposition to its stakeholders (including Issuers, investor, VC/PE 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

Entry to the NASD OTC Securities Exchange is via two methods:

1. Admission of company

This is upon application by a company for the admission of its entire shares making them immediately tradable on the platform. Here, Issuers are required to dematerialise and register all their issued and fully paid up shares for trading on the NASD OTC market. Companies admitted to the OTC

market are obliged to provide corporate information to the market and will be placed in one of two tiers, (the Blue tier or Pink tier) based on the quality of corporate governance displayed by the company.

2. Admission of securities

Under this category, a company's securities are introduced to the NASD platform by individual shareholders who may appoint stockbrokers to verify, dematerialise and trade their holdings.

The NASD OTC Securities Exchange has its own unique ecosystem consisting of:

- Registered broker/dealers allowed to trade on the platform
- Nominated settlement banks which ensure the prompt settlement and completion of the transaction cycle on the market
- Central Securities Clearing System Plc [CSCS] which clears all transactions executed on the market

NASD provides Issuers with easy funding for capital projects, growth opportunities for small companies and a transparent secondary market for shareholders

Vision

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

Our Guiding Principles

Integrity

We will honour all commitments and never compromise our ethics.

Transparency

Provide information that is relevant, necessary and timely.

Performance

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

Corporate Information

Board of Directors

Mr. Olutola Mobolurin	(Chairman)
Mr. Chike Nwanze	(Vice Chairman)
Mr. Bola Ajomale	(MD/CEO)
Mr. Oladipo Aina	
Mr. Victor Ogiemwonyi	
Mr. Ariyo Olushekun	
Mr. Abubakar Lawal	
Mr. Kayode Falowo	
Mr. Adeolu Bajomo	
Mr. Samuel Nwanze	
Ms. Obiageli Ugboma	
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

PricewaterhouseCoopers
Landmark Towers
5B Water Corporation Drive
Oniru, Victoria Island
Lagos

Registrars

United Securities Limited
Plot 009 Amodu Ojikutu
Victoria Island Lagos

Bankers

United Bank for Africa Plc
First Bank of Nigeria Plc
Guaranty Trust Bank Plc

Notice of Annual General Meeting

Notice is hereby given that the 4th Annual General Meeting of NASD PLC will hold on Thursday, 6 July 2017 at Meeting Room 1, Westwood Hotel, 22, Awolowo Road, Ikoyi, Lagos at 11am 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, 2016 together with the reports of Directors, Independent Auditors and Audit Committee thereon.
2. To elect/re-elect directors.
3. To re-appoint the Independent Auditors.
4. To elect/re-elect Shareholders' Representatives on the Audit Committee.

Notes

(a) 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 or her stead. A proxy need not be a member. A form of proxy is attached at the last page of this report. All instruments of proxy should be duly stamped and deposited at the registered office of the Company, 9th Floor, UBA Building, 57, Marina, Lagos or office of the Registrar, United Securities Limited, Plot 009, Amodu Ojikutu Street, Off Saka Tinubu, Victoria Island, Lagos, not later than 48 hours before the time for holding the meeting.

(b) 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.

(c) 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 23rd day of June, 2017 to the 30th day of June, 2017 (both dates inclusive) for the purpose of preparing an up-to-date Register of Members.

**DATED THIS 5TH DAY OF JUNE, 2017
BY ORDER OF THE BOARD**



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



Statement From The Chairman

Ladies and gentlemen, distinguished shareholders on behalf of the Board of NASD Plc (“NASD” or “the Company”), it is my pleasure to welcome you to our 4th Annual General Meeting and to present to you the Annual Report and Financial Statements for the year ended 31 December 2016.

Permit me to undertake a review of the major events in the global and domestic terrain which shaped the Company's performance in the year under review.

Turkey, the presidential impeachment in Brazil and other geopolitical events which occurred in the course of the year.

Crude oil prices settled at an average price of USD45.12 barrels per day (bpd) (about USD53.80 in 2015) in 2016 due mainly to the supply glut caused by the fierce competition between oil producing countries for market share in the face of low demand. The ongoing multilateral deal between the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC members on supply cap (1.8 million bpd) is expected to impact positively on oil price levels.

The Global Economy

Global economic growth in 2016 was about 2.6%, slightly below the 3.0% recorded in the year 2015. The slow global economic growth in 2016 was primarily due to the uncertainties which trailed the UK's exit from the European Union, the United States presidential election, the continuing crisis in Syria (and other parts of the Middle East), the upheaval in

“

NASD, by its size and structure, continues to be an attractive destination for issuers at all levels to raise capital and for investors to trade their securities transparently. The desirable growth in the OTC for the future however requires a much more enhanced approach in regulating the securities market. Far too many public companies continue to operate in defiance of the law and regulations.”

”

The Nigerian Economy

The Nigerian economy suffered a recession in 2016 as the nation experienced a negative real Gross Domestic Product (GDP) growth rate of -0.36% and -1.5% in the first and second quarters of the year. As at full year, GDP had contracted by -1.51%, marking the first annual contraction to be experienced by the economy in 25 years.

The recession arose from some of the challenges experienced in the course of the year, prominent amongst which was the activities of the Nigerian Delta Avengers in the Southern part of Nigeria which caused a drop in the country's oil production. As at December 2016, Nigeria's oil production stood at about 1.8 million bpd, against the 2.2 million bpd produced per day in 2015 before the militant attacks. This had a negative effect on the 2016 budget estimates which hinged oil production at 2.2 million bpd per day.

Another contributory factor to the recession was the tenuous sociopolitical climate attributable to the persistent attacks by the Boko Haram sect in the North-Western part of the country and clashes between Fulani herdsmen and local farmers across most parts of the country which saw thousands killed and many more

displaced. The delay in the release of the 2016 budget by the Federal Government together with the government's unclear monetary policies did little to help assuage the recession.

Inflation, affected by the drop in oil production, the weakening of the naira against the dollar and increase in fuel price, rose to as high as 18.6% (against 9.6% recorded in December 2015) thus reducing purchasing power.

NASD OTC: Business Environment

The economic environment in 2016 had a negative impact on the Nigerian capital market. Falling oil prices and barriers to oil production in the Niger Delta threw the economy into recession. This was exacerbated by the imbalance in fiscal and monetary policies and an administratively controlled foreign exchange regime which left many companies short of the foreign currencies needed for their production inputs. The Nigerian economic recession characterised by some states' inability to pay their workers, layoffs in the private sector and inflation which peaked at 18.6% led to a decline in real income and thus impacted aggregate consumer income and spending patterns. This weakened consumer disposable income combined with a high interest rate regime, with risk-free Government securities offering annualised after tax yields in excess of 22%, shifted savings in favour of short term Money Market instruments. Investors' interest in the Capital Market which had not recovered from the shocks of 2008 was thus further constrained. The administrative restrictions around foreign exchange liquidity further heightened the exit of foreign portfolio investors from the market. In summary, the Capital Market in general experienced a disproportionate drop

in activities. Consequently, all market indices and in particular the value of transactions executed in the course of the year 2016 recorded significant deterioration.

Logically, all of these were not without their impact on the Company, which experienced further erosion in its capital. To address this issue, the Board in 2016 had obtained your approval for the Company to raise additional capital via a Public Offer and/or Rights Issue. I am pleased to inform you that the Rights Issue intended to raise additional capital of up to ₦165,466,136.02 was 127.22% subscribed. The capital raised will be utilised, in part, in securing a much more “fit for pocket” trading platform and investments complementary to the development of the market.

Trade Activity

Investors continued to respond to the opportunity to trade their shares in unlisted securities on the NASD platform. Despite numerous challenges, trading activity during the year continued to expand as the number of trades executed on the NASD OTC Market rose by 121% over the previous year.

This activity was partly driven by a 33% increase in the number of admitted securities, 25% increase in Authorised Traders and 12% increase in Participating Institutions. NASD admitted 8 new securities; crossing the thirties mark in the number of securities admitted to close with 32 securities and commenced Bond Trading in the second half of the year, with bonds worth ₦9.6 billion traded.

However, in reaction to slow economic activity and weak investor appetite, volume and value of shares traded declined by 58% and 91% respectively over the previous year. As at 31 December, 2016 the cumulative value of transactions was about ₦5 billion, a 91% decline from the preceding year.

Financial Performance

In my address last year, I forecasted that 2016 would be a year of uncertainties for our economy and the capital market and that your Company would focus on attracting new securities to trade on the trading platform

in order to lift trade volumes, especially if there is a modest rebound in the economy. However, we are all privy to the fact that rather than a rebound, the economy went into a full recession in 2016. This affected the performance of your company despite the fact that nine (9) new securities were introduced during the year.

Distinguished shareholders, your company earned ₦32.2 million as trading commission in the year under review in comparison with the sum of ₦242.8 million achieved in the preceding year, representing 654% reduction over the previous year's performance. It should be noted that the trading commission achieved in 2015 included a single transaction which earned the Company a trading commission of ₦190.7 million. From membership fees, the company earned ₦34 million and ₦42.2 million from interest on bank placements representing 111% increase and 20% decrease respectively over the previous year's revenue of ₦16.1 million and ₦52.4 million. The increase in membership fees for 2015 was largely due to registration of new participating institutions and listing of new companies, while the decrease in interest income is due to decrease in cash holdings available for investment and substantial decrease in interest rates in significant periods of the year.

Our direct trading expenses in the year under review was ₦82.7 million in compared to ₦85 million in the preceding year, representing a slight decrease of 3%. This is as a result of renegotiation of the lease payment to Nigerian Stock Exchange for the use of its trading platform which however could not be concluded until the 4th quarter of the year. We expect to see a significant decrease in this expenditure in 2017 if there is no major devaluation of CBN Naira/US\$ official rate, which is the referenced rate for the expenditure. I would like to mention that this is the highest singular expenditure item for the Company. I am delighted to inform you that the Board has decided to re-open the evaluation of the trading platform and to consider alternative options to align the cost with current slow pace of the development of the market.

Other costs during the review period (marketing, payroll and general administration costs) stood at ₦135.2 million as against ₦151.6 million in the preceding year, representing a decrease of 11%. This reduction is a

conscious effort to reduce operational costs in the face of dwindling revenue and this initiative will continue through year 2017.

The Board

The past year has seen a number of changes to the composition of the Board. In April 2016, Mr. Jibola Odedina representing Coronation Securities Limited (previously Marina Securities Limited) resigned from his position as non-executive director and was replaced by Mr. Aigbovbioise Aig-Imoukhuede, also of Coronation Securities Limited. Mr. Odedina was a pioneer member of the Company's statutory Audit Committee and also served on its Technical, Disciplinary and ad-hoc Strategic Review Committees.

In June 2016, Mr. Bolaji Balogun representing Chapel Hill Denham, a member of the Board from inception of the Company, resigned as a non-executive director and was replaced by Ms. Obiageli Ugboma also of Chapel Hill Denham.

In addition, Mr. Albert Okumagba, representing BGL Securities Limited, resigned as a non-executive director in July 2016. Mr. Okumagba served on the Market Development, Finance and General Purposes Committee and ad-hoc Strategic Review Committees of the Company.

The Company immensely benefited from their knowledge and experience in the capital market and I would like to thank them for the invaluable contributions towards ensuring not only the growth of the NASD but also the OTC Market. On behalf of the Company, I would like to wish all three directors the very best in their endeavours.

Future Outlook

The year ahead holds its own challenges not just for the capital market but the country. Nonetheless, we expect to see an increase in activity on the market as the general economic environment improves and as expected pressure on the foreign exchange eases and the economy recovers from recession.

NASD, by its size and structure, continues to be an attractive destination for issuers at all levels to raise

capital and for investors to trade their securities transparently. The desirable growth in the OTC for the future however requires a much more enhanced approach in regulating the securities market. Far too many public companies continue to operate in defiance of the law and regulations. We urge the Securities and Exchange Commission to spread its dragnet to bring the erring companies into compliance with the law. In this effort, the Securities and Exchange Commission will find us a very useful partner.

Appreciation

I would like to offer my sincere gratitude to management and other members of staff who remained resilient even in the face of the challenges experienced through the course of the year. I have never ceased to be impressed by our employees' commitment to the Company and I thank them for their contribution towards its success.

I would also like to thank the Securities and Exchange Commission for its continued support of the OTC Market and our shareholders for their unwavering belief in the Company. To our Participating Institutions, I say thank you for tapping into the vision of the Company.

Finally, I thank my colleagues on the Board for their personal sacrifices of their time and resources but much more their unquantifiable contribution towards the sustenance, growth and success of the Company.

Thank you all for your attention.



Olutola Mobolurin
Chairman, Board of Directors
NASD Plc
July 2017



Statement From The Chief Executive Officer

Dear Shareholders,

It is with pleasure that the management of your company welcomes you to the 4th Annual General Meeting of NASD Plc.

2016 was an extremely testing and trying year for all industries in Nigeria. The NASD OTC market, being a barometer of economic activity fully

reflected the economy's performance.

MARKET SIZE

Market capitalisation of admitted securities on NASD OTC Market at the end of the year 2016 stood at ₦423.89 billion (up 18% from ₦359.76 billion in previous year).

In spite of the low trading activity, eight (8) equities listed below were admitted to the NASD OTC Market during the year bringing the total number of shares on the market to 32.

“
2016 undoubtedly was a
challenging year for the Nigerian
economy but we however,
expect to transform these challenges
into growth in 2017.”

S/N	Company	Sectoral Categorisation	Market Capitalisation (N'm)	Introduced by
1	AG Mortgage Bank Plc.	Financials	2,005.4	Lighthouse Asset Management Limited
2	Air Liquide Plc.	Oil & Gas	1,026.0	Anchoria Investment & Securities Limited
3	Ensure Insurance Plc.	Financials	7,515.1	Chapel Hill Denham Securities Limited
4	Famad Nigeria Plc.	Industrial	232.0	Arthur Steven Asset Management Limited
5	Fan Milk Plc.	Consumer Goods	19,996.3	Stanbic IBTC Stockbrokers Limited
6	International Packaging Industries of Nigeria Plc.	Industrial	20.0	APT Securities and Funds Plc.
7	NASD Plc.	Financials	639.7	Cashcraft Securities Limited
8	Vital Products Plc.	Consumer Goods	4,721.8	CSL Stockbroking Limited

In our efforts to dematerialise holdings in the OTC market we were able to achieve a 17% increase in dematerialised shares from the previous year and by the end of 2016, 19.02 billion shares had been dematerialised into the Central Securities Clearing System Plc. (CSCS). This still only represents 16% of the total market so our efforts to increase the level of dematerialisation shall continue in 2017.

TRADING ACTIVITY

2016 witnessed a significant drop in activity in

comparison to the previous year. 799.04 million shares worth ₦4.68 billion were traded in 4,857 deals in 2016, compared to 1.89 billion shares worth ₦50.92 billion traded in 2,151 deals in 2015. The market was also less liquid in 2016 in comparison to 2015. Eighteen (18) out of Thirty-two (32) securities were actively traded during the year, in 2015 Nineteen (19) out of Twenty-four (24) securities actively traded.

We believe the drop in activity was mainly as a result of the uncertain investment climate that pervaded Nigeria. We however expect that a stabilisation of exchange

rates and our continued efforts to develop the market will enhance trading activity on the NASD OTC market.

REVIEW OF FINANCIAL PERFORMANCE

In 2016, core income from transactions was ₦32.2 million as against ₦242.8 million earned in 2015.

The OTC market was however able to attract 29 new Participating Institutions to the market which resulted in

Registration fees of ₦34 million in 2016 compared to ₦16.1 million in 2015.

Income earned from funds management amounted to ₦42.2 million as against ₦52.4 million earned in the preceding period. This is partly due to lower prevailing interest rates in 2016 and reduced funds under management as we continue to apply available funds to developing the OTC market.



Direct trading expenses in the year under review was ₦82.7 million in comparison with ₦85 million in the preceding year, representing a slight decrease of 3%. General Administration costs stood at ₦135.2 million as against ₦151.6 million in the preceding year, representing a decrease of 11%. Management continues to apply effort to reduce trading and operational costs in the face of dwindling revenue and this initiative will continue through year 2017.

MARKET DEVELOPMENT AND DEEPENING

Your company made significant strides in deepening the NASD OTC market and establishing the conditions for growth. During the year, we continued with analyst call facilitation – allowing Issuers of unlisted securities the opportunity to meet with analysts and market

operators to review their performance and future plans. Niger Delta Exploration & Production Plc, Central Securities Clearing System Plc and Trustbond Mortgage Bank Plc took advantage of this platform. The OTC market also entered into a Memorandum of Understanding with the League Management Company – managers of Nigeria's premier football league. From the MOU, we expect full listing of football clubs that hitherto had not had access to the capital market.

Your company successfully joined the Africa Securities Exchange Association [“ASEA”] and entered into a data sharing agreement with Bloomberg. We believe that these will greatly increase awareness of the OTC market and efficiently distribute information and data on the market internationally. Also to increase access to

information by operators, NASD developed and launched a data portal to provide current and historical information to members. All registered dealers can create a profile to either track a specific security or access daily events on the market.

RECAPITALISATION

In June 2016, shareholders resolved to recapitalise the company. As at December last year, documents to support a rights issuance had been filed with the Securities and Exchange Commission. We express our appreciation to shareholders who took up their rights and even additional to ensure full subscription. We further express our profound gratitude to the management and staff of Capital Bancorp Plc and Capital Assets Limited who jointly managed the Rights Issuance pro bono as part of their market development effort.

LOOKING FORWARD

2016 undoubtedly was a challenging year for the Nigerian economy but we however, expect to transform these challenges into growth in 2017.

The major focus for the year 2017 will be on consolidating initiatives started in 2016. We shall continue advocacy in policy formulation specifically aimed at creating more transparency in the capital market. We shall also continue to enthusiastically support compliance with all provisions of the Investment and Securities Act and proffer suggested amendments to the Act that we believe will improve investor confidence and transparency in our markets.

We will in 2017, continue to render support for full dematerialisation of all long-term securities in Nigeria – thus making them eligible for over the counter trading and enhancing liquidity. Energy shall also be applied towards furthering financial literacy, public education, and any other initiative that will rebuild investor confidence in our capital market.

We expect that in 2017, we will welcome the first football shares to the market hence paving the way to deepen penetration of the market and expand the width of our investor base. NASD shall also make concerted efforts

to interact and form partnerships with other exchanges within and outside Africa.

We will also focus on improving the efficiency of technology in delivering a wide, efficient and reliable OTC market. In this vein, NASD will launch an enterprise platform that standardises information on non-listed companies for private equity players. We expect that this initiative will create a useful first introduction to capital markets for such enterprises and efficiently deliver standardised information to users.

APPRECIATION

On behalf of the Management of NASD OTC, I wish to extend our gratitude and thanks to all stakeholders who worked tenaciously with us in developing the market. We look forward to continue working together in strengthening the achievements made thus far. I would like to thank the members of the steering committees for their consistent guidance and contributions to the market. We thank also the staff of the Securities and Exchange Commission for their diligent professionalism and responsiveness.

We wish you well.

Yours sincerely,

Bola Ajomale

Board of Directors



Mr. Olutola Mobolurin
Chairman



Mr. Chike Nwanze
Vice Chairman



Mr. Bola Ajomale
MD/CEO



Mr. Oladipo Aina
Director



Mr. Victor Ogiemwonyi
Director



Ariyo Olushekun
Director



Abubakar Lawal
Director



Kayode Falowo
Director



Mr. Adeolu Bajomo
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 and adopted tried and proven best practices to protect the environment and its employees. The Company has also invested in the community in which it operates and strove 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 control in order to safeguard the interest of shareholders and stakeholders to ensure the reliability of its records. The business adopts standard accounting practices to facilitate transparency in the disclosure of information and to give assurance to the reliability of the financial statements.

2. Board Of Directors

The responsibility of good corporate governance is placed on the Board of Directors and the Management Team. The Board of Directors is highly qualified and experienced in their professional areas of expertise. As at December 31, 2016, the Board had one full time Executive Director- the Managing Director of the Company. The Board also has eleven 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, 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 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	13-1-2016	5-2-2016	23-3-2016	14-4-2016	13-7-2016	12-10-2016	8-12-2016	Total
Mr. Olutola Mobolurin	Capital Bancorp Plc	✓	✓	✓	✓	✓	✓	✓	7
Mr. Chike Nwanze	Icon Stockbrokers Limited	✓	✓	✓	✓	✓	✓	✓	7
Mr. Oladipo Aina	Signet Investments & Securities Limited	✓	✓	✓	✓	✓	✓	✓	7
Mr. Ariyo Olushekun	Capital Assets Limited	✓	✓	✓	✓	✓	✗	✓	6
Mr. Victor Ogiemwonyi	Partnership Investment Company Plc	✓	✗	✓	✓	✓	✓	✗	5
Mr. Abubakar Lawal	GTI Capital Limited	✓	✓	✓	✓	✓	✓	✓	7
Mr. Kayode Falowo	Greenwich Securities Limited	✓	✓	✗	✓	✓	✓	✗	5
Mr. Jibola Odedina ¹	Coronation Securities Limited	✓	✓	✓	✓	N/A	N/A	N/A	4
Mr. Bolaji Balogun ²	Chapel Hill Denham Group	✗	✗	✗	✗	N/A	N/A	N/A	-
Ms. Obiageli Ugboma ³	Chapel Hill Denham Group	✗	✗	✗	✗	✓	✓	✓	2
Mr. Aigbovbioise ⁴ Aig-Imoukhuede	Coronation Securities Limited	N/A	N/A	N/A	N/A	N/A	N/A	✓	1
Mr. Albert Okumagba	BGL Plc	✓	✓	✓	✓	✗	N/A	N/A	4
Mr. Ade Bajomo	NSE Consult Limited	✓	✓	✓	✓	✗	✓	✗	5
Mr. Samuel Nwanze	Heirs Holdings Group	✓	✗	✓	✗	✗	✗	✗	2
Mr. Bola Ajomale	NASD Plc	✓	✓	✓	✓	✓	✓	✓	7

*Includes attendance by approved Alternate Directors representing the organisations.

1. The Resignation of Mr. Jibola Odedina was accepted at the Board meeting of April 14, 2016
2. The Resignation of Mr. Bolaji Balogun was accepted at the Board meeting July 13, 2016
3. The Appointment of Ms. Oby Ugboma was accepted at the Board meeting of July 13, 2016
4. Mr. Aig-Imoukhuede was appointed as a Substantive Director at the Board meeting of October 12, 2016 with Ms. Omozusi Iredia as his Alternate.
5. The Resignation of Mr. Albert Okumagba was accepted at the Board meeting of October 12, 2016.

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. Kayode Falowo

Mr. Kayode Falowo is the Managing Director/CEO of Greenwich Trust Limited, one of the leading Investment Banking firms in Nigeria. He is a Chartered Stockbroker with over 25 years post graduate experience and practice in Finance, Commercial and Investment Banking. He holds a B.Sc. (Hons) in Agricultural Engineering from the University of Ife (now Obafemi Awolowo University) in 1982, an MBA from the University of Benin in 1988.

He has attended numerous workshops and seminars, which include the Chief Executive Programme at the Lagos Business School and Financial Analysis Training at the IESE Business School, Barcelona, Spain. He is an active member of numerous professional and industry associations. Kayode is a distinguished Fellow of the Chartered Institute of Stockbrokers (2010) and Association of Investment Advisers and Portfolio Managers (2005), Council Member of the Nigerian-British Chamber of Commerce and Council Member of the Nigerian Stock Exchange.

Kayode is also a Member of the Lagos Chamber of Commerce & Industry, Institute of Directors Nigeria, Institute of Management Consultants and Nigerian Institute of Management. He serves as a Member of the Central Organising Committee of the Nigerian Economic Summit Group (NESG), and Council Member of the Lagos Business School Alumni Association. He is the Chairman of DN Meyer Plc, Chairman of GTL Registrars and Director of Skye Trustees Limited.

He has in recent past, served as the Chairman, Association of Issuing Houses of Nigeria (AIHN), Member of National Bond Steering Committee, and Standard for Service and Disclosure Sub-Committee of the Capital Market Committee, Rules and Regulations Committee of the Nigerian Stock Exchange and the National Essay Committee of the Nigerian Capital Market.

b. Mr. Adeolu Bajomo

Mr. Adeolu Bajomo currently supports the NSE Council and leadership team in the transformation of The Exchange, ensuring that appropriate world class technologies, market operations strategies and associated products and services are identified, adopted and implemented to support the growth opportunities and enhance the overall liquidity and transparency of the Exchange as it seeks to demutualise, increase market share and listings, diversify its income stream, launch new products and enhance its overall attractiveness to both local and foreign investors.

He holds a Bachelor of Science Degree in Civil Engineering from the University of Ife (now Obafemi Awolowo University) in 1987, M.Sc. (with distinction) in Information Systems Engineering from South Bank University London in 1989 and an MBA from City Business School London in 2002. With a wealth of experience and solid track record in the global financial services sector spanning banking, capital markets, asset management and insurance, Adeolu has led major transformation and service improvement programmes, participated in business growth initiatives and technology and operations integration of acquired entities in the sector.

Prior to joining The Exchange, he was a Director at Barclays Bank Plc., leading the Replatforming Transformation Programmes for Africa and Indian Ocean region, where he achieved significant business operations and technology efficiency benefits in the region. Adeolu has also held several director/leadership positions in the UK financial services sector, including Technology Director at Fortis Bank UK (1997-2006), Head of IT Systems and Strategy at Pearl Insurance UK (2006-2007) and senior management roles at Deutsche Bank and Morgan Grenfell Asset Management (1995-1997). Adeolu has over 25 years of professional experience. He is a chartered member of the British Computer Society (1997).

c. Mr. Samuel Nwanze

Mr. Samuel Nwanze is the Director of Finance and Investments at Heirs Holdings. Prior to joining Heirs Holdings, Samuel served as Group Treasurer with Bank PHB Plc, Lagos, Nigeria from 2009 to 2010. He was

responsible for the overall management of Treasury for the Bank PHB Group (including five banks and several non-bank subsidiaries) which included the restructuring of the trading desk, dealing in financial markets' money markets, bonds, treasury bills, BAs/CPs, and currencies, as well as liquidity management and capital discipline.

Before taking the role at Bank PHB, he served as the head of Financial Performance Management and Budgets in UBA in 2005. Samuel's path to joining UBA's management was preceded by a period at Platinum Bank where he served as Financial Controller before joining Standard Trust Bank (STB) team. At STB, he served as head of Performance Management and worked jointly as a member of the Assets & Liabilities Management Committee, and as part of the core team responsible for the STB-UBA merger.

Samuel has also worked on a number of projects and start-ups which span Nigeria's first credit bureau, an Insurance company, group shared services model, and the acquisition and set-up of various banks in Africa, as well as other projects in the US, UK and India. In addition to graduating best in class with a Masters in Finance and Management from Cranfield School of Management in London in 2007, Samuel's other key distinctions include the prestigious annual award, bestowed by the Association of Corporate Treasurers (ACT) of the United Kingdom.

3. Election Of New Directors

The following directors appointed by the Board of Directors in accordance with Section 249 of the Companies and Allied Matters Act are being presented for approval:

a. Ms. Obiageli Ugboma

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.

b. 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). 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. (1996).

4. Board Committees

In conformity with the Code of Best Practices in Corporate Governance, the Board of Directors worked through 5 (five) 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 and 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 policies 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 regulation that may impact the Company and make recommendations to the Board of Directors on 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 met 3 (Three) times in 2016 and had the following institutions as members as at 31 December, 2016:

S/N	INSTITUTION
1	Greenwich Trust Limited
2	Anchoria Investments & Securities Limited
3	Capital Bancorp Plc.
4	Signet Investments & Securities Limited
5	Icon Stockbrokers Limited
6	Chapel Hill Denham Securities Limited
7	GTI Capital Limited
8	Lead Securities and Investment Limited
9	Primera Africa Securities Limited
10	Cordros Capital Limited
11	Stanbic IBTC Stockbrokers Limited

Finance & General Purpose Committee

The Finance & General Purpose 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 & General Purpose 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 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 & General Purposes committee met 6 (Six) times in 2016 and had the following institutions as members as at 31 December, 2016:

S/N	INSTITUTION
1	Capital Assets Limited
2	Anchoria Investment & Securities Limited
3	Partnership Investment Company Plc.
4	Prominent Securities Limited
5	Heirs Holdings Limited
6	Regency Assets Management Limited
7	Lead Securities and Investment Limited

Market Development Committee

The Market Development committee chaired by Mr. Oladipo Aina assists the Board in fulfilling its responsibility relating to market awareness, business development, client retention and recommend policies that will encourage trading activities on the NASD OTC market.

The Terms of Market Development committee include:

- To advise the Board on business development issues
- To oversee and make recommendations to the Board on all issues which impact on the Company's image

The Committee meets on an adhoc basis as the need arises. The Market Development committee met 3 (three) times in 2016 and had the following institutions as members as at 31 December, 2016:

S/N	INSTITUTION
1	Signet Investments & Securities Limited
2	TFS Securities & Investment Company Limited
3	GTI Capital Limited
4	Chapel Hill Denham Securities Limited
5	Regency Assets Management Limited
6	United Capital Plc.
7	Tubiped Investment Limited
8	Lead Securities and Investment Limited
9	WSTC Financial Services Limited
10	First City Monument Bank
11	Vetiva Capital Management Limited
12	Valmon Securities Limited
13	Stanbic IBTC Stockbrokers Limited

Technical Committee

The Technical Committee chaired by Mr. Victor Ogiemwonyi assists the Board in its responsibility to choose 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 form 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 Technical consultants in meeting set objectives
- To report to the board on all activities that pertains to the activities of Technical Consultants.

The Committee which meets on an adhoc basis as the need arises did not meet in the course of the year.

S/N	INSTITUTION
1	Partnership Investment Company Plc
2	NSE Consult Limited
3	Signet Investments & Securities Limited
4	Greenwich Trust Limited
5	Chapel Hill Denham Securities Limited
6	GTI Capital Limited
7	Coronation Securities Limited
8	Capital Assets Limited
9	Lead Securities & Investment Limited
10	Tubiped Investment Limited

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. The Committee which had the following as members as at 31 December 2016 did not have cause to sit in the course of the year:

S/N	INSTITUTION
1	NASD Plc
2	NASD Plc
3	NASD Plc
4	Capital Market Solicitors Association ["CMSA"]
5	Chartered Institute of Stockbrokers ["CIS"]

5. Statutory Audit Committee

As at 31 December 2016, the Audit Committee consisted of Six (6) members, three of whom are members of the Board of Directors and the other three members being independent shareholders. The Audit Committee is chaired by an independent shareholder member. 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 twice during the 2016 financial year and the following members served on the Committee during this period:

Insituion	Represented by	Status	Designaion	Atendance
APT Securities and Funds Limited	Mr. Kashimu Garba Kurfi	Shareholders' Representaive	Chairman	1
GTI Securities Limited	Mr. Abubakar Lawal	Non-Execuive Director	Member	1
Chapel Hill Denham Securities Limited	Ms. Obiageli Ugboma	Non-Execuive Director	Member	1
Coronation Securities Limited	Mr. Jibola Odedina	Non-Execuive Director	Member	1
WSTC Financial Services Limited	Mrs. Ayodeji Oloye	Shareholders' Representaive	Member	1
FBN Capital Limited	Mrs. Temitope Adeosun	Shareholders' Representaive	Member	1

6. 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, 2016 are satisfactory and reinforce the company's internal control system;
- © having reviewed the external auditors' findings and recommendations on management matters we are satisfied with management response thereon.

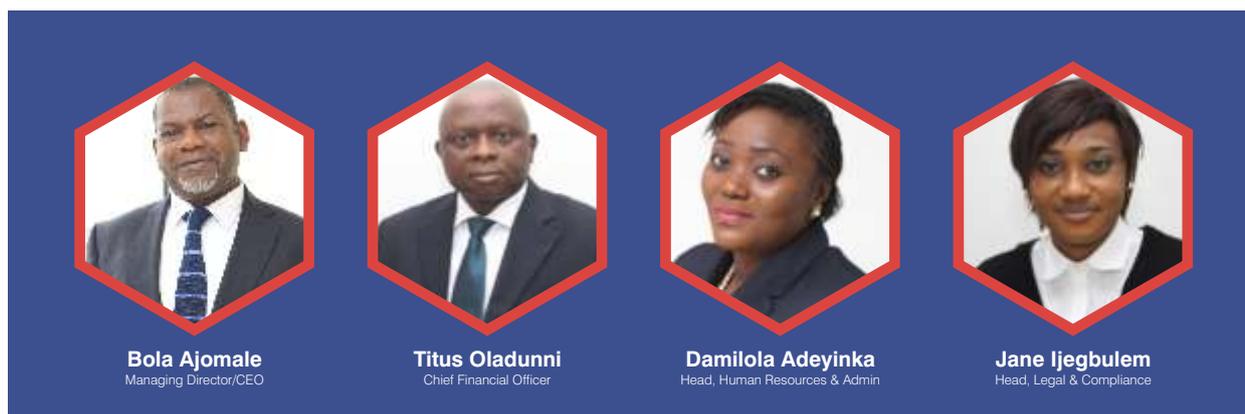
Finally, we acknowledge the cooperation of management in the conduct of these duties.

Mr. Kashimu Garba Kurfi
Chairman

7. The Management Team

The Management Team consisting of the Managing Director and heads of various functions meet 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.



8. Code of Business Principles

NASD Plc has a documented code of business principles to guide all employees and business partners 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, public activities, environmental management, diversity in the workplace, accuracy and reliability of financial reporting, related and interested party transactions, etc. It also covers procedure for handling breaches and instances of non-compliance.

The company has adopted a code of conduct regarding securities transactions by its directors and other interested parties in accordance with rules governing transactions with related parties or interested parties.

9. 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 a dedicated information desk where email enquiries are responded to within 24 hours. The Annual General Meeting gives the shareholders an opportunity to communicate and interact with members of the Board.

10. 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 phone number and email address through which such complaints can be received. The Company's **whistleblowing@nasdng.com** is an email address dedicated solely to the receipt of complaints.

Directors Report

For the year ended 31 December 2016

The directors submit their report together with the audited financial statements for the year ended 31 December 2016.

(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:

	2016	2015
	N'000	N'000
(Loss)/profit before tax	(108,920)	75,119
Tax	37,499	(13,452)
(Loss)/profit after tax	(71,421)	61,667
(Loss)/earnings per share (kobo)	(21.44)	18.51

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	Interest	
		Direct	Indirect
		Ordinary shares of each ₦1 each	
Mr. Olutola Mobolurin	(Chairman)	-	15,249,994
Mr. Bola Ajomale	Managing Director	-	-
Mr. Abubakar Lawal	Non- Executive	-	22,857,143
Mr. Ade Bajomo	Non- Executive	-	22,857,143
Mr. Ariyo Olushekun	Non- Executive	-	16,500,000
Ms. Obiageli Ugboma	Non- Executive	-	17,250,004
Mr. Chike Nwanze	Non- Executive	-	2,083,330
Mr. Aigbovbiose Aig-Imokhuede	Non- Executive	-	16,500,000
Mr. Kayode Falowo	Non- Executive	-	17,083,330
Mr. Oladipo Aina	Non- Executive	-	4,083,330
Mr. Samuel Nwanze	Non- Executive	-	28,570,000
Mr. Victor Ogjemwonyi	Non- Executive	-	17,178,566

Mr. Jibola Odedina, Mr. Albert Okumagba, and Mr Bolaji Balogun are the directors who resigned in 2016. Mr. Aigbovbiose Aig-Imokhue and Ms. Obiageli Ugboma were appointed in 2016.

(d) Shareholding

According to the register of members at 31 December 2016, 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	12	4,999,992	2%
1,000,000 – 10,000,000	35	103,726,158	31%
Over 10,000,001	12	224,427,144	67%
	59	333,153,294	100%

Shareholders with 5% and above are listed below:

	Percentage	Board Representation
Greenwich Trust Limited	5.13	Yes
Partnership Investment Company Plc	5.16	Yes
Chapel Hill Advisory Partners Limited	5.18	Yes
GTI Capital Limited	6.87	Yes
NSE Consult Limited	6.87	Yes
Heirs Holdings Plc	8.59	Yes
BGL Securities Limited	8.73	Yes
Falcon Securities Limited	9.02	No

Regulatory Capital

The Company incurred a loss of ₦71,421,000 (2015 Profit: ₦61,667,000) for the year ended 31 December 2016 and as of that date, the Company has a shareholders' funds of ₦424,684,000 (2015: ₦496,105,000) which is below the minimum regulatory capital requirement of N500 million. This is a contravention of Securities and Exchange rules 22 and 31 and may lead to the suspension of the Exchange's license. However, the ability of the Company to continue normal operations is not hindered as the Company is not involved in buying and selling of securities. NASD provides a trading platform for capital market operators and earns transaction fees on securities traded.

Subsequent to year end, the Company obtained approval from Securities and Exchange Commission ("SEC") to raise additional capital through rights issue of shares. To this effect, the rights issue of 111,051,098 ordinary shares of ₦1.00 each at ₦1.49 per shares opened to shareholders' subscription on 20 March 2017 and closed on 28 April 2017. A successful completion of the rights issue generated a total amount of ₦210 million which was received and lodged by the receiving agents into the receiving bank account as at 5 May 2017, out of which ₦165 million will be allotted as additional capital and the excess monies will be returned to the subscribers after the final report of the rights issue has been submitted to the Securities and Exchange Commission.

Based on the foregoing, the directors confirm the Company's ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements are prepared on a going concern basis.

(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.

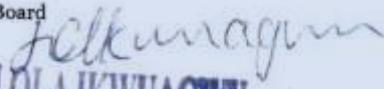
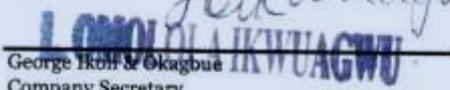
(g) Donations and gifts

The Company did not make any donation during the year (2015: Nil)

(h) Auditors

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

By order of the Board



George Ikoh & Okagbue
Company Secretary
FRC No:/2015/NBA/00000007013

GIO NOMINEES LIMITED
864B, Bishop Aboyade Cole Str,
Victoria Island, Lagos

Statement of Directors' Responsibilities

For the year ended 31 December 2016

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 loss 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



Bola Ajomale
MD/CEO
FRC/2014/CISN/00000005778

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, 2016 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.



MANAGING DIRECTOR/CEO



CHIEF FINANCIAL OFFICER



Independent auditor's report

To the Members of NASD Plc

Report on the audit of the financial statements

Our opinion

In our opinion, NASD Plc's financial statements give a true and fair view of the financial position of the company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

NASD Plc's financial statements comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the Directors Report, Statement of Directors' Responsibilities, Statement of Value Added and Four Year Financial Summary but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the corporate profile, statement from the chairman, chief executive officer's review, corporate governance report, certification of financial statements, NASD securities directory, NASD registered participating institutions, NASD Plc 2016 highlights and the company's complete annual report which is expected to be made available to us after that date.

Our opinion on the financial statements does 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the corporate profile, statement from the chairman, chief executive officer's review, corporate governance report, certification of financial statements, NASD securities directory, NASD registered participating institutions, NASD Plc 2016 highlights and the company's complete annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the 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, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the 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 scepticism 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books;
- iii) the company's statement of financial position and comprehensive income are in agreement with the books of account.

Obioma Ubah

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Obioma Ubah
FRC/2013/ICAN/00000002002



15 May 2017



Financial Statements

Statement of Comprehensive Income

For the year ended 31 December 2016

	Notes	31 December 2016	31 December 2015
		N'000	N'000
Fees and commission income	5	66,846	259,363
Employee benefits and compensation costs	6	(67,820)	(71,783)
Impairment charge on receivables	13	(2,232)	(405)
Other operating expenses	7	(147,866)	(164,473)
Operating (loss)/profit		(151,072)	22,702
Interest income	8	42,152	52,417
(Loss)/profit before tax		(108,920)	75,119
Taxation	9	37,499	(13,452)
(Loss)/profit for the year		(71,421)	61,667
Total comprehensive (loss)/profit for the year		(71,421)	61,667
(Loss)/earnings per share (kobo) - basic	10	(21.44)	18.51

The accompanying notes form an integral part of these financial statements

Statement of Financial Position

		31 December 2016	31 December 2015
	Notes	N'000	N'000
Assets			
Cash and cash equivalents	11	51,887	239,260
Investment securities	12	296,535	211,318
Other assets	13	24,116	26,597
Intangible assets	14	-	402
Property and equipment	15	4,285	9,020
Deferred tax asset	16	62,683	23,153
Total assets		439,506	509,750
Liabilities			
Accounts payable	17	12,791	12,637
Current income tax	18	2,031	1,008
Total liabilities		14,822	13,645
Equity			
Share capital	19	333,153	333,153
Share premium	20	236,260	236,260
Accumulated losses	21	(144,729)	(73,308)
Total equity		424,684	496,105
Total liabilities and equity		439,506	509,750

The financial statements were authorised for issue by the Board of Directors on 29 March 2017 and signed on its behalf by:



Olutola Mobolurin
Chairman
FRC/2014/CISN/00000003804



Bola Ajomale
Managing director/Chief executive officer
FRC/2014/CISN/00000005778



Titus Oladunni
Chief Financial Officer
FRC/2013/ICAN/00000005552

Statement of Changes in Equity

	Share capital	Share premium	Accumulated losses	Total
	N'000	N'000	N'000	N'000
As at 1 January 2015	333,153	236,260	(134,975)	434,438
Profit for the year	-	-	61,667	61,667
As at 31 December 2015	333,153	236,260	(73,308)	496,105
As at 1 January 2016	333,153	236,260	(73,308)	496,105
Loss for the year	-	-	(71,421)	(71,421)
As at 31 December 2016	333,153	236,260	(144,729)	424,684

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

		31 December 2016	31 December 2015
	Notes	₹'000	₹'000
Operating activities			
Cash (used in)/ generated from operations	23	(142,055)	25,404
Tax paid		(1,008)	-
Net cash(used in)/generated from operating activities		(143,062)	25,404
Investing activities			
Purchase of government bond and treasury bills		(222,625)	(210,577)
Proceeds from redemption of treasury bills		162,149	228,569
Purchase of property and equipment	15	(1,258)	(3,492)
Proceeds from sale of property and equipment		13	-
Interest received		17,411	51,678
Net cash (used in)/ generated from investing activities		(44,310)	66,178
(Decrease)/Increase in cash and cash equivalents		(187,373)	91,579
Cash and cash equivalent at start of year		239,260	147,681
Cash and cash equivalents at end of year	11	51,887	239,260

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 29 March 2017.

The financial statements are presented in Nigerian Naira (₦), which is the Company's presentation currency, and rounded to the nearest thousand (N'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 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

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 bank 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 banks 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 group of financial assets is impaired. A financial asset or a group 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 event¹) 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.

b. 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.

2.5 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
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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 stated 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 currently provides a trading platform for its members through a lease arrangement with Nigerian Stock Exchange (NSE).

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 Pensions Reform Act, 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 annual basic salary as well as housing and transport allowances 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 utilised 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) New and amended standards adopted by NASD during the year

Standard	Effective Date	Contents
Amendments to IAS 1 - Presentation of financial statements	Annual periods beginning on or after 1 January 2016	IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments form a part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved.
Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation.	1 January 2016	This amendment has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

b) Other standards and amendments that were effective for the first time in 2016 that are not relevant to NASD

Standard	Effective Date
IFRS 14 – Regulatory Deferral Accounts	1 January 2016
Amendment to IFRS 11– Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to IAS 16 and IAS 41 – Agriculture Bearer Plants	1 January 2016
Amendment to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
IAS 27 – Separate Financial Statements: Use of equity to account for investments in subsidiaries, joint ventures and associates in an entity’s separate financial statements	1 January 2016
IAS 34 – Interim Financial Reporting: Disclosure of information ‘elsewhere in the interim financial report’	1 January 2016
IFRS 7 – Financial Instruments – Servicing Contracts	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28-Investment Entities: Applying the Consolidation Exception	1 January 2016

c) **Standards and interpretations relevant to NASD issued/amended but not yet effective**

As at 31 December 2016, a number of standards and interpretations, and amendments thereto, had been issued by the IASB which are not yet effective for these financial statements. Details are set out below.

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

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

The IFRS 9 (2009) 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. NASD is yet to assess IFRS 9's full impact.

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. Early adoption is permitted.

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.

d) Other standards and amendments that were issued but not effective for the first time in 2016 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
IAS 7- Disclosure Initiative Amendments	1 January 2017
IFRS 1 -First time Adopters: Deletion of short-term exemptions for first-time adopters	1 January 2018
Amendments to IFRS 12- Disclosure of Interests in Other Entities - Clarification of the scope of the Standard	1 January 2017
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 Financial risk management

(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 2016	Financial Assets		Financial Liabilities	
	Held to Maturity	Loans and Receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost
Cash and cash equivalents	-	51,887	-	-
Investment securities	296,535	-	-	-
Other assets	-	3,226	-	-
Account payable	-	-	-	8,918
	296,535	55,113	-	8,918
31 December 2015	Financial Assets		Financial Liabilities	
	Held to Maturity	Loans and Receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost
Cash and cash equivalents	-	239,260	-	-
Investment securities	211,318	-	-	-
Other assets	-	2,434	-	-
Account payable	-	-	-	5,683
	211,318	241,694	-	5,683
			31 Dec. 2016	31 Dec. 2015
			N'000	N'000
Financial assets				
Cash and cash equivalents			51,887	239,260
Investment securities			296,535	211,318
Other assets			3,226	2,434
Financial liabilities				
Account payable			8,918	5,683

(a) 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 also 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	31 December 2016	31 December 2015
	N'000	N'000
Balances with banks	12,539	13,037
Money market placement	39,202	226,183
Treasury bills	129,930	149,726
FGN Bonds	166,605	61,592
Other assets	3,226	2,434
Total	351,502	452,972

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 2016 and 31 December 2015.

December 31, 2016	Treasury bills	FGN Bonds	Money market placement	Balances with banks	Other Assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria	129,930	166,605	39,202	12,539	3,226	351,502
	129,930	166,605	39,202	12,539	3,226	351,502
December 31, 2015	Treasury bills	FGN Bonds	Money market placement	Balances with banks	Other Assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Nigeria	149,726	61,592	226,183	13,037	2,434	452,972
	149,726	61,592	226,183	13,037	2,434	452,972

(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 2016 and 31 December 2015.

December 31, 2016	Treasury bills	FGN Bonds	Money market placement	Balances with banks	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Government	129,930	166,605				296,535
Financial services	-	-	39,202	12,539	-	51,741
Others	-	-	-	-	3,226	3,226
	129,930	166,605	39,202	12,539	3,226	351,502
December 31, 2015	Treasury bills	FGN Bonds	Money market placement	Balances with banks	Other assets	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Government	149,726	61,592	-	-	-	211,318
Financial services	-	-	226,183	13,037	-	239,220
Others	-	-	-	-	2,434	2,434
	149,726	61,592	226,183	13,037	2,434	452,972

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-16	31-Dec-15
Sovereign Ratings	N'000	N'000
Nigeria (B) S&P	296,535	211,318
	296,535	211,318
Balances with Banks		
	31-Dec-16	31-Dec-15
External credit rating (S&P)	N'000	N'000
B+	12,539	13,037
	12,539	13,037
Money Market Placement		
	31-Dec-16	31-Dec-15
External credit rating (S&P)	N'000	N'000
B-	39,202	226,183
	39,202	226,183
Unrated (other assets)	3,226	2,434
	3,226	2,434

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.

(b) 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.

(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.

(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 2016						
	Carrying amount	Gross nominal	less than 3months	3-6 months	6-12 months	1-5years
	N'000	N'000	N'000	N'000	N'000	N'000
Financial liabilities						
Accounts payable	8,918	8,918	8,918	-	-	-
	8,918	8,918	8,918	-	-	-
Financial assets						
Cash and cash equivalents	51,887	51,887	51,887	-	-	-
Investment securities	296,535	290,948	-	129,930	-	166,605
Other assets	3,226	3,226	3,226	-	-	-
	351,648	346,061	55,113	129,930	-	166,605
Gap(assets-liabilities)	342,730	337,143	46,195	129,930	-	166,605
Cummulative liquidity gap			46,195	176,125	176,125	342,730

31 December 2015						
	Carrying amount	Gross nominal	less than 3months	3-6 months	6-12 months	1-5years
	N'000	N'000	N'000	N'000	N'000	N'000
Financial liabilities						
Accounts payable	5,683	5,683	5,683	-	-	-
	5,683	5,683	5,683	-	-	-
Financial assets						
Cash and cash equivalents	239,260	239,260	239,260	-	-	-
Investment securities	211,318	210,890	-	149,726	-	61,592
other assets	2,434	2,434	2,434	-	-	-
	453,012	452,584	241,694	149,726	-	61,592
Gap(assets-liabilities)	447,329	446,901	236,011	149,726	-	61,592
Cummulative liquidity gap			236,011	385,737	385,737	447,329

(c) 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 2016			
	Fixed	Non-Interest bearing	Total
	N'000	N'000	N'000
Balances with banks	-	12,539	12,539
Money market placement	39,202	-	39,202
Treasury bills	129,930	-	129,930
FGN Bonds	166,605	-	166,605
Other assets	-	3,226	3,226
Liabilities			
Accounts payable	-	8,918	8,918
31 December 2015			
	Fixed	Non-Interest bearing	Total
	N'000	N'000	N'000
Balances with banks	-	13,037	13,037
Money market placement	226,183	-	226,183
Treasury bills	149,726	-	149,726
FGN Bonds	61,592	-	61,592
Other assets	-	2,434	2,434
Liabilities			
Accounts payable	-	5,683	5,683

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	1% decrease
31 December 2016		
Profit before tax	593,595	(593,595)
31 December 2015		
Profit before tax	70,431	(70,431)

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 2016	Carrying Value N'000	Fair Value N'000
Financial Assets		
Cash and cash equivalents	51,887	51,887
Investment securities	296,535	279,397
Other assets	3,226	3,226
	351,648	334,510
Financial Liabilities		
Accounts payable	8,918	8,918
	8,918	8,918
At 31 December 2015		
Financial Assets		
Cash and cash equivalents	239,260	239,260
Investment securities	211,318	210,335
Other assets	2,434	2,434
	453,012	452,029
Financial Liabilities		
Accounts payable	5,683	5,683
	5,683	5,683

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 financial instruments 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 2016	Level 1	Level 2	Level 3	Total
Assets	N'000	N'000	N'000	N'000
Cash and cash equivalents	-	51,887	-	51,887
Investment securities	279,397	-	-	279,397
Other assets	-	3,226	-	3,226
Liabilities				
Accounts payable	-	8,918	-	8,918
At 31 December 2015	Level 1	Level 2	Level 3	Total
Assets	N'000	N'000	N'000	N'000
Cash and cash equivalents	-	239,260	-	239,260
Investment securities	210,335	-	-	210,335
Other assets	-	2,434	-	2,434
Liabilities				
Accounts payable	-	5,683	-	5,683

Fair valuation methods and assumptions

(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) Investment securities

The fair value of actively traded bonds and treasury bills are determined with reference to quoted prices (unadjusted) in an active market. The fair value is determined with reference to Level 1 on the fair value hierarchy.

(iii) Other assets

Other assets represent short term receivable from third parties, therefore the fair values of these balances approximates their carrying amounts.

(iv) Accounts payable

Sundry creditors represents 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.

3.2 Capital Management

The Company's objective when managing capital is to comply with the requirements of Securities and Exchange commission (SEC), the regulators of exchanges and capital market operators. In this respect the Company manages its capital based on the minimum regulatory capital stipulated by SEC.

The company ensures that capital is sufficient to safeguard the company's ability to continue as a going concern, so

that it can continue to provide returns for shareholders, ensure that capital is, and will continue to be adequate for the safety and stability of the company, support the company's overall business strategy, ensure that the Company meets all regulatory capital ratios and establish the efficiency of capital utilization.

The Company incurred a loss of ₦71, 421,000 (2015 Profit: ₦61, 667,000) for the year ended 31 December 2016 and as of that date, the Company has a shareholders' funds of ₦424, 684,000 (2015: ₦496, 105,000) which is below the minimum regulatory capital requirement of ₦500 million. Subsequent to year end, the Company obtained approval from Securities and Exchange Commission ("SEC") to raise additional capital through rights issue of shares. To this effect, the rights issue of 111,051,098 ordinary shares of ₦1.00 each at ₦1.49 per shares opened to shareholders' subscription on 20 March 2017 and closed on 28 April 2017. A successful completion of the rights issue generated a total amount of ₦210 million which was received and lodged by the receiving agents into the receiving bank account as at 5 May 2017, out of which ₦165 million will be allotted as additional capital and the excess monies will be returned to the subscribers after the final report of the rights issue has been submitted to the Securities and Exchange Commission.

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.

In particular estimates and assumptions have been used in the following area:

- Property and equipment and intangible assets

In applying the company's accounting policy for depreciation of property and equipment and amortisation of intangible assets, the useful lives of property and equipment items and intangible assets have been estimated.

	31 December 2016	31 December 2015
5 Fees and commission income		
	N'000	N'000
Trading commission	32,232	242,782
Registration fees	33,951	16,137
Other income	663	444
	66,846	259,363
	31 December 2016	31 December 2015
6 Employee benefits and compensation costs		
	N'000	N'000
Salaries and wages	62,722	66,964
Pension cost	5,098	4,819
	67,820	71,783

	31 December 2016	31 December 2015
7 Other operating expenses		
	N'000	N'000
Trading costs	82,484	84,989
Marketing expenses	12,491	17,273
Consultancy fees	508	1,568
Rent	8,625	8,541
Service charge	6,000	6,000
Depreciation (note 15)	5,993	6,454
Amortisation (note 14)	402	403
Annual general meeting expense	2,142	1,573
Directors' allowances	-	12,750
Travelling expenses	5,326	1,943
Insurance expense	5,374	3,345
Training expenses	4,350	4,737
General and administrative expenses	10,171	11,397
Auditor's remuneration	4,000	3,500
	147,866	164,473

No non audit services was provided to the company during the period. (2015:Nil)

	31 December 2016	31 December 2015
8 Interest income		
	N'000	N'000
Treasury bills	19,731	31,551
Money market placements	9,625	20,126
Bonds	12,796	740
	42,152	52,417

	31 December 2016	31 December 2015
9 Taxation		
	N'000	N'000
Deferred tax (income)/expense(Note 16)	(39,530)	12,444
Minimum tax	2,031	-
Education tax	-	1,008
	(37,499)	13,452
Reconciliation of effective tax rate		
(Loss)/profit before income tax	(108,920)	75,119
Non-deductible expenses	9,268	7,725
Tax exempt income	(32,102)	(32,292)
Taxable (loss)/profit	(131,754)	50,552
Education tax	-	1,008
Minimum tax	2,031	-
Current tax on income for the year	2,031	1,008
Deferred tax (credit)/chargeable to income statement	(39,530)	12,444
Tax (credit)/charge for the year	(37,499)	13,452

The company has a 'Nil' company income tax for 2016 (2015: nil) due to its assessable loss 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 2016	31 December 2015
10 (Loss)/earnings per share		
(Loss)/profit for the year attributable to shareholders (N'000)	(71,421)	61,667
Weighted average number of ordinary shares in issue (000)	333,153	333,153
Basic (loss)/earnings per share (expressed in kobo per share)	(21.44)	18.51

	31 December 2016	31 December 2015
11 Cash and cash equivalents		
	N'000	N'000
Cash	146	40
Balances with banks	12,539	13,037
Money market placement	39,202	226,183
	51,887	239,260

	31 December 2016	31 December 2015
12 Investment securities		
	N'000	N'000
Bonds	166,605	61,592
Treasury bills	129,930	149,726
	296,535	211,318
Current	129,930	149,726
Non-current	166,605	61,592
Total current and non current	296,535	211,318

	31 December 2016	31 December 2015
13 Other assets		
	N'000	N'000
Financial assets:		
Fees	3,226	2,413
Sundry debtors	-	21
	3,226	2,434
Non financial assets:		
Prepaid lease rental of trading platform (note 26)	13,077	16,066
Prepaid rent	4,875	4,875
Prepaid insurance	3,605	2,906
Other prepaid expenses	1,970	721
	26,753	27,002
Impairment provision	(2,637)	(405)
	24,116	26,597
Current	24,116	26,597
Movement impairment provision		
Balance as at 1 January	405	-
Charge for the year	2,232	405
Balance at end of the year	2,637	405

14 Intangible assets			
Cost	Computer software	Trading software	Total
	N'000	N'000	N'000
As at 1 Jan 2016	370	879	1,249
Addition	-	-	-
As at 31 Dec 2016	370	879	1,249
Accumulated amortisation			
As at 1 Jan 2016	261	586	847
Charge for the year	109	293	402
As at 31 Dec 2016	370	879	1,249
Net book value as at 31 Dec 2016	-	-	-
Cost	Computer software	Trading software	Total
	N'000	N'000	N'000
As at 1 Jan 2015	370	879	1,249
Addition	-	-	-
As at 31 Dec 2015	370	879	1,249
Accumulated amortisation			
As at 1 Jan 2015	151	293	444
Charge for the year	110	293	403
As at 31 Dec 2015	261	586	847
Net book value as at 31 Dec 2015	109	293	402

15	Property and equipment	Motor vehicles	Office equipment	Furniture and Fittings	Computer equipment	Total
		N'000	N'000	N'000	N'000	N'000
Cost						
	As at 1 Jan 2016	16,598	298	8,736	4,223	29,855
	Addition	-	-	760	498	1,258
	Disposal	-	-	-	(126)	(126)
	As at 31 Dec 2016	16,598	298	9,496	4,595	30,987
Accumulated depreciation						
	As at 1 Jan 2016	11,623	202	6,137	2,873	20,835
	Charge for the year	3,163	59	1,677	1,094	5,993
	Disposal	-	-	-	(126)	126
	As at 31 Dec 2016	14,786	261	7,814	3,841	26,702
Net book value						
	As at 31 Dec 2016	1,812	37	1,682	754	4,285
		Motor vehicles	Office equipment	Furniture and Fittings	Computer equipment	Total
		N'000	N'000	N'000	N'000	N'000
Cost						
	As at 1 Jan 2015	14,195	298	8,521	3,700	26,714
	Addition	2,403	-	215	874	3,492
	Disposal	-	-	-	(351)	(351)
	As at 31 Dec 2015	16,598	298	8,736	4,223	29,855
Accumulated depreciation						
	As at 1 Jan 2015	8,025	142	4,423	2,032	14,622
	Charge for the year	3,598	60	1,714	1,082	6,454
	Disposal	-	-	-	(241)	(241)
	As at 31 Dec 2015	11,623	202	6,137	2,873	20,835
Net book value						
	As at 31 Dec 2015	4,975	96	2,599	1,350	9,020

16 Deferred tax asset

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2015: 30%).

	31 December 2016	31 December 2015
	N'000	N'000
At 1 January	(23,153)	(35,597)
(Credited)/charge to profit and loss account	(39,530)	12,444
At 31 December	(62,683)	(23,153)

16.1 Deferred tax assets

Deferred income tax assets are attributable to the following items:

	31 December 2016	31 December 2015
	N'000	N'000
Property and equipment	(8,504)	(6,669)
Unutilised tax losses	(54,179)	(16,484)
	(62,683)	(23,153)

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 12months

(62,683) (23,153)

	31 December 2016	31 December 2015
	N'000	N'000
17 Accounts payable		
Withholding tax payable	3,873	6,954
Accrued expenses	4,202	3,500
Other payables	4,716	2,183
	12,791	12,637
Current	12,791	12,637

	31 December 2016	31 December 2015
	N'000	N'000
18 Current income tax		
At start of year	1,008	-
Payments made during the year	(1,008)	-
Charge for the year	2,031	1,008
At end of year	2,031	1,008

	31 December 2016	31 December 2015
	N'000	N'000
19 Share capital		
Authorised:		
Ordinary shares at ₦1 each	500,000	500,000
Issued and fully paid:		
Ordinary shares at ₦1 each	333,153	333,153

The Company incurred a loss of ₦71,421,000 (2015 Profit: ₦61,667,000) for the year ended 31 December 2016 and as of that date, the Company has a shareholders' funds of ₦424,684,000 (2015: ₦496,105,000) which is below the minimum regulatory capital requirement of ₦500 million. This is a contravention of Securities and Exchange rules 22 and 31 and may lead to the suspension of the Exchange's license. However, the ability of the Company to continue

normal operations is not hindered as the Company is not involved in buying and selling of securities. NASD provides a trading platform for capital market operators and earn transaction fees on securities traded.

Subsequent to year end, the Company obtained approval from Securities and Exchange Commission ("SEC") to raise additional capital through rights issue of shares. To this effect, the rights issue of 111,051,098 ordinary shares of ₦1.00 each at ₦1.49 per shares opened to shareholders' subscription on 20 March 2017 and closed on 28 April 2017. A successful completion of the rights issue generated a total amount of ₦210 million which was received and lodged by the receiving agents into the receiving bank account as at 5 May 2017, out of which ₦165 million will be allotted as additional capital and the excess monies will be returned to the subscribers after the final report of the rights issue has been submitted to the Securities and Exchange Commission.

Based on the foregoing, the directors confirm the Company's ability to continue as a going concern, realise its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements are prepared on a going concern basis.

	31 December 2016	31 December 2015
20 Share premium		
	N'000	N'000
Balance at end of year	236,260	236,260

	31 December 2016	31 December 2015
21 Accumulated losses		
	N'000	N'000
Balance at beginning of year	(73,308)	(134,975)
(Loss)/profit for the year	(71,421)	61,667
	(144,729)	(73,308)

22 Contingent liabilities

The company had no pending litigation or other contingent liabilities as at 31 December 2016 (31 December 2015: Nil).

	31 December 2016	31 December 2015
23 Cash (used in)/ generated from operations		
	N'000	N'000
(Loss)/profit before income tax	(108,920)	75,119
Adjustments for		
- Depreciation (Note 7)	5,993	6,454
- Amortisation (Note 7)	402	403
- Interest income (Note 8)	(42,152)	(52,417)
- (Profit)/ loss on disposal of fixed asset	(13)	110
- Impairment provision	2,232	405
Changes in components of working capital		
- Decrease/(increase) in other assets	249	(11,750)
- Increase in payables	154	7,080
	(142,055)	25,404

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 arms 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	2016 N'000	2015 N'000
Income:				
Registration fees	Shareholding companies	Fees from shareholding companies that are also dealers	6,284	1,855
Assets:				
Chapel Hill Denham Group	Shareholder	Money market placement	818	801

	31 December 2016	31 December 2015
24.1 Key management compensation		
	N'000	N'000
Salaries and other short-term employee benefits	43,500	43,500
Defined contribution	3,373	3,373
	46,873	46,873

Key management comprise of the Managing Director, Chief Financial Officer and Operations Manager.

	31 December 2016	31 December 2015
24.2 Directors' remuneration		
	N'000	N'000
Fees as directors	-	12,750
	-	12,750

25. Directors and employees

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

	31 December 2016	31 December 2015
Executive director	1	1
Management	3	2
Non-management	8	9
	12	12

	31 December 2016	31 December 2015
	N'000	N'000
The total employee benefits expense in the year comprise the following:		
Salaries and other short term benefits	62,722	66,964
Post employment benefits	5,098	4,819
	67,820	71,783

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

	31 December 2016	31 December 2015
	N'000	N'000
N500,001 - N1,000,000	2	2
N1,000,000 - N4,000,000	5	5
Over N4,000,000	4	4
	11	11

	31 December 2016	31 December 2015
	N'000	N'000
25.1 Directors' emoluments		
	N'000	N'000
Remuneration paid to the Company's directors:		
Fees and sitting allowances	-	12,750
Executive directors' compensation	25,000	25,000
Fees and other emoluments disclosed above include amounts paid to:		
Chairman	-	1,500
Highest paid director	25,000	25,000

26. Capital commitments

There were no capital commitments to purchase any asset as at 31 December 2016 (31 December 2015: Nil).

27. Operating leases - trading platform

The company's trading platform is leased from the Nigerian Stock Exchange (NSE). The future minimum lease payments under (non cancellable) operating leases are as follows:

	2016 N'000	2015 N'000
No later than one year	57,750	87,911
Later than 1 year but no more than 5 years	Nil	Nil
Later than 5 years	Nil	Nil
The movement schedule for the prepaid leased trading platform (note 13) is shown below:		
At 1 January	16,066	6,888
Addition	78,461	93,082
Charge for the year	(81,450)	(83,904)
At 31 December	13,077	16,066

28 Events After the statement of financial position date

Subsequent to year end, the Company obtained approval from Securities and Exchange Commission ("SEC") to raise additional capital through rights issue of shares. To this effect, the rights issue of 111,051,098 ordinary shares of ₦1.00 each at ₦1.49 per shares opened to shareholders' subscription on 20 March 2017 and closed on 28 April 2017. A successful completion of the rights issue generated a total amount of ₦210 million which was received and lodged by the receiving agents into the receiving bank account as at 5 May 2017, out of which ₦165 million will be allotted as additional capital and the excess monies will be returned to the subscribers after the final report of the rights issue has been submitted to the Securities and Exchange Commission.

Value Added Statement

For the year ended 31 December 2016

	31 December 2016	31 December 2015
	N'000	N'000
Gross income	108,998	311,780
	108,998	311,780
Trading costs	(82,484)	(84,989)
General and administrative expenses	(61,219)	(73,031)
	(143,703)	(158,020)
Value (eroded)/added	(34,705)	153,760
Distribution		
Directors and employees		
Salaries and benefits	67,820	71,783
Government		
Taxes	(37,499)	13,452
Retained in the company		
(Loss)/profit	(71,421)	61,667
The future		
Asset replacement (depreciation & amortization)	6,395	6,858
	(34,705)	153,760

Four-Year Financial Summary

For the year ended 31 December 2016

	31 December 2016	31 December 2015	31 December 2014	31 December 2013
Statement of financial position				
	N'000	N'000	N'000	N'000
Assets				
Cash and cash equivalents	51,887	239,260	147,681	458,655
Investment securities	296,535	211,318	228,569	38
other assets	24,116	26,597	15,251	8,967
Intangible assets	-	402	805	588
Property and equipment	4,285	9,020	12,092	17,596
Deferred tax asset	62,683	23,153	35,597	2,502
	439,506	509,750	439,995	488,346
Liabilities				
Accounts payable	12,791	12,637	5,557	10,362
Current income tax	2,031	1,008	-	-
	14,822	13,645	5,557	10,362
Equity				
Share capital	333,153	333,153	333,153	333,153
Share premium	236,260	236,260	236,260	236,260
Accumulated losses	(144,729)	(73,308)	(134,975)	(91,429)
Total liabilities and equity	439,506	509,750	439,995	488,346
12 months ended				
	31 December 2016	31 December 2015	31 December 2014	31 December 2013
Statement of comprehensive income				
Gross earnings	108,998	311,780	71,439	88,053
Net operating income	108,998	311,780	71,439	88,053
Employee benefits and compensation cost	(67,820)	(71,783)	(67,059)	(67,071)
Other operating expenses	(150,098)	(164,878)	(81,021)	(57,278)
(Loss)/profit before tax	(108,920)	75,119	(76,641)	(36,297)
Tax	37,499	(13,452)	33,095	2,502
(Loss)/profit for the year	(71,421)	61,667	(43,546)	(33,795)
Basic (loss)/earnings per share (kobo)	(21.44)	18.51	(13.00)	(10.00)



NASD Securities Directory

Security Directory by Industry

As at 31 December 2016

Consumer Goods

These are products that are purchased for consumption by the average consumer. Alternatively called final goods, consumer goods are the end 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 Foods Plc was incorporated in 1995 and admitted to trade on NASD OTC market on 20 January 2015 with security code **SDDUFIL**. The principal activities of the company is 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.



FrieslandCampina WAMCO Plc was incorporated in April 1973 and admitted to trade on NASD OTC market on 25 July 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 market on 8 June 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 market on 28 September 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 Products Plc was incorporated in 1999 and admitted to trade on NASD OTC market on 25 January 2016 with security code **SDVITPROD**. The company is principally engaged in manufacturer and distributor 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 market on 25 February 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.

Security Directory by Industry

As at 31 December 2016

Non-Food Product

F A M A D

Footwear and Accessories
Manufacturing and Distribution Plc

This company (originally known as Bata Trading Company) was founded in 1932 and admitted to trade on NASD OTC Market 5 April 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.

Consumer Services

A sector of the economy that consists of businesses that sells nonessential 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

Restaurants & Bars



Food Concepts Plc commenced operations in 2001 and admitted to trade on NASD OTC market on 15 July 2013 with security code **SDFOODCPT**. The company 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.

Financials

A category of stocks containing 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

Banks



Jaiz Bank Plc was incorporated on 11 November 2011 and admitted to trade on NASD OTC market on 8 November 2013 with security code **SDJAIZ**. The company is licensed to operate as Non-Interest Bank in Nigeria that provides Corporate and Retail Banking Services. It has an issued and fully paid capital of 11.83 billion Ordinary Shares of ₦1 each.

Real Estate Services



Afriland Properties Plc was incorporated on 14 March 2007 and admitted to trade on NASD OTC market on 9 April 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 market on 11 May 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.

Security Directory by Industry

As at 31 December 2016

Insurance



ARM Life Plc was incorporated in 1994 and admitted to trade on NASD OTC market on 10 February 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 market on 19 July 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 kobo each.



Ensure Insurance PLC (formerly known as Union Assurance Company PLC) (the Company) established in 1993 and admitted to trade on NASD OTC market on 21 October 2016 with security code **SDENSURPLC**. 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 7.5 billion Ordinary shares of 50 kobo each.

Mortgage Finances



Spring Mortgage Plc commenced business in July 2004 and admitted to trade on NASD OTC market on 12 May 15 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 market on 7 August 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 market on 27 November 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.

Security Directory by Industry

As at 31 December 2016



AG Mortgage Bank Plc was incorporated on 21st July, 2004 and admitted to trade on NASD OTC market on 17 June 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 market on 12 May 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 market on 04 August 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 333 million Ordinary Shares of 1.00 Kobo each.

Investment Services



BGL Plc was incorporated in 1993 and admitted to trade on NASD OTC market on 30 September 2013 with security code **SDBGLPLC**. The Company is licensed by the Securities and Exchange Commission (SEC) to provide advisory services and products. It has an issued and fully paid capital of 12 billion Ordinary Shares of 50 kobo each.



Golden Capital Plc was incorporated on 16 September 2008 and admitted to trade on NASD OTC market on 18 March 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.



Partnership Investment Company Plc was incorporated in 1991 and admitted to trade on NASD OTC market on 30 September 2013 with security code **SDPARTNER**. The Company is licensed to provide financial services. It has an issued and fully paid capital of 2.88 billion Ordinary Shares of 50 kobo each.

Security Directory by Industry

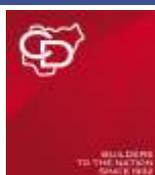
As at 31 December 2016

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

Admitted Securities under Industrials

Heavy Construction



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

Industrial Suppliers



GEO-Fluids Plc was incorporated in 1994 and admitted to trade on NASD OTC market on 20 August 2013 with security code **SDGFLUID**. The Company 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.

Containers & Packaging



Riggs Ventures West Africa Plc was incorporated on the 22nd of August 1993 and admitted to trade on NASD OTC market on 9 April 2014 with security code **SDRIGGS**. The Company 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 market on 20 June 2016 with security code **SDIPIPLC**. The Company 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

Security Directory by Industry

As at 31 December 2016

Exploration & Production



Acorn Petroleum Plc was incorporated in 1981 and admitted to trade on NASD OTC market on 14 November 2014 with security code **SDACORN**. The Company 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 market on 1 August 2013 with security code **SDNDEP**. The Company 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 ₦10 each.



Air Liquide Nigeria Plc, a subsidiary of Air Liquide Group was incorporated in the Air Liquide Group as a subsidiary (the name Air Liquide Nigeria Plc was created later in 1992) and admitted to trade on NASD OTC market on 5 September 2016 with security code **SDAIRLIQ**. The Company 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.

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

Telecommunications Equipment



Resourcery Plc was incorporated in 1985 and admitted to trade on NASD OTC market on 25 November 2013 with security code **SDRSOURCE**. The Company provides Network and Infrastructure Solutions, Business Voice & Video Solutions and Data Security Solutions. It has an issued and fully paid capital of 2.6 billion Ordinary Shares of 50 kobo each.



Swap Technologies & Telecomms Plc was incorporated in June 1996 and admitted to trade on NASD OTC market on 30 September 2013 with security code **SDSWAPPLC**. The company provides Engineering & Project Services, Networking sharing & Managed Services and International Operations. It has an issued and fully paid capital of 2.7 billion Ordinary Shares of 50 kobo each.

NASD Registered Participating Institutions

As at 31 December 2016

ACCREDITED ISSUING HOUSES

1	Capital Assets Limited	12	Capital Asset Limited
2	Capital Bancorp Plc	13	Capital Bancorp Plc
3	Cash Craft Asset Management Limited	14	Capital Express Securities Limited
4	Chapel Hill Advisory Partners Limited	15	Capital Trust Brokers Limited
5	Cordros Capital Limited	16	Cardinal Stone Securities Limited
6	Core Trust and Investment Limited	17	Cashcraft Securities Limited
7	Dunn Loren Merrifield Limited	18	Chapel Hill Denham Securities
8	Dynamic Portfolio Limited	19	City-code Trust & Investment Company Limited
9	FBN Capital Limited	20	Cordros Capital Limited
10	FSDH Securities Limited	21	Core Trust & Investment Limited
11	Greenwich Trust Limited	22	Coronation Securities Limited
12	GTI Capital Limited	23	Cowry Securities Limited
13	ICMG Securities Limited	24	CSL Stockbrokers Limited
14	Investment One Financial Services Limited	25	Dominion Trust Limited
15	Kedari Capital Limited	26	Dunbell Securities Limited
16	Coronation Securities Limited	27	Dunn Loren Merrifield Securities Limited
17	MBC Capital Limited	28	Dynamic Portfolio Limited
18	Meristem Securities Limited	29	EFCP Limited
19	PanAfrican Capital Limited	30	Elixir Securities Limited
20	Partnership Investment Company Plc	31	Equity Capital Solution Limited
21	Renaissance Securities Nigeria Limited	32	Eurocomm Securities Limited
22	Stanbic IBTC Capital Limited	33	FBN Securities Limited
23	Sterling Capital Markets Limited	34	FCSL Asset Management Company Limited
24	Value Capital Limited	35	Finmal Finance Services Limited
25	First Ally Capital Limited	36	Forthright Securities & Investment Limited
26	Finmal Finance Services Limited	37	Fortress Capital Limited
27	Planet Capital Limited	38	FSDH Securities Limited
28	Lighthouse Asset Management Limited	39	Futureview Securities Limited
29	Vetiva Capital Management Limited	40	Global Asset Management Nigeria Limited

BROKER/DEALER & BROKER FIRMS

1	Adonai Stockbrokers Limited	41	Golden Securities Limited
2	African Alliance Stockbrokers Limited	42	Greenwich Securities Limited
3	Afrinvest Securities Limited	43	GTI Securities Limited
4	Anchoria Investment & Securities Limited	44	Harmony Securities Limited
5	Apel Asset Limited	45	ICMG Securities Limited
6	APT Securities and Funds Limited	46	Icon Stockbrokers Limited
7	ARM Securities Limited	47	Imperial Asset Managers Limited
8	Arthur Steven Asset Management Limited	48	Qualinvest Capital Limited
9	Associated Asset Managers Limited	49	Integrated Trust & Investment Limited
10	Bestworth Assets & Trust Limited	50	Interstate Securities Limited
11	Calyx Securities Limited	51	Investment One Stockbrokers International Limited
		52	Kedari Securities Limited
		53	Lambeth Trust & Investment Company Limited

NASD Registered Participating Institutions

As at 31 December 2016

54	Lead Securities & Investment Limited	95	TRW Stockbrokers Limited
55	Magnartis Finance & Investment Limited	96	United Capital Securities Limited
56	MBC Securities Limited	97	Valmon Securities Limited
57	Mega Equities Limited	98	Valueline Securities & Investments Limited
58	Meristem Securities Limited	99	Vetiva Securities Limited
59	Milestone Capital Management Limited	100	WSTC Financial Services Limited
60	Morgan Capital Securities Limited	101	EDC Securities Limited
61	Mutual Alliance Investment and Securities Limited	102	Fidelity Securities Limited
62	Network Capital Limited	103	Fundvine Capital & Securities Limited
63	Newdevco Investments and Securities Company Limited	104	Heritage Capital Markets Limited
64	Nigerian International Securities Limited	105	Lighthouse Asset Management Limited
65	Nigerian Stockbrokers Limited	106	Planet Capital Limited
66	PAC Securities Limited	107	SFC Securities Limited
67	Partnership Securities Limited	108	Compass Investments & Securities Limited
68	Perfecta Investment Trust Limited	109	Fidelity Finance Company Limited
69	Phronesis Securities Limited	110	Tyndale Securities Limited
70	Pilot Securities Limited	111	Kinley Securities Limited
71	PIPC Securities Limited	112	Cashville Investments & Securities Limited
72	Primera Africa Securities Limited	113	Chartwell Securities Limited
73	Prominent Securities Limited	114	Crown Capital Limited
74	Pyramid Securities Limited	115	DSU Brokerage Services Limited
75	Quantum Securities Limited	116	Mayfield Investments Limited
76	Readings Investments Limited	117	TFS Securities & Investment Co. Limited
77	Regency Assets Management Limited	118	Woodland Capital Market Plc
78	Rencap Securities Limited	119	Pivot Capital Limited
79	Resort Securities & Trust Limited		
80	Reward Investments & Services Limited		
81	Rostrum Investment & Securities Limited		
82	Santrust Securities Limited		
83	Securities Africa Financial Limited		
84	Sigma Securities Limited		
85	Signet Investments & Securities Limited		
86	Skyview Capital Limited		
87	Smadac Securities Limited		
88	Springboard Trust and Investment Limited		
89	Stanbic IBTC Stockbrokers Limited		
90	Tiddo Securities Limited		
91	Tradelink Securities Limited		
92	Traders Trust and Investment Company limited		
93	Trust Yields Securities Limited		
94	Trusthouse Investments Limited		

Our Partners

Settlement Banks



Trading Platforms



Proxy Form



I

Being a member of NASD PLC hereby 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 6 July, 2017 and at any adjournment thereof.

As witness my hand this..... day of.....2017

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.

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. Kayode Falowo as a director	
	2	To re-elect Mr. Sam Nwanze as a director	
	3	To re-elect Mr. Adeolu Bajomo as a director	
	4	To elect Mr. Aigbovbioise Aig-Imoukhuede as a director	
	5	To elect Ms. Obiageli Ugboma as a director	
	6	To appoint/re-appoint the Independent Auditors	
	7	To elect/re-elect Shareholders' Representatives on the Audit Committee	
Please indicate X in the appropriate box to indicate how you wish your votes to be cast on the above resolutions. Unless otherwise instructed the proxy will vote or abstain from voting at his/her direction.			

Before posting the above slip, tear off this part and retain it.

**ADMISSION SLIP
NASD PLC
4TH ANNUAL GENERAL MEETING**

PLEASE ADMIT ONLY THE SHAREHOLDER NAMED ON THIS CARD OR HIS/HER DULY APPOINTED PROXY TO THE 4TH ANNUAL GENERAL MEETING THAT WILL BE HELD ON 6 JULY, 2017 AT MEETING ROOM 1, WESTWOOD HOTEL, 22, AWOLOWO ROAD, IKOYI, LAGOS AT 11 A.M

NAME OF SHAREHOLDER SIGNATURE.....

ADDRESS.....

CONTACT US



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Nigeria



+234-1-460-5008



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