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Independent Auditor's Report

To the Members of AXA Mansard Pensions Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the financial statements of AXA Mansard Pensions Ltd ("the Company") which comprises of the statement of financial position as at 31 December 2017, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 26 to 58.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Pension Reform Act, 2014 and the National Pension Commission (PENCOM) guidelines.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of AXA Mansard Pensions Limited for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2017.

Information Other than the Financial Statements and Audit Report thereon

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Certification by Company Secretary, Report of the Audit Committee, Statement of Directors' Responsibilities and Other National Disclosures but does not include the financial statements and our audit report thereon.

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Registered in Nigeria No BN 986925

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Oguntayo I. Ogunbenro
Olumide O. Olayinka
Temitope A. Onitiri



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 the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Pension Reform Act, 2014 and the National Pension Commission (PENCOM) guidelines, 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.

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

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

- Identify and assess the risks of material misstatement of the separate 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 Group and/or 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 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.
- 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 Audit Committee 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

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

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Oluwafemi O. Awotoye, FCA
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
05 March 2018
Lagos, Nigeria



Statement of Financial Position

<i>(All amounts in thousands of Naira unless otherwise stated)</i>	Notes	31-Dec-2017	31-Dec-2016
ASSETS			
Cash and bank balance	7	60,847	34,690
Investment securities	8	1,168,015	1,115,861
Other receivables	9	145,256	195,736
Intangible assets	10	6,879	6,187
Property and equipment	11	99,602	114,320
TOTAL ASSETS		1,480,599	1,466,794
LIABILITIES			
Other liabilities	12	70,806	199,409
Current income tax liabilities	13	13,736	16,874
Deferred tax liability	14.3	14,782	15,578
TOTAL LIABILITIES		99,324	231,861
EQUITY			
Share capital	15	1,723,060	1,723,060
Retained earnings	16	(397,427)	(494,818)
Statutory reserves	17	32,580	18,667
Fair value reserves	18	23,062	(11,976)
TOTAL EQUITY		1,381,275	1,234,933
TOTAL LIABILITIES AND EQUITY		1,480,599	1,466,794

The accompanying and the statement of significant accounting policies form integral part of these financial statements.

The Financial Statements were approved by the Board of Directors on February 22, 2018 and signed on its behalf by:



Mr. Akinsola Akinbunmi
FRC/2013/ICAN/00000003220
Head of Finance
22 February 2018



Mr. Dapo Akisanya
FRC/2013/IODN/00000003885
Managing Director
22 February 2018



Alh. (Dr.) Umaru Kwairanga
FRC/2013/CISN/00000002357
Chairman
22 February 2018

Statement of Profit or loss and Other Comprehensive Income

<i>(All amounts in thousands of Naira unless otherwise stated)</i>	Notes	31-Dec-2017	31-Dec-2016
Management and administration fees	19	328,811	269,401
Investment income	20	217,049	156,279
Net realised gains on financial assets	21	33,551	33,636
Other income	22	873	2,056
Total income		580,284	461,372
Employee benefit expense	23	(232,916)	(224,744)
Other operating expenses	24	(84,285)	(84,979)
Impairment loss	26	(7,907)	-
Expenses for marketing and administration	26	(132,636)	(116,258)
		(457,744)	(425,982)
Operating profit		122,540	35,391
Finance costs	25	(1,451)	(1,170)
Profit before tax		121,089	34,221
Company income tax	14.1	(2,159)	-
Minimum tax	14.1	(7,626)	(1,920)
Profit for the year		111,304	32,301
Other comprehensive income:			
Items that may be subsequently reclassified to the profit or loss account			
Changes in available -for -sale financial assets		35,038	(65,877)
Total other comprehensive income		35,038	(65,877)
Total comprehensive income for the year		146,342	(33,577)
Earnings per share			
- Basic (kobo)	27	3.23	0.94
- Diluted (kobo)	27	3.23	0.94

The accompanying notes and the statement of significant accounting policies form integral part of these financial statements