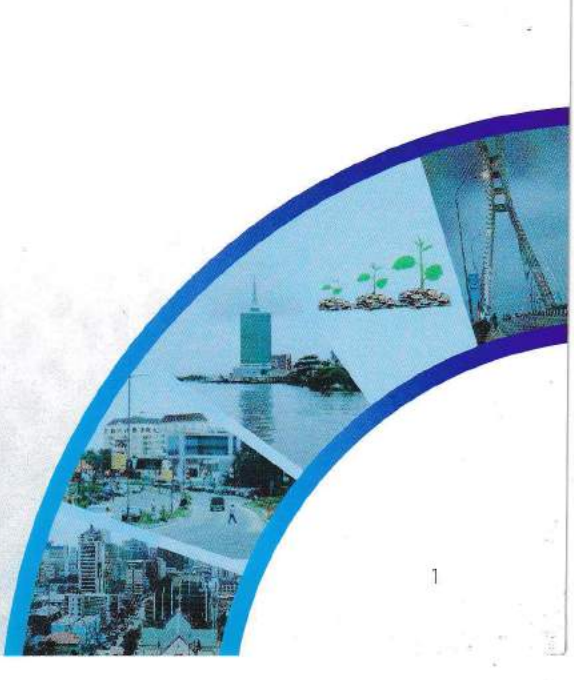
2017
ANNUAL REPORT
& FINANCIAL STATEMENTS

AIHN
ASSOCIATION OF ISSUING HOUSES OF NIGERIA

AIHN
ASSOCIATION OF ISSUING HOUSES OF NIGERIA

Contents



Corporate Information

EXECUTIVE COMMITTEE MEMBERS

Mr. Sonnie Ayere	-	President
Mr. Chuka Eseka	-	1st Vice President
Mr. Ike Chioke	-	2nd Vice President
Mr. Afolabi Olorode	-	Director of Administration
Mr. Samuel Chidioka	-	Director of Treasury
Mr. Babatunde Obaniyi	-	Director of Publicity
Mrs. Oyinda Akinyemi	-	Director of Finance
Mr. Happy Aboiri	-	Executive Secretary

REGISTERED OFFICE

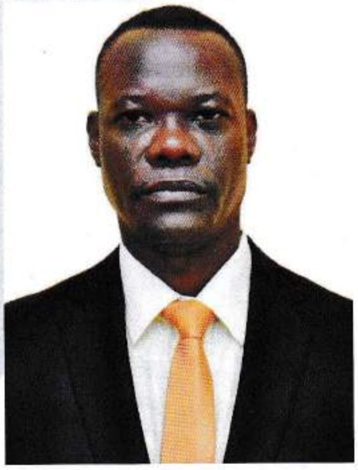
16, Amodu Ojikutu Street
Off Bishop Oluwole
Victoria Island, Lagos.

AUDITORS

SIAO
18B, Olu Holloway Road
Ikoyi
Lagos.

BANKERS

First Bank of Nigeria Limited
Fidelity Bank Plc



Mr. Happy Aboiri
Association of Issuing Houses
Executive Secretary

FINANCIAL HIGHLIGHTS
Statement Of Financial Position

STATEMENT OF FINANCIAL POSITION

	2017 N	2017 N	Absolute Change N	%
ASSETS				
Cash and Cash Equivalent	**24,449,938**	43,073,376	(18,623,438)	-43%
Property, Plant & Equipment	**805,912**	889,216	(83,304)	-9%
Financial Assets	**224,572, 918**	171,873,481	52,699,437	31%
Other receivables	**10,048,290**	10,445,458	(397,169)	-4%
TOTAL ASSETS	**259,877,060**	226,281,531	33,595,s526	15%
FUND AND LIABILITY:				
Accumulated Fund	**253,455,704**	219,449,459	34,006,245	16%
CURRENT LIABILITY				
Other Payables	**6421,355**	6,832,072	(410,717)	-6%
	259,877,060	226,281,531	33,595,529	15%

STATEMENT OF COMPREHENSIVE INCOME

	2017 N	2017 N	Absolute Change N	%
INCOME				
Membership Subscriptions	**22,150,000**	19,650,000	2,500,000	13%
Other Income	**31.035,076**	24,471,159	6,563,917	27%
Total Income	**52,905,076**	44,121,159	8,783,917	20%
Expenditure	**19,178,831**	20,563,779	(1,384,949)	-7%
	34,006,245	**23,557,379**	**10,448,866**	**44%**

Executive Committee's Report

The Executive Committee has the pleasure of presenting the audited financial statements for the year ended 31st December, 2017.

1. Principal Activities

The principal activity of the Association is to encourage the professional development of its members and provide an engagement platform for Nigerian investment banks.

2. Operating Results

Highlights of the Association's operating results for the year under review are as follows:

3. RESULT FOR THE YEAR	2017	2016
Member's Subscriptions	22,150,000	19,650,000
Total Income	53,185,076	44,121,159
Expenditure	(19,178,831)	(20,563,779)
Surplus for the year	**34,006,245**	**23,557,379**

4. Personnel

(a) Health, safety and welfare:
Health and safety precautions are in force at the Association's premises and the Association takes interest in the welfare of employees. All efforts are geared towards providing a safe and conducive working environment for employees. To this end, there is a health and safety policy supported by systems and procedures for ensuring that safe working practices are followed in the performance of all Association's functions. In addition, medical facilities at specified limits are provided to confirmed employees at the Association's expense.

(b) Employment of physically challenged persons:
It is the policy of the Association that there should be no discrimination in considering applications for employment including those from physically challenged persons bearing in mind the respective aptitudes and abilities of the applicants concerned. All employees are given equal opportunities to broaden their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31st December, 2017 no physically challenged person was employed by the Association.

(c) Employees' development and training:
Training courses are geared towards the developmental needs of staff and improvement in their skill sets to face the increasing challenge required for better performance on their jobs. The Association ensures that staff receives continuous on-the-job training and also attend training courses and conferences.

5. Auditors
The auditors, SIAO (Chartered Accountants), in accordance with Section 357 (2) of the Companies and Allied Matters Act Cap C20, LFN 2004, have indicated their willingness to continue in office as the Association's auditors. A resolution will be passed at the Annual General Meeting to authorize the Executive Committee Members to fix their remuneration.

6. Secretary
The Association Executive Secretary is Mr. Happy Aboiri.
The financial statements set out have been prepared on the going concern basis, were approved by the Executive Committee Members on 23rd July 2018, and were signed on its behalf by:

By Order of the Executive Members

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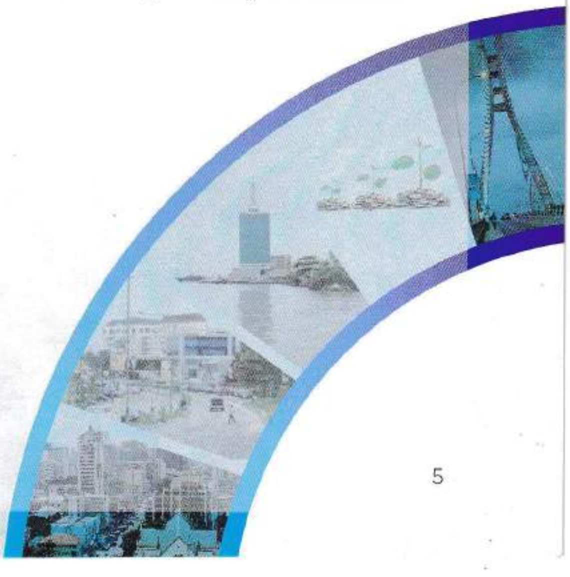
Mr. Happy Aboiri
Executive Secretary



Statement of Executive Member's Responsibilities

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Executive Committee members to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the Association at the end of the period and of its statement of comprehensive income. The responsibilities include ensuring that the Association:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Association and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Executive Committee members 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 International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

The Executive Committee members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Association. The Executive Committee members 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.

Nothing has come to the attention of the Executive Committee members to indicate that the Association will not remain a going concern for at least twelve months from the date of this statement.

PRESIDENT

TREASURER

Notice of Annual General Meeting

Notice is hereby given that the 2017 Annual General Meeting ("AGM") of the Association of Issuing Houses of Nigeria is slated to hold as follows:

Date: Wednesday, October 31, 2018

Venue: The Wheatbaker, 4, Onitolo Street, Ikoyi, Lagos.

Time: 11.30 a.m. prompt

AGENDA

1. To receive the Audited Financial Statements for the year ended 31st December, 2017, together with the reports of the Directors and Auditors.
2. To re-appoint the Auditors
3. To authorize the Directors to fix the remuneration of the Auditors
4. To elect Officers
5. Any Other Business

We look forward to your esteemed presence.

Thank you.

Yours faithfully
For: ASSOCIATION OF ISSUING HOUSES OF NIGERIA

AUTHORIZED SIGNATORY

AUTHORIZED SIGNATORY

Mr. Afolabi Olorode
Director of Administration

President's Speech
(Review of activities from 2016 - 2018)

Distinguished members, invited guests, ladies and gentlemen. It is with great pleasure that I welcome you all to the 2018 Annual General Meeting of the Association of Issuing Houses of Nigeria and to lay before you, the Audited Financial Statements for the year ended December 31, 2017.

Global Economy Review

Global economic activity expanded in 2017 and GDP growth estimate put year-on-year growth at 3.7%. The pickup in growth was broad based. The Eurozone, Japan, China, emerging markets and Sub-Sahara Africa outperformed expectations. The US economy grew 2.6% in 2017 driven by improved consumer spending backed by a well-functioning labour market. The Eurozone GDP rose 2.5% in 2017, but economic performance remains reliant on external demand even as challenges remains. Global growth forecast for 2018 and 2019 have been revised upward and now expected to expand by more than 3%. Future global growth is expected to be driven by the developing countries. The persistence of strong global performance is, however, not without downside risks, stemming mainly from political noise and the probability of more protectionism.

Nigeria

Data from the National Bureau of Statistics (NBS) show that Nigeria's economy recorded 0.83 percent growth in 2017. The meagre growth rate is a far cry from better days at the turn of the decade but given Nigeria's recent tough times, it represents some progress. Nigeria emerged from recession which began in 2016 in the second quarter of 2017.

Much of the growth is linked to the rebound in global oil prices. It's also the result of a boost to Nigeria's oil production as the government continues to maintain a fragile peace pact with militants in the oil-rich south. Amid low oil prices in 2016, attacks on oil installations by militants 'hobbled Nigeria's oil production which fell to 20-year lows. In 2017, Nigeria's oil production peaked at 2.03 million barrels per day (bpd) in the third quarter of the year, the highest point since the first quarter of 2016.

Like GDP growth, investors' faith in the Nigerian economy is also picking up. Capital importation (a mix of foreign direct investment, portfolio and other investment) into the country by the end of the year reached $12.2 billion—more than doubled that of 2016.

The economy continued to show signs of recovery. The outlook beyond is positive, with growth projected at 2.1 percent in 2018 and 2.5 percent in 2019 respectively. This growth is expected to be driven by higher oil prices and crude oil production, as well as stronger agricultural sector performance. Fiscal policy remained expansionary in 2017 in line with 2016. Although total spending as a percentage of GDP declined from 13 percent in 2016 to 10.3 percent in 2017, revenues declined more sharply, from 11.4 percent to 5.6 percent.

Monetary policy was contractionary in 2017 and is expected to remain so in 2018; the CBN policy rate was kept at 14% to support the naira and control inflation. Inflation remained in double digits and — averaged

16.55% in 2017, up from 15.62% in 2016—but is projected to ease to 13.7% in 2018 and 12% in 2019 respectively. Foreign currency liquidity has improved following the introduction of administrative measures by the Central Bank since early 2017. The measures include a trading window for portfolio investors at market determined rates and the introduction of the Nigerian Autonomous Foreign Exchange Rate Fixing, which allowed commercial banks to quote forex rates that are close to parallel market rates. The naira remained stable for most of 2017 and is expected to strengthen slightly as the economy continues to recover.

Gross external reserves stood at US$39.35 billion as at December 31, 2017, compared to US$26.99 billion as at December 31, 2016, representing an increase of US$12.36 billion or 45.79 percent. In the inter-bank market, the average exchange rate was N305.96/US$ as at December 31, 2017compared to N305.21/US$ in the corresponding period of 2016, representing a depreciation of 0.2 percent. At the Bureau De Change (BDC) segment of the market, there was consistent intervention resulting in a decline in average exchange rate from N445.03/US$ in December 31, 2016 to N362.49/US$ by December 31, 2017.

The year 2017 was impressive for the Nigerian stock market as it recorded a lot of successes and growth. For the first time in three years, the Nigeria Stock Exchange (NSE) closed the year on a positive note. The market capitalization as at 29th December 2017 stood at N13.62trllion compared to the N9.25trillion, as at the last day of trading in 2016, representing a growth of 47.29% YoY. Market turnover increased by 121% to N1.27 trillion from N0.58 trillion in 2016, volume of trade increased by 4.85% to 100.46 billion. IPO activity in the year remained mute. However, the value of new issuances increased, buoyed by M&A transactions, listings by introduction, rights issues and others, bringing the total value of equity issues in 2017 to N408 billion.

The FGN shifted its focus to external borrowings in 2017. Between February and April, 2017, the DMO issued Eurobonds amounting to US$1.5 billion for a tenor of 15 years in two (2) tranches (US$1.0 billion Eurobond and an additional US$500 million Eurobond), under the US$4.5 billion Global Medium-Term Note Programme. These two Sovereign Eurobonds became the first foreign currency denominated Bonds to be listed on The Nigerian Stock Exchange and the FMDQ OTC PLC.

In November, 2017, US$3.0 billion Eurobonds was also issued and comprised of: 10-year US$1.5 billion and 30-year US$1.5 billion. The FGN also issued its first US$300 million Diaspora Bond in the ICM to partly finance the 2017 Budget. The Bonds became the second issued by an African nation after South Africa, and was registered with the US Securities and Exchange Commission.

FGN Bond Issuances dominated primary bond market activities in 2017. In the same year, the FGN introduced three new products into the domestic debt market, such as: FGN Savings Bond, Sovereign Sukuk Bond and Green Bond. The Bond Market capitalization increased to N9.29 trillion as at December 31, 2017, from N6.93 trillion as at December 31, 2016, representing a 34.17 percent increase. The new bonds : FGN Savings Bond, Sovereign Sukuk and Green Bond are valued at N7.2 billion, N100.00 billion and N10.69 billion, respectively. The DMO redeemed a total of N198.032 billion worth of Nigerian Treasury Bills (NTBs) in December, 2017, with US$500 million, out of the US$3.0 billion Eurobond issued in November, 2017.

In the corporate bond market, there was a decline in activity in 2017 relative to 2016. Corporate bonds issuance for 2017 stood at N23.15 billion by three companies (Dufil Prima Foods Plc, Viathan Funding Plc and LAPO Micro Finance Bank SPV Plc), compared to N108.04 billion issued by nine (9) Corporates in 2016, representing a decrease of 78.57 percent. The decline in the issuance by corporates was attributed to the high borrowing cost prevalent in the domestic capital market in 2017.

Over-The-Counter Market on the FMDQ Trading.

The trading activities in the secondary FGN Bonds Market increased in 2017 relative to 2016. The total face value of trades rose by 22.20 percent, from ₦13.811 trillion in 2016 to ₦16.877 trillion in 2017. The Consideration also increased by 3.12 percent from ₦15.745 trillion to ₦16.237 trillion. Number of Deals similarly grew by 24.99 percent from 50,427 to 63,031 during the same period under review.

Commercial Papers have become an increasingly attractive source of funding for corporates with short-term obligations. As at December 29, 2017, total outstanding value of Commercial Papers stood at N73.72 billion, compared to N55.43 billion in 2016.

Yields across various tenors declined between 0.4% and 1.5%, and market turnover declined by 24% in 2017, as investors sought higher returns in alternative product classes amidst easing inflation and greater FX stability.
Activities of the Association

- In January 2017, the Securities & Exchange Commission (SEC) proposed the Capital Market Holding Companies (CMHC) Rule. We called a stakeholders meeting immediately to discuss the rule and examined its effects on issuing houses and our position was forwarded to the Commission. Olaniwun Ajayi, a foremost law firm, was also engaged by the association to look into and provide an independent report on the rule.

- We also had to contend with the proposal by SEC to reduce fee structure across board for issuing houses transactions. A thorough examination of the entire fee structure was done and a report was submitted to the Commission. We are positive that should we not get a complete reversal, some of the charges on transactions will definitely be revised upwards in line with global best practices.

- The association has continued to push for enhanced liquidity i.e. methods to finance business operations for investment banking firms. Our first achievement via CAMMIC has been the acceptance by CBN to allow CMOs to be able to purchase government bonds and CBN securities directly from the CBN. This is the first time the CBN has opted to support CMOs.

- The current liquidity ratio of 60:40 for issuing houses is to be changed by SEC. A letter to this effect has been received from SEC.

- Time to market – following several discussions with SEC, we strongly believe the commission would draft guidelines to improve our time to market under a lodge and file regulatory structure.

- Transaction costs – we have also been in dialogue and negotiations with SEC on revising fee structure following the end of the Pilot period. It has been agreed that this would be taken up following the introduction of the time to market framework.

- We were involved in a number of capital market and capacity building programmes with the Securities and Exchange Commission (SEC), one of such activities was a roundtable aimed at having a responsive Commission and a more efficient capital market.

- The association also threw its weight behind the proposal by the National Assembly Joint Committee on Capital Market & Institutions for the demutualization of the Nigerian Stock Exchange, all things being equal, we expect this to materialise next year.

- Our Association supported the initiatives of the Chartered Institute of Stockbrokers (CIS) on various fronts and on two occasions, the President was called upon to make presentations on topical issues as part of capacity building initiatives and to enhance the professional development of our industry.

- We have also been at the forefront of galvanizing other trade groups to maintain a strong and unified voice on market-wide issues.

- In order to further stimulate the market, the association has remained a strong ally of Businessday Media Ltd in organising its Annual Capital Market Conference, supported the SEC's initiative for the introduction of capital market studies into the curriculums of secondary schools and made proposals aimed at improving the market amongst others.

- The association has put together a Complaint Management Framework (CMF) duly approved by the Commission for resolving issues brought against member houses by both clients and non-clients.

Finally, the association held its inaugural Annual Dinner & Awards event at the Eko Convention Center. The dinner was a raving success with key note speeches in support of our market development by Mr Aigboje Aig-Imoukhuede.

Two houses received the following awards:

1. Best Equity Capital Market Transaction – Chapel Hill Denham
2. Best Commercial Paper – Chapel Hill Denham
3. Best Debt Capital Market Transaction - StanbicIBTC Capital
4. Best Mergers and Acquisition Transaction – StanbicIBTC Capital

Distinguished services and lifetime achievement awards were presented as follow:

1. Distinguished Service Award – Gov. Obaseki
2. Distinguished Service Award - KemiAdeosun
3. Lifetime Achievement Awards - Atedo Peterside
4. Lifetime Achievement Awards - Otunba Subomi Balogun.

Operating Performance

The Association has continued to sustain growth as total income grew by 19.9% to N52.91million in 2017 from N44.12million in the preceding year. The sum of N22.15million was realised from members' subscription in 2017 compared to N19.65million in the previous year due to an increase in the number of registered issuing houses. Total expenses reduced to N19.18million in 2017, from N20.56million in 2016. N34.01million was transferred to the accumulated fund, thereby increasing its balance to N253.46million.

Elections

Today, we shall be electing a new Executive Committee to run the affairs of the Association. The outgoing Exco has been privileged to serve you for the past two years and wishes to express its profound gratitude for the tremendous support received from you all. It is my utmost desire that you extend same support we enjoyed to the incoming Executive Committee to be headed by my colleague, Chuka Eseka, the Managing Director of Vetiva Capital Management Ltd.

Conclusion

My gratitude goes to the AIHN executive committee for their unwavering devotion to running the affairs of this association for the past two years and to the member houses, the leadership of the Securities and Exchange Commission (SEC), the Nigerian Stock Exchange (NSE), Chartered Institute of Stockbrokers (CIS), Debt Management Office (DMO), other capital market associations and SIAO for their unflinching support and contributions.

I trust that we all will continue to work together with greater collaboration, knowing that the success of this market is a collective responsibility.

Thank you for listening and God bless.

Sonnie Ayere
President

SIAO

(Chartered Accountants)
18b ,Olu Holloway Road, Ikoyi
P.O. Box 55461,Falomo, Ikoyi
Lagos, Nigeria
Tel: 01-4630871-2
Fax: 01-4630870
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASSOCIATION OF ISSUING HOUSES OF NIGERIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ASSOCIATION OF ISSUING HOUSES OF NIGERIA, which comprise the statement of financial position as at 31 December, 2017, and the statement of other comprehensive income, statement of changes in members' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Association's financial statements present fairly, in all material respects, the financial position of the Association as at 31 December, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Executive Committee members' Report. 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines 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, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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Audit & Accounting | Financial Advisory | Taxation | Human Resources

- 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 Association's internal control.

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

- Conclude on the appropriateness of management's 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 Association'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 Association 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.

- Obtain sufficient appropriate audit evidence regarding the financial information or business activities of the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

In accordance with the Financial Reporting Council of Nigeria Act 2011 and the Companies and Allied Matters Act, Cap C20, laws of the Federation of Nigeria 2004, we confirm:

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

II. The Association has kept proper books of account, so far as appears from our examination of those books.

III. The Association's statement of financial position and the statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
0252370

JOSHUA ANSA
FRC/2013/ICAN/00000001728

SIAO
Chartered Accountants
Lagos, Nigeria

Date: 28/08/2018

Statement of Financial Position

	Note	2017 ₦	2016 ₦	2015 ₦
ASSETS				
NON CURRENT ASSET				
Property, Plant & Equipment	7	805, 912	889,216	1,545,926
TOTAL NON CURRENT ASSETS		805, 912	889,216	1,545,926
CURRENT ASSETS				
Cash and Cash Equivalent	6	24,449,938	43,073,376	165,239,879
Financial Assets:				
Available for Sale	8.1	76,084,462	23,385,025	28,566,016
Held to Maturity	8.2	148,488,458	148,488,458	-
Trade and Other receivables	9	10,048,290	10,445,456	2,964,630
TOTAL CURRENT ASSETS		259,071,148	225,392,315	196,770,525
TOTAL ASSETS		259,877,060	226,281,531	198,316,452
EQUITY AND LIABILITY:				
EQUITY				
Accumulated Fund	11	253,455,704	219,449,459	195,751,408
TOTAL EQUITY		253,455,704	219,449,459	195,751,408
CURRENT LIABILITY				
Trade and Other Payables	10	6,421,355	6,832,072	2,565,044
TOTAL CURRENT LIABILITY		6,421,355	6,832,072	2,565,044
TOTAL EQUITY AND LIABILITY		259,877,060	226,281,531	198,316,452

These financial statements were approved by the Executive Committee on 23rd July 2018 and signed on its behalf by:

President

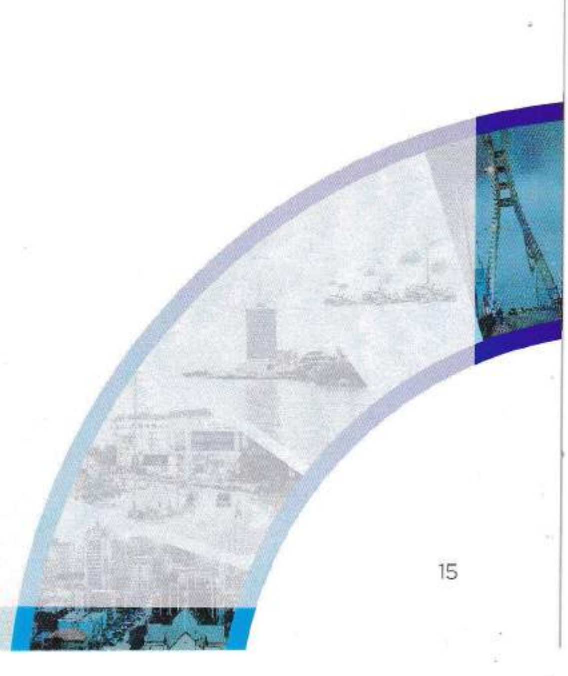
Treasurer

The accounting policies on pages 14 to 25 and the notes on pages 26 to 38 form integral parts of these financial statements.

Statement of Income and Expenditure

	Note	31st Dec 2017 ₦	31st Dec 2016 ₦
INCOME			
Membership Subscriptions	12	22,150,000	19,650,000
Other Income	13	31,035,076	24,471,159
		53,185,076	44,121,159
Expenditure	14	19,178,831	20,563,779
SURPLUS FOR THE YEAR		34,006,245	23,557,379
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		34,006,245	23,557,379

Notes on pages 26 to 38 form integral parts of these financial statements.



Statement of Changes in Members' Fund

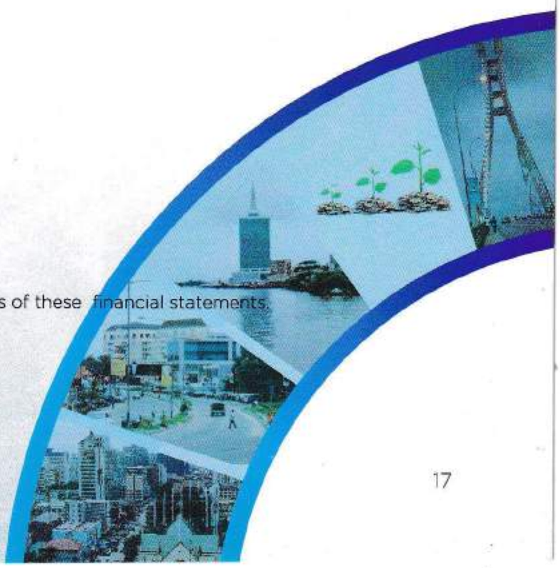
	Accumulated Fund	Total
	₦	₦
Balance as at 1st January 2017	219,449,459	219,449,459
Transaction with Members Recognised Directly in equity		
Transfer from retained earnings	-	-
Total transactions with members of the Association	-	-
Comprehensive income for the year		
Surplus for the Year	34,006,245	34,006,245
Other Comprehensive Income	-	
Total Comprehensive Income for the Year	34,006,245	34,006,245
Balance as at 31st December 2017	253,455,704	253,455,704
Balance as at 1st January 2016	195,751,408	195,751,408
Transaction with Members Recognised Directly in equity		
Issue of share capital	-	
Transfer from retained earnings	140,673	140,673
Total transactions with members of the Association	140,673	140,673
Comprehensive income for the year		
Surplus for the Year	23,557,379	23,557,379
Other Comprehensive Income	-	
Total Comprehensive Income for the Year	23,557,379	23,557,379
Balance as at 31st December 2016	219,449,459	219,449,459

The accounting policies on pages 14 to 25 and the notes on pages 26 to 38 form integral parts of these financial statements.

Statement of Cashflow

	31st Dec 2017 ₦	31st Dec 2016 ₦
Subscription income	22,150,000	19,650,000
Interest - Fixed Deposit	30,405,076	24,321,159
Other Income	630,000	150,000
	-	-
Expenditures Financing	(19,178,831)	(20,563,779)
Operating Surplus before Changes in Operating Assets/Liabilities	34,006,245	23,557,379
Add Depreciation	738,704	718,660
Prior Year Adjustment - Stale cheque written back		140,673
Changes in Operating Assets/Liabilities		
Increase in Receivables	397,167	(7,480,826)
Increase in Payables	(410,717)	4,267,028
Net Cash Flow from Operating Activities	34,731,399	21,202,914
		(2)
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	(655,400)	(61,950)
Financial Assets	-	-
Net Cash Flow from Investing Activities	(655,400)	(61,950)
Cash Flow from Financing Activities	-	-
Net Increase/Decrease in Cash and Cash Equivalents	34,076,000	21,140,964
Cash and Cash Equivalents at the Beginning of the Year	66,458,400	45,317,437
Cash and Cash Equivalents at the End of the Year	100,534,400	66,458,401

The accounting policies on pages 14 to 25 and the notes on pages 26 to 38 form integral parts of these financial statements.



Notes To The Financial Statements

1 General information

The Association of Issuing Houses of Nigeria is registered as an incorporated trustee under Part C of the Association and Allied Matters Act, Cap C20 LFN 2004. The Association consists of financial institutions in Nigeria licensed to operate as Issuing houses by the Securities and Exchange Commission .The principal activities of the Association are to set professional and ethical standards, enable professional development of its member issuing houses and promote free interplay of market forces.

1.2 Principal Activities

The principal activity of the Association is to encourage the professional development of its members and provide an engagement platform for Nigerian investment banks.

2 Summary of significant accounting policies

2.1 Introduction to summary of accounting policies

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

2.2 Basis of preparation

The financial statements of Association of Issuing Houses of Nigeria have been prepared in accordance with International Financial Reporting Standards (IFRS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

Use of Judgement and Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The financial statements are presented in Naira, which is the Association's presentational currency. The disclosures on risks from financial instruments are presented in the financial risk management report contained in Note 18.

2.3 Functional currency and translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Naira (NGN), which is the Association's functional and presentation currency.

(ii) Transactions and balances in the Association

Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.4 Revenue recognition

The Association recognizes revenue when the amount of revenue can be reliably measured, it is probable that future benefits will flow to the entity and when specific criteria have been met for each of the Association's activities as described below:

Revenue

Income from Members are accounted for currently on cash basis and not in the period to which they relate as the Association does not carry Subscription Receivables in the accounts.

Interest income

This is accounted for on accrual basis.

2.5 Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items. 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 Association and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to write down their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Office Equipment	20
Motor Vehicle	20
Furniture & Fittings	20
Plant & Machinery	20

Where the cost of a part of an item of property, plant and equipment is significant when compared to the total cost, that part is depreciated separately based on the pattern which reflects how economic benefits are consumed.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance reporting date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the profit or loss.

De-recognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognised in the statement of comprehensive income under"other gains and losses.

2.6 Impairment of non-financial assets

All assets are reviewed whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is the higher of fair value less cost of disposal and value in use, the latter being determined as the amount of estimated risk-adjusted discounted future cash flows. For this purpose, assets are grouped into cash generating units based on separately identifiable and largely independent cash inflows.

2.7 Financial assets

2.7.1 Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date, which is the date on which the Association commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership. Available for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.

2.7.2 Classification

The Association classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition. The Association has financial assets classified as (i) fair value through profit or loss, (2) available for sale and (3) held to maturity as at the reporting date.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Association provides money, goods or services directly to a receivable with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Association's loans and receivables comprise of "trade and other receivables" and "cash and cash equivalents" in the statements of financial position. (refer to note 9 and 6-)

- **Trade and other receivables**

Trade receivables are amounts due from members for yearly subscription. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Association does not have any Trade and other receivables during the year under review.

- **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

2.7.3 Impairment of Financial assets

The Association assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Evidence of impairment may include indications that the receivables or a group of receivables is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 receivable's credit rating), the reversal of the previously recognised impairment loss is recognized in the income statement.

2.7.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.7.5 Financial liabilities

The Association's holding in financial liabilities is in financial liabilities at amortised cost. Financial liabilities are derecognised when extinguished.

- **Liabilities measured at amortised cost**

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are Trade and other payables.1

- **Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities .Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The Association does not have Trade Payables.

2.8 Employee benefits

Defined contribution scheme

A defined contribution plan is a pension plan under which the Association pays fixed contributions into a separate entity. The Association operates defined contribution retirement benefit schemes for its employees in line with the Pension Reform Act 2014. The Association and employees contribute 10% and 8% respectively each of employees' current salaries and designated allowances. The Association has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Association's contributions to the defined contribution schemes are charged to the profit or loss in the year to which they relate.

2.9 Current and deferred income tax

Income tax expense is the aggregate of the charge to the income statement in respect of current and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. Education tax is provided at 2% of assessable profits of companies operating within Nigeria.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting or taxable profit or loss, it is not accounted for. Current and deferred income tax is determined using tax rates and laws enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The Association is a non-profit making organization which qualifies it for income tax exemption under section 23 (1) (i) of CITA CAP C21 LFN 2004.

2.10 Statement of Cash flows

The Statement of Cash Flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been eliminated for the purpose of preparing the statement.

3.0 New Standards and Interpretations

3.1 Standards and Interpretations effective and adopted in current year

Amendments to IAS 7 titled *Disclosure initiative*

The amendments require entitles to provide information (in the form of additional disclosure) that enables users of financial statements to evaluate changes in liabilities arising from their financing activities. This is to take effect as from 1 January 2017.It does not have material effect on the financials.

Amendments to IAS 12 titled Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the accounting for deferred tax where an asset is measured at fair value and fair value is below the asset's tax base (eg deferred tax asset related to unrealised losses on debt instruments measured at fair value), as well as certain other aspects of accounting for deferred tax assets. This is to take effect as from 1 January 2017.It does not have material effect on the financials.

Amendments to IFRS 12 titled Clarification of the Scope of the Standard

Annual improvements to IFRS Standard 2014-2016 Cycle

The amendments clarification that the disclosure requirements of IFRS 12 do apply to interests in entitles within the scope of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations except for summarized financial information for those interests (ie paragraphs B10-B16 of IFRS 12). This is to take effect as from 1 January 2017.It does not have material effect on the financials.

AMENDMENTS TO EXISTING STANDARDS

Amendments to IAS 28 titled Measuring an Associate or Joint Venture at Fair Value

Annual Improvements to IFRS Standards 2014-2016 Cycle

The amendments – mandatory for annual periods beginning on or after 1 January 2018 – clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, mutual fund, unit trust or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Amendments to IAS 40 titled Transfers of Investment Property

The amendments – mandatory for annual periods beginning on or after 1 January 2018- clarify that transfers to, or from investment properties (including assets under construction and development) should be made when, and only when, there is evidence that a change in use of property has occurred.

Amendments to IFRS 1 titled Deletion of Short – term Exemptions for First -time Adopters

Annual Improvements to IFRS Standards 2014-2016 Cycle

The amendments – mandatory for annual periods beginning on or after 1 January 2018-delete short term exemptions covering transition provisions that were available to entities for past reporting periods and are therefore no longer applicable.

Amendments to IFRS 2 titled Classification and Measuring of Share –based payment transactions

The amendments – mandatory for annual periods beginning on or after 1 January 2018- clarify the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments (SBP), the accounting for SBP transactions with a net settlement feature for withholding tax obligations, and the effect of a modification to the terms and conditions of a SBP that changes the classification of the transaction from cash – settled to equity – settled.

Amendments to IFRS 4 titled Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The Amendments – applicable to annual periods beginning on or after 1 January 2018 – give all insurers the option to recognize in order comprehensive income, rather than in profit or loss, the volatility that could arise when IFRS 9 is applied before implementing IFRS 17 ('the overlay approach'). Also, entities whose activities are predominantly connected with insurance are given an optional temporary exemption (until 2021) from applying IFRS 9, thus continuing to apply IAS 39 instead ('the deferral approach').

4.0. NEW INTERPRETATIONS

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The interpretation – mandatory for annual periods beginning on or after 1 January 2018-provides guidance clarifying that the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency is the one at the date of initial recognition of the non- monetary asset or liability.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation –mandatory for annual periods beginning on or after 1 January 2019 – provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under IAS 12, in particular (i) whether uncertain tax treatments should be considered separately, (ii) assumptions for taxation authorities examinations, (iii) determination of taxable profit (tax loss), tax bases , unused tax losses, unused tax credits, and tax rates, and (iv) effect of changes in facts and circumstances.

NEW STANDARDS

IFRS 9 Financial Instruments

The Standard will replace IAS 39 (and all the provisions versions of IFRS 9) effective for annual periods beginning on or after 1 January 2018. It contains requirements for the classification and measurements of financial assets and financial liabilities, impairment, hedge accounting and derecognition.

- The standard will replace IAS 39 (and all the previous versions of IFRS 9) effective for annual periods beginning on or after 1 January 2018. it contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition.
- IFRS 9 requires all recognised financial assets to be subsequent measured at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows and that

have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each reporting period. All other debt and equity investments are measured at their fully value at the end of each reporting period.

- For financial liabilities, the most significant effect of IFRS 9 relates to cases where the fair value option is applied: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability (the 'own credit risk') is recognised in other comprehensive income (with no subsequent reclassification to profit or loss), unless this creates an accounting mismatch.
- For the impairment of financial assets, IFRS 9 introduces an 'expected credit loss' model based on the concept of providing for expected losses at inception of a contract; it is no longer necessary for credit event to have occurred before a credit loss is recognised.
- For hedge accounting, IFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging

  financial and non-financial risk exposures. Key changes from the IAS 39 model include increased eligibility of hedged items and of hedging instruments, more flexibility in demonstrating a hedging relationship such as removal of qualitative thresholds for hedge effectiveness, and expanded disclosures.
- The derecognition provisions are carried over almost unchanged from IAS 39.

IFRS 15 Revenue from Contracts with Customers

The Standard (amended for effective date and clarifications in September 2015 and April 2016 respectively) – effectively for annual periods beginning on or after 1 January 2018 – replaces IAS 11, IAS 18 and their interpretations. It establishes a single and comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts and customers), enhanced disclosures, and new improved guidance (eg the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract, etc.)

IFRS 16 Leases

The standard- effective for annual periods beginning on or after 1 January 2019 (earlier application permitted only if IFRS 15 also applied) – replaces IAS 17 and its interpretations. The biggest change introduced is that almost all leases will be brought onto lessee' balance sheets under a single model (except leases of less than 12 months and leases of low – value assets), eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance lease is retained.

IFRS 17 Insurance Contracts

The standard that replaces IFRS 4 – effective for annual periods beginning on or after 1 January 2021 (earlier application permitted only if IFRS 9 and IFRS 15 also applied) – requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts, giving basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued.

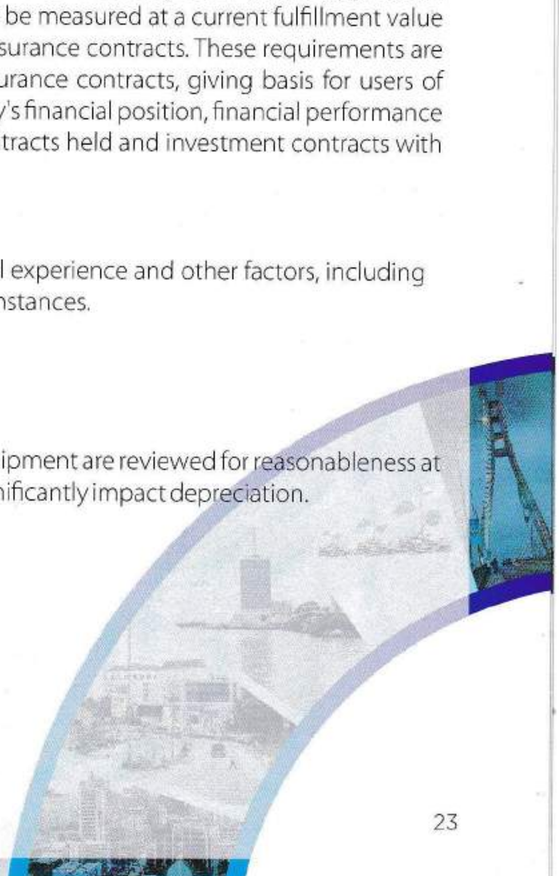
5 Critical accounting estimate and judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimate and assumption

(a) Useful life and residual value of PPE

The residual value, depreciation method and useful life of property, plant and equipment are reviewed for reasonableness at least on annually. The review is based on cost. The review of useful lives did not significantly impact depreciation.



	2017	2016	2015
	₦	₦	₦
6 Cash and Cash Equivalent			
First Bank of Nigeria (Naira Account)	3,313,660	3,070,967	582,664
First Bank of Nigeria - Call Account	309,521	434,138	2,106,887
Fidelity Bank - Call Account	-	592,244	-
Placements with Banks	20,826,757	38,976,027	162,550,328
	24,449,938	43,073,376	165,239,879

Placements with banks are made for varying periods between one day and ninety days, depending on the immediate cash requirements of the Association. All deposits are subject to an average variable rate of 12.5%, (Dec 2016: 11.5%)

7 Property Plant & Equipment

	FURNITURE & FITTINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	PLANT & MACHINERY	TOTAL
	₦	₦	₦	₦	₦
COST					
At 1 January 2017	7,471,920	2,064,263	3,056,000	156,020	12,748,203
Additions	285,400	-	370,000	-	655,400
At 31 December 2017	7,757,320	2,064,263	3,426,000	156,020	13,403,603
DEPRECIATON					
At 1 January 2017	7,471,910	1,813,247	2,456,667	117,163	11,858,987
Charge for the Year	42,810	83,190	590,500	22,204	738,704
At 31 December 2017	7,514,720	1,896,437	3,047,167	139,367	12,597,691
Net Book Value					
At 31 December 2017	242,600	167,826	378,833	16,653	805,912
COST					
At 1 January 2016	7,471,920	2,002,313	3,056,000	156,020	12,686,253
Additions	-	61,950	-	-	61,950
				-	
At 31 December 2016	7,471,920	2,064,263	3,056,000	156,020	12,748,203
DEPRECIATION					
At 1 January 2016	7,438,253	1,742,447	1,864,667	94,959	11,140,326
Charge for the Year	33,657	70,800	592,000	22,204	718,661
At 31 December 2016	7,471,910	1,813,247	2,456,667	117,163	11,858,987
Net Book Value					
At 31 December 2016	10	251,016	599,333	38,857	889,216
Net Book Value as at 31/12/2015	33,667	259,866	1,191,333	61,061	1,545,926

		2017 ₦	2016 ₦	2015 ₦
8	**Financial Assets**			
	Available for Sale (8.1)	76,084,462	23,385,025	28,566,016
	Held to Maturity (8.2)	148,488,458	148,488,458	-
		224,572,920	171,873,483	28,566,016
8.1	**Available for sale**			
	Treasury Bills	76,084,462	23,385,025	28,566,016
		76,084,462	23,385,025	28,566,016
8.2	**Held to Maturity**			
	FGN Bond	148,488,458	148,488,458	-
9	**Other Receivables**			
	Other receivables (9.1)	10,048,290	10,445,458	2,964,630
		10,048,290	10,445,458	2,964,630
9.1	**Other receivables**			
	Staff loan	-	100,000	200,000
	Accrued Income	8,248,289	9,151,775	1,700,000
	Prepayments	1,800,001	1,193,683	1,064,630
		10,048,290	10,445,458	2,964,630

		2017 ₦	2016 ₦	2015 ₦
10	**Trade and Other Payables**			
	Other Payables:			
	Deferred income - Interest on Investments	2,965,583	-	192,972
	Deferred income - Members Subscription **(Note 10.1)**	500,000	4,550,000	-
	Due to Joint committee SEC/AIHN	232,072	232,072	232,072
	Euro Money Training : HNB Trustees	-	280,000	280,000
	Provision for Accounting fee	525,000	-	-
	Provision for Audit fee	1,200,000	1,200,000	1,200,000
	With Holding Tax payable	570,000	570,000	360,000
	Other Payables	428,700	-	300,000
		6,421,355	6,832,072	2,565,044
10.1	Afrinvest (West Africa) Ltd	-	350,000	-
	Chapel Hill Denham Advisory Limited	-	350,000	-
	Citigroup Global Markets Nigeria Ltd	-	350,000	-
	Coronation Merchant Bank Ltd	-	350,000	-
	FBNQuest Capital Limited	500,000	350,000	-
	First Ally Capital Limited	-	350,000	-
	Greenwich Trust Limited	-	350,000	-
	MBC Capital Ltd	-	350,000	-
	Rand Merchant Bank Nigeria Ltd	-	350,000	-
	Renaissance Securities Nigeria Limited	-	350,000	-
	SFS Financial Services Ltd	-	350,000	-
	SCM Capital Limited	-	350,000	-
	Vetiva Capital Management Ltd	-	350,000	-
		500,000	4,550,000	-
11	**Accumulated Fund**			
	As at 1 January	219,449,459	195,751,408	176,914,553
	Provision Due to NSE and SEC written back	-	-	5,393,323
	Stale cheque written back	-	140,673	-
	Surplus for the year	34,006,245	23,557,379	13,443,552
	As at 31 December	253,455,704	219,449,459	195,751,408

		2017	2016
		₦	₦
12	Members' Subscriptions		
	Subscription Income from members (12.1)	22,150,000	19,650,000
12.1	AIHN Members Subscription	-	-
	Afrinvest (West Africa) Ltd	500,000	500,000
	ARM Securities Ltd	600,000	-
	Barclays Securities	600,000	-
	Blackbit Limited	600,000	-
	Boston Advisory Ltd	-	600,000
	Capital Assets Ltd	-	100,000
	Capital Bancorp Plc	500,000	500,000
	CardinalStone Partners Ltd	-	500,000
	Chapel Hill Denham Advisory Ltd	500,000	500,000
	Citigroup Global Markets Nigeria	350,000	500,000
	Constant Capital Markets & Securities Limited	-	600,000
	Coronation Securities Ltd	1,350,000	-
	Coronation Merchant Bank Ltd	500,000	600,000
	Cordros Capital Ltd	600,000	-
	Diamond Capital & Financial Markets Ltd	500,000	600,000
	Dunn Loren Merrifield Advisory Partners Ltd	500,000	500,000
	Ecobank Development Company Ltd	500,000	500,000
	Eczellon Capital Ltd	-	100,000
	Elixir Capital Ltd	600,000	-
	FBNQuest Capital Ltd	500,000	500,000
	FBNQuest Merchant Bank Ltd	500,000	100,000
	FCMB Capital Markets Ltd	500,000	500,000
	Federal Mortgage Bank of Nigeria	250,000	-
	FSL Securities Ltd	500,000	500,000
	First Ally Capital Ltd	500,000	500,000
	Greenwich Trust Ltd	500,000	500,000
	Interstate Securities Ltd	500,000	1,350,000
	Investment One Financial Services Ltd	1,000,000	-
	IWorld Financial Services Ltd	-	100,000
	Lead Capital Plc	500,000	-
	Lotus Financial Services Ltd	600,000	-
	MBC Capital Ltd	500,000	500,000
	NSL Capital Partners Ltd	500,000	600,000
	Pan African Capital Ltd	-	1,7000,000
	Planet Capital Ltd	500,000	-
	Quest Advisory Services Ltd	-	100,000
	Radix Capital Partners Ltd	-	600,000
	Rand Merchant Bank Nigeria Ltd	500,000	500,000
	Renaissance Securities Nigeria Ltd	500,000	500,000
	Sewa Capital Ltd	-	100,000
	SFS Financial Services Ltd	500,000	500,000
	Stanbic IBTC Capital Ltd	1,000,000	-
	Standard Chartered Securities (Nig.) Ltd	500,000	500,000
	SCM Capital Markets Ltd	500,000	500,000
	The Infrastructure Bank Plc	500,000	600,000
	Unex Capital Ltd	-	100,000
	Union Capital Markets Ltd	600,000	-
	United Capital PLC	1,000,000	-
	Vetiva Capital Management Ltd	500,000	500,000
	WSTC Financial Services Ltd	-	1,700,000
	Zenith Capital Ltd	500,000	500,000
		22,150,000	19,650,000

		2017 ₦	2016 ₦
13	**Other Income**		
	Investment Income	30,405,076	24,321,159
	Other Income	630,000	150,000
		31,035,076	24,471,159
14	**Expenditure**		
	Annual General Meeting Expenses	1,632,325	1,857,803
	Audit Fee	1,260,000	1,260,000
	Bank Charges	38,474	198,715
	Computer Expenses	312,450	443,700
	Depreciation	738,704	718,660
	Despatch Expenses	49,174	12,147
	Gift	115,000	115,000
	Insurance	31,097	64,693
	Meeting and Seminar Expenses	1,120,900	1,127,430
	Miscellaneous	7,550	29,300
	Office Running Expenses	419,450	426,799
	Printing	119,000	270,000
	Registration Expense	105,000	-
	Rent	1,260,000	1,245,000
	Sponsorship	-	2,750,000
	Professional Fee	525,000	-
	Staff Training	-	147,000
	Travelling Expenses	2,589,946	3,002,750
	Utilities (Diesel and Lightening)	406,151	231,943
	Vehicle Running Expenses	621,610	1,548,045
	Wages and Salaries (Note 17)	7,827,000	5,114,793
		19,178,831	20,563,779
15	**Reconciliation of net surplus to net cash provided by operating activities**		
	Surplus transferred to accumulated fund	33,726,245	23,557,379
	Adjustment to reconcile surplus for the year to	-	-
	net cash provided by operating activities:	-	-
	Depreciation	738,704	718,660
	Prior Year Adjustment - Stale cheque written back	-	140,673
	Changes in assets and liabilities:	-	-
	Increase in receivables	397,166	(7,480,828)
	Increase in other payables	(130,716)	4,267,028
	Net Adjustments	1,005,154	(2,354,467)
	Net cash provided by operating activities	34,731,399	21,202,912

16 INFORMATION REGARDING EXECUTIVE MEMBERS AND KEY MANAGEMENT STAFF

		31 December 2017 N'000	31 December 2016 N'000
(i)	Short-term benefits:	-	-
	Members (fees only)	-	-
	Members (excluding fees)	-	-
	Management team (excluding Executive Members)	-	-
(ii)	Post-employemnt benefits:	-	-
	Members (excluding fees)	-	-
	Management team (excluding Members)	-	-

(iii) The emoluments (excluding pension)	-	-
(iv) The emoluments of	-	-

17 STAFF COSTS

Salary and Wages	7,827,000	5,114,793
Leave allowance	-	-
Employer's pension contribution	-	-
Other employee benefits	-	-
	7,827,000	5,114,793

Other employee benefits include leave allowance, medical allowances, incentive and other benefits which are consistent with industry practice

The table below shows the numbers of direct employees of AIHN other than employees who discharge their duties wholly of mainly in Nigeria, who earned over N250,000 in the year and which fell within the bands stated:

N		N	31 Dec 2017 [Number]	31 Dec 2016 [Number]
300,001	-	1,000,000	2	2
1,000,001	-	2,000,000	-	-
2,000,001	-	3,000,000	-	-
3,000,001	-	4,000,000	-	1
4,000,001	-	5,000,000	-	-
5,000,001	-	above	1	-
			3	3

18 FINANCIAL RISK MANAGEMENT

The Association has exposure to the following risks from its use of financial instruments:

(i) Credit Risk
(ii) Liquidity Risk
(iii) Market Risk

This note presents information about the Associations exposure to each of the above risks, the association's objectives, policies and processes for measuring and managing risk, and the Association's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

The Executive Committee has overall responsibility for the establishment and oversight of the Association's risk management framework.

The Association's risk management policies are established to identify and analyse the risks faced by the Association to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by the Executive Management to reflect changes in market conditions and the activities. The Association, through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

18(i) Credit Risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet

The carrying of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was

	31/12/2017	31/12/2016
Trade and other receivables	10,048,290	10,445,456
Cash and Cash equivalents	24,449,938	43,073,376
	34,498,228	53,518,832

18 Financial Risk Management
Cash and cash equivalents

The cash and cash equivalents held as at 31 December 2017 was N24,449,938 (2016: N43,073,376). The cash and cash equivalents are held by banks and financial institutions in Nigeria.

18(ii) Liquidity Risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

The Association has a clear focus on ensuring sufficient access to capital to finance growth.

Typically, the credit terms with clients are more favourable compared to payment terms to its vendors in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Non-Derivative Financial Liabilities:

Notes	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	5-10 years
31 December 2017						
Trade and other payables 11	6,421,355	6,421,355	6,421,355	-	-	-
	6,421,355	6,421,355	6,421,355	-	-	-
31 December 2016						
Trade and other payables 11	6,832,072	6,832,072	6,832,072	-	-	-
	6,832,072	6,832,072	6,832,072	-	-	-

18(iii) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association's income or the 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 optimizing the return.

The Association manages market risks by keeping costs low through various cost optimization programs. Moreover, market developments are monitored and discussed regularly, and mitigating actions are taken where necessary.

Currency risk

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

In managing currency risk, the Association aims to reduce the impact of short-term fluctuations on earnings. Although the Association has various measures to mitigate exposure to foreign exchange rate movement over the longer term, the gains/losses on foreign exchange balances impact on the income statement. The Association monitors the movement in the currency rates on an on-going basis.

Exposure to currency risk

The Association's transactional exposure to US Dollar (USD) was based on notional amounts as follows:

	31-Dec-17	31-Dec-16
	N	N
Financial assets		
Trade and other receivables	10,048,290	10,445,456
Cash and cash equivalents	24,449,938	43,073,376
Financial liabilities		
Trade and other payables	(6,421,355)	(6,832,072)
Net statement of financial position exposure	28,076,872	46,686,760

19. TRANSITION TO IFRSs

19.1 Explanation of transition to IFRS

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 December 2017, the comparative information presented in these financial statements for the year ended 31 December 2016 and in the preparation of an opening IFRS Statement of financial position at 1 January 2016 (the Association's date of transition).

In preparing these financial statements in accordance with IFRS 1, the Association has applied both mandatory and optional exceptions from full retrospective application of IFRS. These exemptions selected by the Association are summarised below:

19.2 IFRS mandatory exceptions

Exceptions from full retrospective application - followed by the Association.

Association of Issuing houses of Nigeria applied the following mandatory exceptions from retrospective application:

(I) Estimates

This exception requires a first time adopter that its estimates in accordance with IFRS at the date of transition to IFRS shall be consistent with estimates made for the same date in accordance with NGAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

(ii) Hedge accounting exception

This exception requires the Association to apply hedge accounting only if the hedge relationship meets all the hedge accounting criteria under IAS 39. The Association has not applied hedge accounting under IFRS.

19.3 IFRS optional exceptions

The Association applied the following optional exemptions from retrospective application:

(i) Exemption for cumulative translation differences

IFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from all cumulative translation gains and losses to zero in opening retained earnings at its transition date.

(ii) Employee benefits

IFRS 1 provides retrospective relief from applying IAS 19, 'Employee benefits', for the recognition of actuarial gains and losses. In line with the exemption, the Association elected to recognise all cumulative actuarial gains and losses that existed at its transition date in opening retained earnings for all its employee benefit plans.

The following optional exemptions were not relevant to the Association:

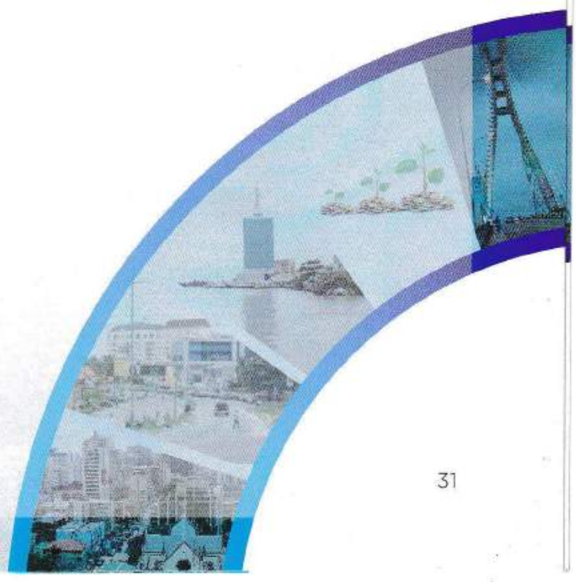
- Insurance contracts (IFRS 4), as this is not relevant to the Association's operations.
- Compound financial instruments because the Association does not have these types of financial instruments at the date of transition to IFRS
- Leases as the Association has no contracts that are in substance leases.
- Fair value of financial instruments at initial recognition as this is not relevant to the Association
- Transfers of Assets from customers is not relevant to the Association's operations.
- The Association did not previously extinguish any debts with equity.

20. RECONCILIATION OF NIGERIAN GAAP STATEMENTS TO IFRSs

As stated in the statement of compliance, these are the Association's first financial statements prepared in accordance with IFRSs. The accounting policies set out in notes have been applied in preparing the financial statements for the year ended 31 December 2017 and in the preparation of an opening IFRS statement of financial position and financial performance as at 1 January 2016 (the Association's date of transition) and also the reconciliation for the comparative year 31st Dec, 2016

20.1 Statement of Financial Position

ASSETS	Notes	NGAAP 31st Dec 2016 N	Adjustments and Reclassifications N	IFRS 31st Dec 2016 N	NGAAP 1st Jan 2016 N	Adjustments and Reclassification N	IFRS 1st Jan 2016 N
Non-Current Asset							
Property, Plant & Equipment		889,216	-	889,216	1,545,926	-	1,545,926
Total Non-Current Assets		889,216	-	889,216	1,545,926	-	1,545,926
Current Assets							
Cash and Bank	6	43,073,376	(43,073,376)	-	165,239,879	(165,239,879)	-
Cash and Cash Equivalents:							-
Cash at bank			4,097,349	4,097,349		2,689,551	2,689,551
Cash equivalents (1-90 days)			38,976,027	38,976,027		162,550,328	162,550,328
Investments		171,873,481	(171,873,481)		28,566,016	(28,566,016)	-
Financial Assets:							-
Available for sale			23,385,025	23,385,025		28,566,016	28,566,016
Held to Maturity			148,488,456	148,488,456		-	-
Prepayment and Other Receivables		10,445,458	(10,445,458)		2,964,630	(2,964,630)	-
Trade and Other receivables			10,445,458	10,445,458		2,964,630	2,964,630
Total Current Assets		225,392,315	-	225,392,315	196,770,525	-	196,770,525
TOTAL ASSETS		226,281,531	-	226,281,531	198,316,451	-	198,316,451
EQUITY AND LIABILITIES							
Equity							
Accumulated Fund		219,449,459		219,449,459	195,751,408		195,751,408
		219,449,459	-	219,449,459	195,751,408	-	195,751,408
Capital and reserves							
Current Liabilities							
Other Payables		6,832,072	(6,832,072)	-	2,565,044	-	2,565,044
Trade and Other Payables			6,832,072	6,832,072		-	-
TOTAL LIABILITIES		6,832,072	-	6,832,072	2,565,044	-	2,565,044
TOTAL EQUITY AND LIABILITIES		226,281,531	-	226,281,531	198,316,452	-	198,316,452



20.2 RECONCILIATION OF STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR DECEMBER, 2017

	NGAAP 31st Dec 2016 N	Adjustments and Reclassification N	IFRS 31st Dec 2016 N
INCOME			
Membership Subscriptions	19,650,000	-	19,650,000
Other Income	24,471,159	-	24,471,159
	44,121,159	-	44,121,159
EXPENDITURE			
Admin Exps:			
Annual General Meeting Expenses	1,857,803	-	1,857,803
Audit Fee	1,260,000	-	1,260,000
Bank Charges	198,715	-	198,715
Computer Expenses	443,700	-	443,700
Depreciation	718,660	-	718,660
Despatch Expenses	12,147	-	12,147
Gift	115,000	-	115,000
Insurance	64,693	-	64,693
Meeting and Seminar Expenses	1,127,430	-	1,127,430
Miscellaneous	29,300	-	29,300
Office Running Expenses	426,799	-	426,799
Printing	270,000	-	270,000
Rent	1,245,000	-	1,245,000
Sponsorship	2,750,000	-	2,750,000
Staff Training	147,000	-	147,000
Travelling Expenses	3,002,750	-	3,002,750
Utilities (Diesel and Lightening)	231,943	-	231,943
Vehicle Running Expenses	1,548,045	-	1,548,045
Wages and Salaries (Note 17)	5,114,793	-	5,114,793
	20,563,779	-	20,563,779
SURPLUS FOR THE YEAR	23,557,379	-	23,557,379

21. NARRATION OF THE TRANSITION ADJUSTMENTS

a. Under NGAAP, Cash and Bank balances were separately as a line item on the balance sheet. Under IFRSs, Cash and Bank balances were reclassified to Cash and Cash Equivalent and separately disclosed as a line item on the Statement of Financial Position.

b. Under NGAAP, other Creditor balances were separately disclosed as a line item in the Statement of Financial Position. Under IFRSs, Other Creditors were reclassified to Other Payables separately disclosed as a line item on the Statement of Financial Position.

22. Capital Commitments

There are no material commitments for capital expenditure not provided for in these financial statements.

23. Events After Reporting Date

No events or transactions have occurred since after the reporting date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or result of operations at the reporting date.

24. Contingent Liability

No contingent liabilities in respect of the year under review.

25. Approval of Financial Statements

The Financial Statements were approved by the Executive Committee Members on 23rd July, 2018

STATEMENT OF VALUE ADDED

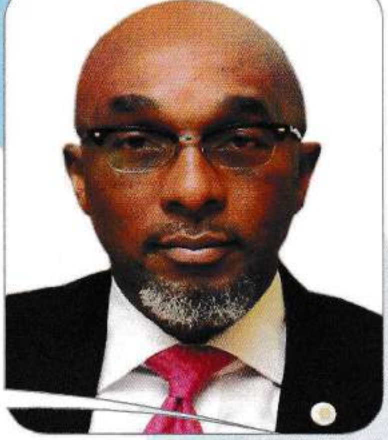
GROSS INCOME- Members Subcription	**22,150,000**		**19,650,000**	
Less: Cost of Goods and Services				
Local	(10,613,127)		(14,730,326)	
Value Added from Operations	**11,536,873**		**4,919,674**	
Other Income	31,035,076		24,471,159	
Value Added	**42,571,949**	**100**	**29,390,832**	**100**
Distributed as follows:				
Employees				
Salaries	**7,827,000**	**18**	**5,114,793**	
Provided for Asset Replacement				
Depreciation	**738,704**	**2**	**718,660**	
Surplus	**34,006,245**	**80**	**23,557,379**	**100**
Value Added	**42,571,949**	**100**	**29,390,832**	**100**

Value added represents the additional wealth the Association has been able to create by its own and direct public support. This statement shows the allocation of the wealth between employees shareholders, government and that retained for the future creation of more wealth.

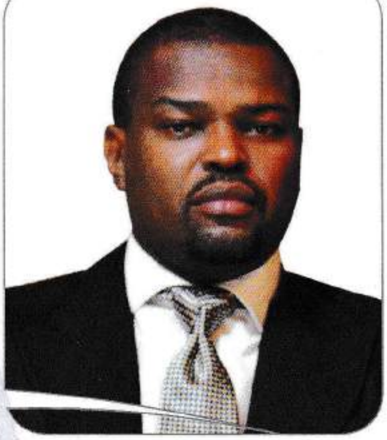
FIVE YEARS FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION	**IFRS 2017 N**	**IFRS 2016 N**	**IFRS 2015 N**	**NGAAP 2014 N**	**NGAAP 2013 N**
ASSETS					
Cash and Cash Equivalent	24,449,938	43,073,376	165,239,879	8,250,871	27,531,940
Property, Plant & Equipment	805,912	889,216	1,545,926	2,333,713	4,157,710
Financial Assets	224,572,920	171,873,481	28,566,016	167,100,000	136,700,000
Other receivables	10,048,290	10,445,458	2,964,630	2,551,770	568,341
TOTAL ASSETS	**259,877,060**	**226,281,531**	**198,316,451**	**180,236,354**	**168,957,991**
FUND AND LIABILITY:					
Accumulated Fund	**253,175,704**	**219,449,459**	**195,751,408**	**176,914,534**	**166,432,025**
CURRENT LIABILITY					
Other Payables	**6,701,355**	**6,832,072**	**2,565,043**	**3,321,820**	**2,525,966**
	259,877,060	**226,281,531**	**198,316,451**	**180,236,354**	**168,957,991**
STATEMENT OF PROFIT OR LOSS					
Income	**53,185,076**	**44,121,159**	**38,344,696**	**35,345,094**	**37,243,083**
Expenditure	**19,178,831**	**20,563,779**	**24,901,144**	**24,462,964**	**22,078,908**
Surplus	**34,006,245**	**23,557,379**	**13,443,552**	**10,882,131**	**15,164,175**

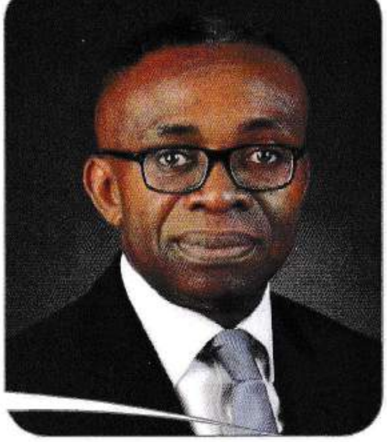
Executive Committee Members



Mr. Chuka Eseka
Vetiva Capital Mgt. Ltd.
1st Vice President



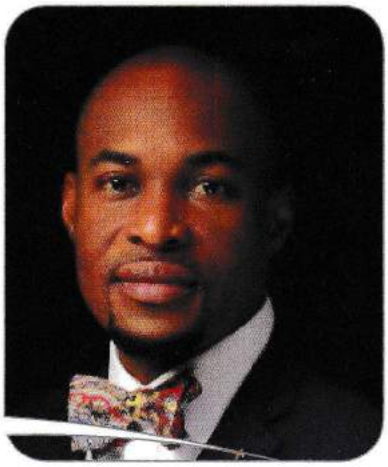
Mr. Sonnie Ayere
Dunn Loren Merrifield
President



Mr. Ike Chioke
Afrinvest West Africa Ltd.
2nd Vice President

Mr. Afolabi Olorode
FBNQuest Merchant Bank Ltd.
Director of Administration

Mrs. Oyinda Akinyemi
Stanbic IBTC Capital
Director of Finance



Mr. Samuel Chidoka
Planet Capital Ltd.
Director of Treasury

Mr. Babatunde Obaniyi
United Capital Plc.
Director of Publicity

Notes:

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