

**'This document is important and should be read carefully. If you are in any doubt about its content and the actions to be taken, please consult your Stockbroker, Banker, Solicitor, Accountant, Independent Investment Advisor or any other Professional Adviser for guidance immediately.**

For information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on Pages 40-41



## **GOLDEN CAPITAL PLC**

RC 773454

Rights Issue of

**749,007,703**

Ordinary Shares of 50 kobo each

at

**50Kobo per share**

On the basis of **Sixteen (16)** new Ordinary shares  
for every **Twenty-Five (25)** Ordinary shares held as at **March 31, 2015**

**THE RIGHTS BEING OFFERED IN THIS DOCUMENT ARE TRADEABLE ON THE NASD OTC MARKET FOR THE DURATION OF THE ISSUE**

Payable in full on Acceptance

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Acceptance List Opens: Monday, June 29, 2015  
Acceptance List Closes: Wednesday, August 05, 2015

ISSUING HOUSE



**This Rights Circular is dated June 11, 2015**

**This Rights Circular and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. The Investments and Securities Act No 29, 2007 provides for civil and criminal liabilities for the issue of a Rights Circular which contains false or misleading information. Clearance and registration of this Rights Circular and the Securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact.**

<b>CONTENTS</b>	<b>Page</b>
<b>DEFINITIONS</b>	3
<b>CORPORATE DIRECTORY</b>	4
<b>ABRIDGED TIMETABLE</b>	5
<b>SUMMARY OF THE ISSUE</b>	6
<b>DIRECTORS, SECRETARY AND OTHER PARTIES TO THE ISSUE</b>	9
<b>CHAIRMAN'S LETTER</b>	11
<b>GOING CONCERN STATUS</b>	
1. Letter from the Directors on the Going Concern Status	12
2. Letter from the Auditors on the Going Concern Status	13
<b>FIVE-YEAR FINANCIAL INFORMATION</b>	<b>14</b>
1. Statement of Significant Accounting Policies	14
2. Statement of Financial Position	23
3. Statement of Comprehensive Income	24
4. Statement of Changes in Equity	25
5. Statements of Cash Flow	26
6. Notes to the Financial Statement	27
<b>PROFIT FORECASTS</b>	<b>33</b>
1. Letter from the Issuing House on the Profit Forecast	33
2. Letter from the Directors on the Profit Forecast	34
3. Profit Forecast	35
4. Bases and Assumptions	36
5. Working Capital and Future Plans	37
<b>STATUTORY AND GENERAL INFORMATION</b>	<b>38</b>
1. Incorporation and Share Capital History	38
2. Shareholding Structure	38
3. Directors' Beneficial Interest	39
4. Indebtedness	39
5. Subsidiaries and Associated Companies	39
6. Claims and Litigation	39
7. Estimated Cost and Expense of the Issue	39
8. Material Contracts	40
9. Mergers & Takeovers	40
10. Risk and Mitigating Factors	41
11. Compliance with Code of Corporate Governance	41
12. Status of Unclaimed / Unpaid Dividend	42
13. Research & Development	42
14. Relationship between the Issuer and its Advisers	42
15. Related Party Transactions	42
16. Off Balance Sheet Items	42
17. Declarations	42
18. Consents of Parties	43
19. Documents available for inspection	43
<b>PROVISIONAL ALLOTMENT LETTER</b>	<b>44</b>
<b>RECEIVING AGENTS</b>	<b>47</b>
<b>ACCEPTANCE/RENUNCIATION FORM</b>	<b>48</b>

## DEFINITIONS

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In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

“Brokerage”	Commission payable to Receiving Agents in respect of returns bearing stamps and duly allotted
“CSCS”	Central Securities Clearing System Limited
“Company” or “Golden Capital”	Golden Capital Plc
“Directors”	The members of the Board of Directors of Golden Capital Plc, who at the date of this document, comprise those persons whose names are set out on page 9 of this Rights Circular
“Golden Securities”	Golden Securities Limited
“Issuing House” or “Sterling Capital”	Sterling Capital Markets Limited
“LFN”	Laws of the Federation of Nigeria 2004
“NASD OTC Market”	An over-the-Counter Market licensed by the Securities & Exchange Commission
“OTC”	Over the Counter
“Pari Passu”	Equally in all respects
“Parties to the Issue”	Professionals engaged, whose roles will ensure the success of the Rights Issue
“PAT”	Profit After Tax
“PBT”	Profit Before Tax
“Receiving Banker”	Sterling Bank Plc
“Receiving Agents”	Any of the institutions listed on page 47 of this Rights Circular to whom shareholders may return their completed Acceptance / Renunciation Forms together with payment.
“Rights Circular”	The legal document through which the Rights Issue is being made to the existing shareholders of the Company.
“SEC” or “The Commission”	Securities & Exchange Commission
“The Issue”	The Rights Issue of 749,007,703 Ordinary Shares of 50 kobo each at 50Kper share on the basis of Sixteen (16) new Ordinary shares for every Twenty Five (25) Ordinary shares held as at March 31, 2015.
“Working Day”	Any day other than a Saturday, Sunday or official public holiday in Nigeria

## **CORPORATE DIRECTORY**

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### **HEAD OFFICE**

St. Peter's House  
7th Floor  
3, Ajele Street  
Off Broad Street  
Lagos

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## ABRIDGED TIMETABLE

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<b>Date</b>	<b>Activity</b>	<b>Responsibility</b>
<b>29/06/2015</b>	Acceptance List Opens	Sterling Capital/Registrars
<b>05/08/2015</b>	Acceptance List Closes	Sterling Capital/Registrars
<b>19/08/2015</b>	Receiving Agents make Return	Sterling Capital/Registrars
<b>24/08/2015</b>	Forward allotment proposal and draft newspaper announcement to SEC	Sterling Capital
<b>04/09/2015</b>	Receive SEC clearance of Allotment Proposal	Sterling Capital
<b>07/09/2015</b>	Payment of Net proceeds of the Issue to Golden Capital	Sterling Bank/Sterling Capital
<b>11/09/2015</b>	Allotment Announcement	Sterling Capital
<b>11/09/2015</b>	Return rejected application monies	Sterling Capital/Registrars
<b>25/09/2015</b>	Distribution of Share Certificates/Credit CSCS accounts	Registrars
<b>30/09/2015</b>	Forward declaration of Compliance to the NASD OTC Market	Stockbrokers
<b>05/10/2015</b>	Listing of new shares/ Trading Commences	Stockbrokers
<b>07/10/2015</b>	Forward Summary Report of Issue to SEC	Sterling Capital

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\*Please note that the above dates are indicative and subject to possible changes

## SUMMARY OF THE ISSUE

This summary draws attention to information contained elsewhere in this Rights Circular. It does not contain all the information you should consider in making your investment decision. You should therefore read this summary together with the more detailed information, including the financial statements elsewhere in this Rights Circular.

1. **ISSUER:** Golden Capital Plc ("Golden Capital" or "The Company")
2. **ISSUING:** Sterling Capital Markets Limited ("Sterling Capital")
3. **SHARE CAPITAL:**  
(AS AT THE DATE OF THIS RIGHT CIRCULAR)  
Authorised: ₦1,000,000,000 divided into 2,000,000,000 Ordinary shares of 50 kobo each  
Issued and Fully Paid: ₦585,162,268 divided into 1,170,324,536 Ordinary shares of 50k each  
Now being issued: 749,007,703 Ordinary shares of 50 kobo each at 50 kobo per share  
Gross Issue Proceeds: ₦374,503,851.52
4. **PURPOSE OF THE ISSUE:** The Issue is a vital step by Golden Capital Plc, towards meeting the new SEC directive of increase in the minimum capital base of stock broking firm; its subsidiary as well as actualizing its strategic initiatives. The proceeds would also be applied towards improvement of the Company's working capital and upgrade of IT infrastructure.
5. **UTILIZATION OF PROCEEDS:** The estimated net proceeds of ₦362,203,549.49 from this Rights Issue after deduction of the Issue costs estimated at ₦12,300,302.03 (representing 3.28% of the offer proceeds) will be utilized as follows:

S/N	Activities	₦	%	Duration
1	Investment in Golden Securities Ltd	311,495,052.57	86	12 months
2	Upgrade of the Company's IT Infrastructure	39,842,390.44	11	12 months
3	Working Capital Requirement	10,866,106.48	3	Continuous
	<b>Total</b>	<b>362,203,549.49</b>	<b>100</b>	
6. **METHOD OF ISSUE:** By way of rights to the existing shareholders of the Company.
7. **ISSUE PRICE:** 50k per Ordinary share
8. **QUALIFICATION:** Solely to members whose names appear in the Company's register of members, as at March 31, 2015
9. **PROVISIONAL ALLOTMENT:** On the basis of Sixteen (16) new Ordinary shares for every Twenty-Five (25) Ordinary shares held as at March 31, 2015.  
  
Rights not taken up (and which have not been traded by shareholders) will be allotted to shareholders who have applied for additional shares above their provisional allotment, on a pro-rata basis in line with the Rules of SEC.
10. **OPENING DATE:** Monday, June 29, 2015
11. **CLOSING DATE:** Wednesday, August 5, 2015

## SUMMARY OF THE ISSUE

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- 12. PAYMENT:** In full on acceptance
- 13. MARKET CAPITALIZATION:** ₦585,162,268.00  
At Rights Issue Price (Pre-Issue)
- 14. MARKET CAPITALIZATION:** ₦959,666,119.52  
At Rights Issue Price (Post-Issue)
- 15. QUOTATION:** The Company's entire issued capital is listed on the NASD OTC Market. An application has been made to NASD Plc for the admission to its Daily Official List of the 749,007,703 Ordinary shares now being issued through this Rights Issue.
- 16. STATUS:** The Ordinary shares now being offered are tradeable on the NASD OTC Market during the Offer period and shall rank pari-passu in all respects with existing shares of the Company.
- 17. UNDERWRITING:** At the instance of the Issuer, this Issue will not be underwritten
- 18. INDEBTEDNESS:** As at the date of this Rights Issue, the Company had no outstanding debentures, mortgages, charges or similar indebtedness other than in the ordinary course of business.
- 19. CLAIMS & LITIGATION:** As at the date of this Rights Circular, the Company in the ordinary course of its business is presently involved in two (2) suits, both of which were instituted against the Company.
- The total amount claimed against the Company is ₦84,000,000. The possible contingent liabilities to which the Company may likely be exposed on account of the above matters are not likely to exceed the sum of ₦5,000,000 (Five Million Naira).
- The Solicitors to the Issue are of the opinion that the liability that may accrue from the actions are not likely to have any significant effect on the Company or the issue.
- The Directors are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on the Company or the Issue, and are not aware of any other pending claims or litigations.
- 20. FORECAST OFFER STATISTICS:**

Year Ending December 31	2015	2016	2017
Forecast Earning per share (kobo)	(1.84)	4.07	5.55
Forecast Earning Yield at offer price (%)	(3.69)	8.14	11.10
Forecast Price Earnings Ratio at offer price	(26.04)	12.29	9.00

*Note: The earnings and Net Assets per share have been computed respectively for each year on the profit after taxation and number of ordinary shares in issue at the end of the year.*

## SUMMARY OF THE ISSUE

### 21. FINANCIAL SUMMARY:

	Year Ending December 31				
	2014	2013	2012	2011	2010
	₦	₦	₦	₦	₦
Gross Earnings	25,400,566	48,175,006	36,439,084	34,064,669	123,548,821
Profit Before Tax	(47,929,628)	(53,189,597)	(117,811,436)	(148,812,088)	(39,148,997)
Profit After Tax	(52,249,661)	(54,739,597)	(119,306,607)	(150,612,088)	(45,553,537)
Paid-Up Share Capital	585,162,268	585,162,268	585,162,268	585,162,268	585,162,268
Net Assets	42,168,658	129,391,192	184,606,717	289,142,041	443,637,628
Total Assets	337,853,160	257,257,122	301,035,332	365,122,609	510,388,225
Earnings per share (Kobo)	(4)	(5)	(10)	(13)	(4)

### 22. DECLARATIONS:

The Managing Director, Chief Financial Officer and the Company Secretary have made certain declarations on behalf of the Company the excerpts of which are highlighted below;

1. "that all reasonable care has been taken to ensure that the information contained in this Rights Circular and any related documentation are to the best of their knowledge and belief in accordance with the facts and contains no omission likely to affect its import.
2. that there has been no significant change in the financial condition or material adverse change in the prospect of the Issuer as at the date of the Rights Circular.
3. that the Issuer has not during the twelve (12) calendar months immediately preceding the date of the application to the SEC for registration of the Rights Circular breached any terms and conditions in respect of borrowed money which has resulted in the occurrence of an immediate recall of such borrowed money."



## DIRECTORS, SECRETARY AND OTHER PARTIES TO THE ISSUE

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<b>DIRECTORS:</b>	<b>Chairman</b>	<b>Mr. Michael O. A. Dada</b> Bureaucrat House 2, Araoti Street Yaba Lagos.
	<b>Managing Director/CEO</b>	<b>Mr. Emmanuel Ortswen</b> 3, Ajele Street Off Broad Street Lagos.
	<b>Directors</b>	<b>Mr. Emmanuel Olutoyin Eleoramo</b> Nigerian Life & Pensions Consultants Limited 312, Ikorodu Road Anthony Lagos.
		<b>Mr. Amos Adedeji Adeyeye</b> 3, Ajele Street Off Broad Street Lagos.
		<b>Mr. Jacob Adebisi I. Olawepo</b> 3, Ajele Street Off Broad Street Lagos.
		<b>Mr. Abimbola Adeboye Odukale</b> 8, Igbore Street Onike Yaba Lagos.
		<b>Mr. Fatai Kayode Lawal</b> 3, Ajele Street Off Broad Street Lagos.
		<b>Mr. Michael Abimbola Siyanbola</b> 3, Ajele Street Off Broad Street Lagos.
		<b>Mrs. Jokotola Oluseyi Ifaturoti</b> 3, Ajele Street Off Broad Street Lagos.
<b>COMPANY SECRETARY:</b>		<b>Mr. Oluwadare Oladipo-Olukosi</b> 3, Ajele Street Off Broad Street Lagos.
<b>REGISTERED ADDRESS:</b>		St Peters' House, 7 <sup>th</sup> Floor 3, Ajele Street Off Broad Street Lagos. Tel: +234 7098141924 Email: <a href="mailto:info@goldencaplc.com">info@goldencaplc.com</a> Website: <a href="http://www.goldencaplc.com">www.goldencaplc.com</a>

## DIRECTORS, SECRETARY AND PARTIES TO THE ISSUE

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**ISSUING HOUSE:**

**Sterling Capital Markets Limited**  
19<sup>th</sup> Floor, Stock Exchange House  
2-4 Custom Street  
Marina  
Lagos

**AUDITORS:**

**M. A. Alawode & Co.**  
(Chartered Accountants)  
73, Coker Road  
Ilupeju  
Lagos

**SOLICITORS TO THE ISSUE:**

**De Law Chambers**  
2<sup>nd</sup> Floor  
15, King George V Road  
Onikan  
Lagos

**STOCKBROKERS TO THE ISSUE:**

**Golden Securities Limited**  
St Peters' House  
3, Ajele Street  
Off Broad Street  
Lagos

**REGISTRARS AND TRANSFER OFFICE:**

**Africa Prudential Registrars Plc**  
220B, Ikorodu Road  
Palmgrove  
Lagos

**RECEIVING BANKER:**

**Sterling Bank Plc**  
20, Marina  
Lagos

## THE CHAIRMAN'S LETTER

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The following is a text of a letter received by Sterling Capital Markets Limited from Mr. M.O.A Dada Chairman, Board of Directors of Golden Capital Plc:



RC: 773454

April 29, 2015

To: All Shareholders

Distinguished Shareholders,

**GOLDEN CAPITAL PLC ("GOLDEN CAPITAL" OR "THE COMPANY")**  
**RIGHTS ISSUE OF 749,007,703 ORDINARY SHARES OF 50K EACH AT ₦0.50 PER SHARE ON THE BASIS OF SIXTEEN**  
**NEW ORDINARY SHARES FOR EVERY TWENTY FIVE ORDINARY SHARES HELD AS AT MARCH 31, 2015**

At the Annual General Meeting of our Company held on July 16, 2014 shareholders authorized the Directors of the Company to issue shares by way of rights to the existing shareholders of the Company. At a subsequent meeting of the Directors held also on July 16, 2014, the Board authorized the Rights Issue of 749,007,703 Ordinary shares at 50k per share.

It is my pleasure to inform you that arrangements have now been concluded for the Rights Issue which will be offered to shareholders whose names appeared in the Company's register of members as at March 31, 2015, in the proportion of Sixteen (16) new Ordinary shares for every Twenty-Five (25) Ordinary shares held by them as at that date. Regulatory approvals for the registration and listing of the Issue have already been received from the SEC and NASD OTC Market respectively. The new shares to be issued pursuant to the Rights Issue will rank pari passu in all respects with the existing issued shares of the Company but will not qualify for dividend for the year ending December 31, 2014.

The net proceeds of the Rights Issue will be utilized towards meeting the new SEC directive of increase in the minimum capital base of stock broking firms for Golden Securities Limited as well as actualizing its strategic initiatives. The proceeds would also be applied towards improvement of the Company's working capital and upgrade of the current IT infrastructure.

This Rights Circular contains a summary of our Company's audited financial information for the five years ended 31 December 2014 and some general information relating to the Company. It also contains a provisional allotment letter from the Company Secretary, which provides full instructions for the acceptance, payment and renunciation of your rights to the provisional allotment. Shareholders who wish to renounce their rights partially or in full may trade such rights on the NASD OTC Market. I advise such shareholders to contact their stockbrokers for guidance.

The Rights Issue will provide our Company with the required funds to execute projects that will enhance the Company's growth and profitability. I encourage you to exercise your rights in full, to reaffirm your support for our Company and as a declaration of your continued confidence in the Company's potentials.

Yours faithfully,

**Mr. M.O.A Dada Chairman**  
**Chairman**

## GOING CONCERN STATUS

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### 1. LETTER FROM THE DIRECTORS ON THE GOING CONCERN STATUS



RC: 773454

April 29, 2015

The Managing Director  
Sterling Capital Markets Limited  
19<sup>th</sup> Floor, Stock Exchange House  
2-4 Custom Street, Marina  
Lagos

Dear Sir,

#### **CONFIRMATION OF THE GOING CONCERN STATUS OF GOLDEN CAPITAL PLC**

The Directors of Golden Capital are required to prepare financial statements at the end of each financial period, which give a true and fair view of the state of affairs, and of the profit or loss of the Company. They are also responsible for maintaining proper accounting records, for taking reasonable steps to prevent and detect fraud and other irregularities. The Directors of Golden Capital are also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgments and estimates that are prudent and reasonable.

We hereby confirm that applicable accounting standards have been followed and Golden Capital's financial statements for the years ended 2010 and 2011, are prepared using accounting policies, which comply with Generally Accepted Accounting Practice in Nigeria and the Companies and Allied Matters Act, 2004, while the 2012, 2013 and 2014 audited accounts were prepared in compliance with the International Financial Reporting Standard.

The Directors of Golden Capital, having made appropriate enquiries, reviewed budgets, projected cashflows and other relevant information, consider that adequate resources exist for the business to continue in operational existence for the foreseeable future and that therefore, it is appropriate to adopt the going concern basis in preparing the financial statements.

Yours faithfully,

**Mr. M. O. A. DADA**  
Director

**Mr. Oluwadare Oladipo-Olukosi**  
Company Secretary

## GOING CONCERN STATUS

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### 2. LETTER FROM THE AUDITORS ON THE GOING CONCERN STATUS

**M. A. Alawode & Co.**  
(Chartered Accountant)  
73, Coker Road  
Ilupeju  
Lagos

April 29, 2015

The Directors  
**Golden Capital Plc**  
3, Ajele Street  
Off Broad Street  
Lagos

And

The Directors  
**Sterling Capital Markets Limited**  
19<sup>th</sup> Floor, Stock Exchange House  
2-4 Custom Street  
Marina  
Lagos

Dear Sirs,

#### **GOLDEN CAPITAL PLC**

We have been informed that the Company proposes to offer to its existing shareholders, 749,007,703 Ordinary Shares of 50 kobo each at 50 kobo per share on the basis of Sixteen (16) new Ordinary Shares of 50 kobo each for every Twenty-Five (25) ordinary Shares held of 50 kobo each, to undertake specific initiatives.

Based on the confirmations received from the Directors of Golden Capital and our audit of past results of the Company, as well as its operational position, we do not have any reason to doubt that the Company will continue in operation in the foreseeable future.

Yours faithfully,



**Adunni Alawode**  
Partner  
**M. A. Alawode & Co.**  
(Chartered Accountants)

## FINANCIAL INFORMATION

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### 1. Statement of Accounting Policies

#### A. Reporting Entity

Golden Capital Plc is a Public Limited Liability Company registered in Nigeria. The address of the Company and registered office is 3 Ajele Street, Lagos. The company was registered to carry on business as an Issuing House, Financial Consultant, Investment and Trust business. The company also has two wholly owned subsidiary companies

#### B. Basis of preparation

##### i. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). For all periods up to and including the year ended 31 December 2011, the Company prepared its financial statements in accordance with the local Generally Accepted Accounting Principles (Local GAAP). These are the Company's first financial statements prepared in accordance with IFRSs and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

The financial statements were authorized for issue by the Board of Directors of Golden Capital Plc.

##### ii. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Financial instruments are measured at fair value through profit or loss accounts.
- The liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the net total of plan assets, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.

##### iii. Functional and presentation currency

These financial statements are presented in Nigerian Naira which is the Company's functional currency.

##### iv. Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

#### C. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

### (1) Consolidation

#### i. Subsidiaries

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities; Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus cost directly attributable to the business combination as regards issue of shares only.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

#### ii. Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

### (2) Financial instruments

#### i. Recognition and measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. On initial recognition, financial assets and financial liabilities at fair value through profit or loss are normally measured at their value on the date they are initially recognized. The initial measurement of other financial instruments is also based on their fair value, but adjusted in respect of any transaction costs that are incremental and directly attributable to the acquisition or issue of the instrument.

Financial liabilities and equity instruments, issued by the company, are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets are derecognised when and only when:

- The contractual rights to the cash flows from the financial assets expire; or
- The company transfers the financial asset, including substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Investments made by the company which are classified as either held at fair value through profit or loss or available-for-sale, and are measured at subsequent reporting dates at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of quoted investments and unit trusts in active markets are based on current market prices. Since

## FINANCIAL INFORMATION

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actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of quoted financial instruments.

### ii. Fair value hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 'Financial Instruments: Disclosures':

- Level 1: quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.
- Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.
- Level 3: valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

### iii. De-recognition of financial instruments

Financial assets are derecognised when the contractual rights to receive cash flows from the investments have expired or on trade date when they have been transferred and the Company has also transferred substantially all risks and rewards of ownership. Non-cash financial assets pledged, where the counterparty has the right to sell or re-pledge the assets to a third party, are classified as pledged assets.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

### iv. Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss; loans and receivables, held-to-maturity and available-for-sale financial assets. Management determines the classification of financial assets at initial recognition; this classification depends on the nature and purpose of the financial asset.

#### a. *Financial assets at fair value through profit or loss*

This category has two components: those held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin, or a security is included in a portfolio in which a pattern of short-term profit taking exists or if so designated by management at inception as held at fair value through profit or loss.

Financial assets designated at fair value through profit or loss at inception are those that are:

- Held to match liabilities that are linked to changes in fair value of these assets. The designation of these assets at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising gains and losses on them on different bases; or



- managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the company's key management personnel.

The company's investment strategy is to invest in equity and debt securities, and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

### **b. Loans and receivables**

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

### **c. Available-for-sale**

Available-for-sale instruments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value on the statement of financial position.

### **d. Held-to-maturity**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity. Were the group to sell more than an insignificant amount of held-to-maturity investments, the entire category would be tainted and reclassified as available-for-sale assets with the difference between amortised cost and fair value being accounted for in OCI. Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any impairment losses.

### **v. Financial liabilities**

Financial liabilities are recognised initially at fair value, generally being their issue proceeds net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost and interest is recognised over the period of the borrowing using the effective interest method.

The company classifies certain liabilities at fair value through profit or loss, mainly to match the accounting classification of assets with similar risks. Such liabilities are accounted for at fair value with changes in fair value recognised in profit or loss.

### **vi. Gains and losses**

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in comprehensive income, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in comprehensive income is recognised in profit or loss. Interest income, calculated using the effective interest method, is recognised in profit or loss except for short term receivables where the recognition of interest

would be immaterial. Dividends on available-for-sale equity instruments are recognised in the profit or loss when the company's right to receive payment is established.

### **vii. Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **viii. Offsetting of 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.

### **ix. Impairment of financial assets:**

#### **a. Assets carried at amortised cost**

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

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

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

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. 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.

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

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal shall not result

in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

### **b. Assets carried at fair value**

At each reporting date, the company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from comprehensive income and recognised in profit or loss.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not subsequently reversed through profit or loss, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income. However, if in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

### **(3) Property, Plant and Equipment**

Property, Plant and Equipment and other tangible assets are stated at historical cost less accumulated depreciation and accumulated impairment losses except for buildings which are stated at revalued amount less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their depreciable amount on a systematic basis over their estimated useful lives. The depreciation rates are as follows:

- Computer equipment: 20%
- Furniture and fittings: 20%
- Office equipment: 20%
- Motor vehicles: 25%
- Building: 2%

Each part of an item of office equipment, furniture and other tangible assets with a cost that is significant in relation to the total cost of the item is depreciated separately.

The asset's residual values, useful lives and depreciation method are reviewed on an annual basis, and are adjusted if appropriate.

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

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

### **(4) Share capital**

#### **Ordinary shares**

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

### **(5) Employee benefits**

#### **a. Pension fund obligations**

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

The Company in line with the provisions of the Pension Reform Act, 2004 has instituted a defined contribution pension scheme for its employees. Employees contribute 7.5% of their basic annual salary, housing and transport allowances. The Company's contribution which is charged to the profit and loss account is 7.5% of employees total emoluments.

#### **b. Short-term employee benefits**

The cost of short-term employee benefits (those payable within 12 months after service is rendered) such as paid vacation, leave pay, sick leave and bonuses are recognised in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. Provisions for leave pay and bonuses are recognised as a liability in the financial statements.

### **(6) Taxation**

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

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it

## FINANCIAL INFORMATION

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is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

### **(7) Revenue recognition**

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

#### **a. Fee income**

Fee income comprises brokers fee and commission income and excludes value added taxation. Performance fees, administration fees and asset management fees are recognised over the period for which the services are rendered, in accordance with the substance of the relevant agreements.

#### **b. Investment income**

Investment income comprises realised and unrealised gains on investments, interest income and dividend income.

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

Dividend income is recognised when the right to receive payment is established.

### **(8) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and other short term, highly liquid, investments that are convertible to a known amount of cash which are subject to insignificant risk of changes in value, all of which are available for use by the company unless otherwise stated. In the statement of financial position, bank overdrafts are included in current liabilities.

### **(9) Leasing**

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

## FINANCIAL INFORMATION

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Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

### (10) Foreign currencies

#### Transactions and balances

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

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### (11) Repairs and Renewals

All repairs and renewals are written off as incurred.

### (12) Segment Reporting

The Company's business segment that are subject to similar risks and returns, are presented by products and geographical locations with IFRS 8.

### (13) Provisions

Provisions are recognised when the following conditions are satisfied:

- Where a reliable estimate can be made of the present obligation arising from past events.
- If probable that resources embodies the economic benefits of the company shall be required to settle the obligation.

### (14) Contingent Liability

Unless the possibility of any outflow in settlement is remote, we shall disclose for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability and, where practicable:

- an estimate of its financial effect, as required by the Standards -IAS 37 under paragraphs 36–52;
- an indication of the uncertainties relating to the amount or timing of any outflow; and
- the possibility of any reimbursement.

### (15) Accounting year

The Company's accounting year is from January to December

## FINANCIAL INFORMATION

### 2. STATEMENT OF FINANCIAL POSITION

#### FIVE YEAR FINANCIAL INFORMATION STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER

	Note	IFRS			NGAAPS	
		2014 =N=	2013 =N=	2012 =N=	2011 =N=	2010 =N=
<b>ASSETS</b>						
Cash and Bank	2	(9,773,712)	18,657,484	37,379,810	25,883,332	18,110,382
Short term investments	3	-	0	0	33,500,000	17,587,939
Client accounts	4	31,496,940	11,969,010	5,615,936	-	-
Other receivables	5	25,729,725	19,621,860	46,847,173	90,692,481	135,754,132
Investments	6	284,465,461	93,086,598	92,178,699	89,107,015	163,730,919
CSCS	7	3,750,000	1,442,000	1,442,000	-	-
Statutory Deposit	8	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Investment in subsidiary	9	-	-	-	-	-
Investment property	10	-	109,562,000	109,562,000	-	-
Property and equipment	13	1,184,746	1,918,170	6,794,969	124,939,781	174,204,853
Deferred tax assets	11	-	0	214,745	-	0
<b>TOTAL ASSETS</b>		<b>337,853,160</b>	<b>257,257,122</b>	<b>301,035,332</b>	<b>365,122,609</b>	<b>510,388,225</b>
<b>LIABILITIES</b>						
Client accounts	12	26,694,605	32,988,555	38,758,581	-	-
Taxation	14.1	12,284,550	9,959,688	8,909,688	9,114,576	10,513,326
Unclaimed Dividend	15	332,301	785,650	785,650	785,650	785,650
Deferred tax liability	14.2	2,813,530	2,813,530	2,813,530	-	-
Other liabilities	16	253,559,514	81,318,508	65,161,166	66,080,342	55,451,621
<b>TOTAL LIABILITIES</b>		<b>295,684,500</b>	<b>127,865,930</b>	<b>116,428,614</b>	<b>75,980,568</b>	<b>66,750,596</b>
<b>Equity</b>						
Share Capital	17	585,162,268	585,162,268	585,162,268	585,162,268	585,162,268
Share Premium	18	83,902,514	85,125,973	85,125,973	85,175,973	86,840,473
Revaluation Reserve	19	-	36,510,762	36,771,949	36,771,949	38,990,949
Retained Earnings	20	(626,896,124)	(577,407,811)	(522,453,472)	(417,968,149)	(267,356,061)
Non-controlling interest		-	-	-	-	-
<b>TOTAL EQUITY</b>		<b>42,168,659</b>	<b>129,391,192</b>	<b>184,606,717</b>	<b>289,142,041</b>	<b>443,637,629</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>337,853,160</b>	<b>257,257,122</b>	<b>301,035,332</b>	<b>365,122,609</b>	<b>510,388,225</b>



## FINANCIAL INFORMATION

### 3. STATEMENT OF COMPREHENSIVE INCOME

#### FIVE YEAR FINANCIAL INFORMATION

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31ST

	Note	IFRS			NGAAPs	
		2014 =N=	2013 =N=	2012 =N=	2011 =N=	2010 =N=
Commission and similar income	21	25,400,566	48,058,796	36,400,260	36,626,422	123,548,821
Interest Income	22	-	116,210	38,824	(2,561,754)	0
Gross Earnings		25,400,566	48,175,006	36,439,084	34,064,669	123,548,821
Commission and similar Expense	23	(1,828,093)	(4,014,268)	(696,569)	(1,352,799)	(859,459)
<b>Net income</b>		<b>23,572,473</b>	<b>44,160,738</b>	<b>35,742,515</b>	<b>32,711,870</b>	<b>122,689,362</b>
Impairment charge	25	(2,617,859)	(21,771,148)	(34,090,736)	(20,655,926)	(35,150,501)
<b>Net income/(Loss) after impairment charge</b>		<b>20,954,614</b>	<b>22,389,590</b>	<b>1,651,779</b>	<b>12,055,944</b>	<b>87,538,862</b>
Other operating income			0	0	0	11,370,846
<b>Operating Income/(Loss)</b>		<b>20,954,614</b>	<b>22,389,590</b>	<b>1,651,779</b>	<b>12,055,944</b>	<b>98,909,708</b>
Personnel Expenses	24	(47,337,330)	(46,898,236)	(55,940,445)		
General and Administrative Expenses	24.1	(20,782,490)	(22,647,770)	(52,805,256)	(160,868,032)	(138,058,705)
Depreciation and Amortization	13	(764,423)	(6,033,179)	(10,717,513)		
Other Operating Expenses			0	0	0	0
<b>Operating expenses</b>		<b>(47,929,629)</b>	<b>(75,579,184)</b>	<b>(119,463,214)</b>	<b>(160,868,032)</b>	<b>(138,058,705)</b>
<b>Profit / (Loss) before tax</b>		<b>(47,929,629)</b>	<b>(53,189,594)</b>	<b>(117,811,436)</b>	<b>(148,812,088)</b>	<b>(39,148,997)</b>
Income tax expense	14.1	(4,320,033)	(1,550,000)	(1,495,171)	(1,800,000)	(6,404,540)
<b>Profit / (Loss) for the year from continuing Operation</b>		<b>(52,249,662)</b>	<b>(54,739,594)</b>	<b>(119,306,607)</b>	<b>(150,612,088)</b>	<b>(45,553,537)</b>
<b>Profit/(Loss) from discontinued Operations</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Prior year items</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,579,560</b>
Balance brought forward					(267,356,061)	(223,382,083)
<b>Profit / (Loss) for the year</b>		<b>(52,249,662)</b>	<b>(54,739,594)</b>	<b>(119,306,607)</b>	<b>(417,968,149)</b>	<b>(267,356,061)</b>
<b>Other comprehensive income for the year, net of tax</b>			0	0	-	-
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>(52,249,662)</b>	<b>(54,739,594)</b>	<b>(119,306,607)</b>	<b>(417,968,149)</b>	<b>(267,356,061)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent		(52,249,662)	(54,739,594)	(119,306,607)	(417,968,149)	(267,356,061)
Non-controlling interests						
		<b>(52,249,662)</b>	<b>(54,739,594)</b>	<b>(119,306,607)</b>	<b>(417,968,149)</b>	<b>(267,356,061)</b>
<b>Earnings per share for profit attributable to owners of the parent</b>						
Basic (k)	26	(4)	(5)	(10)	(36)	(23)
Diluted (k)	26	(4)	(5)	(10)	(36)	(23)



## FINANCIAL INFORMATION

### 4. STATEMENT OF CHANGES IN EQUITY

#### STATEMENT OF CHANGES IN EQUITY (GROUP) FOR THE YEAR ENDED 31ST DECEMBER 2014

##### Statement of Changes in Equity ( Group )

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
	=N=	=N=	=N=	=N=	=N=
Balance 1/1/2014	585,162,268	85,125,973	36,510,762	(577,407,814)	129,391,189
Adjustment to retained earnings	-	(1,223,458)	(36,510,762)	2,761,349	(34,972,871)
Total Comprehensive Income for the year	-	-	-	(52,249,662)	(52,249,662)
Dividend paid to shareholders	-	-	-	-	-
Issue of ordinary shares	-	-	-	-	-
Balance 31/12/2014	<b>585,162,268</b>	<b>83,902,515</b>	-	<b>(626,896,127)</b>	<b>42,168,656</b>

## FINANCIAL INFORMATION

### 5. STATEMENT OF CASHFLOWS

#### FIVE YEAR FINANCIAL INFORMATION STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER

Note	IFRS			NGAAPS	
	2014 =N=	2013 =N=	2012 =N=	2011 =N=	2010 =N=
<b>Cash flows from operating activities</b>					
Cash receipts from customers	49,764,771	69,047,245	88,790,744	79,126,319	38,515,055
Cash paid to suppliers and employees	(315,947,239)	(83,385,619)	(103,460,040)	(155,181,601)	(135,754,132)
Cash used in operations	(266,182,468)	(14,338,375)	(14,669,295)	(76,055,282)	(97,239,077)
Tax paid	(1,995,171)	(500,000)	(1,700,059)	(3,198,750)	(1,000,000)
<b>Net cash from operating activities</b>	<b>30 (268,177,639)</b>	<b>(14,838,375)</b>	<b>(16,369,354)</b>	<b>(79,254,032)</b>	<b>(98,239,077)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(31,000)	(1,156,380)	(444,000)	(165,500)	(191,740,163)
Sale of property, plant and equipment	-	-	3,166,698	35,044,000	2,796,873
Movement in investments	-	(907,899)	27,301,823	58,711,843	(182,318,858)
<b>Net cash from investing activities</b>	<b>(31,000)</b>	<b>(2,064,279)</b>	<b>30,024,521</b>	<b>93,590,343</b>	<b>(371,262,148)</b>
<b>Cash flows from financing activities</b>					
Reduction of Share Premium	(1,223,458)	-	(50,000)	(1,664,500)	38,990,949
Reduction of Revaluation Reserve	-	(261,187)	-	(2,219,000)	86,840,473
Deposit for shares	241,388,477	-	-	-	-
Finance costs	-	(1,558,487)	(2,108,688)	(2,679,862)	-
Share Capital	-	-	-	-	585,162,268
Interest paid	(387,575)	-	-	-	-
Deficit	-	-	-	-	(223,382,083)
<b>Net cash from financing activities</b>	<b>239,777,444</b>	<b>(1,819,673)</b>	<b>(2,158,688)</b>	<b>(6,563,362)</b>	<b>487,611,607</b>
<b>Total cash movement for the year</b>	<b>(28,431,195)</b>	<b>(18,722,327)</b>	<b>11,496,479</b>	<b>7,772,950</b>	<b>18,110,382</b>
Cash at the beginning of the year	2 18,657,483	37,379,810	25,883,332	18,110,382	-
<b>Total cash at end of the year</b>	<b>2 (9,773,712)</b>	<b>18,657,483</b>	<b>37,379,810</b>	<b>25,883,332</b>	<b>18,110,382</b>

## FINANCIAL INFORMATION

### 6. NOTES TO THE FINANCIAL STATEMENTS

1. The Company was incorporated on 16 September, 2008 to carry on multifarious business activities which include: purchase and sale of shares, stocks etc, agency business as it related to investment of money, properties etc. The Company also has two wholly owned subsidiary Companies. The Company commenced business on 4 January, 2010.

	IFRS			NGAAPS	
	2014	2013	2012	2011	2010
	=N=	=N=	=N=	=N=	=N=
<b>2. Cash and Bank</b>					
Cash	14,030	3,260	11,450	40,000	18,850
Operating accounts with banks	(9,787,742)	18,654,224	37,368,360	25,843,332	18,091,532
Included in cash and cash equivalents	<b>(9,773,712)</b>	<b>18,657,484</b>	<b>37,379,810</b>	<b>25,883,332</b>	<b>18,110,382</b>
<b>3. Short term investments</b>					
Investments with Banks and Discount House	-	-	-	-	-
<b>4. Client accounts</b>					
	<b>31,496,940</b>	<b>11,969,010</b>	<b>5,615,936</b>	-	-
<b>5. Other receivables</b>					
Clients account		-	-	10,846,357	10,765,058
Loan to Third Parties	409,250	409,249	1,572,826	409,249	16,033,753
Lease Debtors	571,558	1,600,665	8,866,876	24,265,725	50,065,633
Provision for doubtful debts -loan to 3rd parties	(36,424)	(36,424)	-	-	-
Sundry Debtors	2,041,168	1,522,857	1,523,357	2,023,357	9,190,883
Deferred Charges		-	-	857,815	470,065
Diff in Trade settlement					
Rental Receivable	64,907,227	68,921,065	72,282,024	74,026,642	33,379,141
Interest Receivable		-	-	236,658	3,837,026
Prepayment - Rent, Insurance and Sundry	493,811	885,266	2,440,784	7,408,812	18,521,052
Prepayment - Rent, Over one Year			478,800		
Impairment Charge	(54,875,719)	(53,791,930)	(40,484,606)	(29,693,388)	(8,377,295)
GS Deduction	107,741				
Other Debtors	12,000,000				
	<b>25,618,612</b>	<b>19,510,748</b>	<b>46,680,060</b>	<b>90,381,227</b>	<b>133,885,316</b>
<b>6. Investments</b>					
<b>CSCS/ATS</b>		-	-	1,442,000	1,442,000
Quoted Investment	244,956,949	43,399,681	20,042,166	21,594,294	122,561,448
Unquoted Investment	39,508,512	43,703,316	46,496,298	66,070,721	39,727,471
Other Investment	-	5,983,601	25,640,234	-	-
	<b>284,465,461</b>	<b>93,086,598</b>	<b>92,178,699</b>	<b>89,107,015</b>	<b>163,730,919</b>

## FINANCIAL INFORMATION

### NOTES TO THE FINANCIAL STATEMENTS (Contd)

	IFRS			NGAAPS	
	2014	2013	2012	2011	2010
	=N=	=N=	=N=	=N=	=N=
<b>7. CSCS</b>	<b>3,750,000</b>	<b>1,442,000</b>	<b>1,442,000</b>		
<b>8. Statutory Deposit</b>					
Deposit to Securities and Exchange Commission	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>		
<b>9. Investment in subsidiary</b>					
Investment in Golden Securities Limited	-	-	-		
<b>10. Investment Property</b>					
4 Block of Flats located at Omole Estate, Ikeja.	-	<b>109,562,000</b>	<b>109,562,000</b>		
<b>11. Deferred Tax Assets</b>					
Opening Balance	-	424,241	424,241		
Tax effect of Adjustment ( VAT Recoverable)	-	(209,496)	(209,496)		
Deferred Tax	-	-	-		
Charge for the Year	-	(214,745)	-		
<b>At Year End</b>	<b>-</b>	<b>0</b>	<b>214,745</b>		
<b>12. Client Accounts</b>	<b>26,694,605</b>	<b>32,988,555</b>	<b>38,758,581</b>		
<b>13. Property, plant and equipment</b>					
<b>Cost</b>					
Furniture and fitting	15,726,408	15,695,408	15,695,409	17,796,610	17,796,610
Office Equipment	26,079,825	26,079,825	24,923,445	31,256,625	31,091,125
Motor vehicles	5,141,249	5,141,249	5,141,249	14,376,245	14,376,245
Land and Building				109,562,000	144,606,000
	<b>46,947,482</b>	<b>46,916,483</b>	<b>45,760,103</b>	<b>172,991,480</b>	<b>207,869,980</b>
<b>Accumulated depreciation / impairment</b>					
Furniture and fitting	15,697,332	15,575,984	13,328,869	11,938,046	8,575,695
Office Equipment	24,924,155	24,281,080	20,685,431	20,986,923	15,163,696
Motor vehicles	5,141,249	5,141,249	4,950,833	10,948,750	7,140,416
Land and Building				4,177,980	2,785,320
End of the period	<b>45,762,736</b>	<b>44,998,313</b>	<b>38,965,133</b>	<b>48,051,699</b>	<b>33,665,127</b>
<b>Net book value</b>	<b>1,184,746</b>	<b>1,918,170</b>	<b>6,794,970</b>	<b>124,939,781</b>	<b>174,204,853</b>

## FINANCIAL INFORMATION

### NOTES TO THE FINANCIAL STATEMENTS (Contd)

	IFRS			NGAAPS	
	2014 =N=	2013 =N=	2012 =N=	2011 =N=	2010 =N=
<b>14.1 Taxation</b>					
Opening Balance	9,959,688	8,909,688	9,114,576	10,513,326.00	9,675,131.00
Tax Paid	(1,995,171)	(500,000)	(1,700,059)	1,800,000.00	(1,000,000.00)
Charge for the Year	4,320,033	0	-	-	(4,566,345.00)
<b>At Year End</b>	<b>12,284,550</b>	<b>9,959,688</b>	<b>8,909,688</b>	<b>9,114,576</b>	<b>10,513,326</b>
<b>14.2. Deferred tax liability</b>					
Opening Balance	2,813,530	2,813,530	2,813,530		
Tax effect of Adjustment		-	-		
Charge for the Year		-	-		
<b>At Year End</b>	<b>2,813,530</b>	<b>2,813,530</b>	<b>2,813,530</b>		
<b>15. Unclaimed Dividend</b>					
	<b>332,301</b>	<b>785,650</b>	<b>785,650</b>		
<b>16. Other liabilities</b>					
Sundry Creditors	1,613,688	993,777	2,981,758	6,655,367	5,859,409
Directors' Account (Note 16.1)	241,388,477				
Clients Accounts		-	-	19,210,565	28,422,947
Lease participation		-	-	1,000,000	-
Directors' Account	-	7,537,780	-	-	-
Withholding tax		241,791	51,194	1,600,226	1,600,226
SEC fees	20,996	-	-	58,799	403,475
Staff TGF		-	-	39,330	39,250
CSCS fees		-	-	-	351,281
NSE fees		-	-	-	302,589
VAT	-	-	-	(209,496)	(40,046)
Other Accruals		-	-	52,343	372,500
Managed Funds		-	-	-	1,336,655
Due to other Broker		-	-	-	-
Contract stamp	1,435,081	1,031,982	208,183	32,324	180,244
Paye Payable	1,031,122	1,263,011	1,042,245	3,254,662	1,250,800
Advance Rent Received		-	1,836,667	3,166,467	3,511,500
Pension Payable	1,891,714	3,168,199	1,603,940	5,100,830	4,421,615
Client Inv. Interest/Payable		-	-	1,332,123	2,270,124
Deposit for Investment Property		63,000,000	53,000,000	-	-
Other Credit balances	3,781,970	512,716	915,281	19,599,635	1,180,254
GS Deduction	177,333	1,203,424	602,361	1,521,675	1,294,819
Medical Bill	219,133	200,828	454,537	200,491	428,977
Intercompany Balance		-	-	-	-
Audit fees	2,000,000	2,165,000	2,465,000	3,465,000	2,265,000
	<b>253,559,514</b>	<b>81,318,508</b>	<b>65,161,166</b>	<b>66,080,342</b>	<b>55,451,621</b>
<b>17. Share Capital</b>					
<b>a. Ordinary shares</b>					
i. <i>Authorised:</i>					
2,000,000,000 Ordinary Shares of 50k each	<b>1,000,000,000</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>
ii. <i>Issued and fully paid:</i>					
Beginning and end of year					
1,170,324,536 Ordinary Shares of 50k each	<b>585,162,268</b>	<b>585,162,268</b>	<b>585,162,268</b>	<b>585,162,268</b>	<b>585,162,268</b>

## FINANCIAL INFORMATION

### NOTES TO THE FINANCIAL STATEMENTS (Contd)

	IFRS			NGAAPS	
	2014 =N=	2013 =N=	2012 =N=	2011 =N=	2010 =N=
<b>18. Share Premium</b>					
Expenses related to legal professional fee for an amount of N 50,000 charged to this account during the year.	83,902,514	85,125,973	85,125,973		
<b>19. Revaluation Reserve</b>					
Surplus on Revaluation of Land and Building					
Expenses on repair of roof and insurance on investment property N261, 187.	-	36,510,762	36,771,949	36,771,949.00	38,990,949.00
<b>20. Retained Earnings</b>					
Balance Brought forward	(577,407,811)	(522,453,472)	(402,937,370)		
Wrong valuation of CSCS	2,308,000				
Unclaimed dividend written back	453,349				
Adjustment to Retained Earnings			(209,496.00)		
Deferred Tax written off		(214,745)	-		
Profit / ( Loss) Account	(52,249,662)	(54,739,594)	(119,306,607)		
	<b>(626,896,124)</b>	<b>(577,407,811)</b>	<b>(522,453,472)</b>		
<b>21. Commission and similar income</b>					
a. Analysis by Geographical Areas	25,400,566	48,058,796	36,400,260	36,626,422	123,548,821
b. Analysis by Operations:					
Purchase commission	5,019,369	8,680,782	4,314,627	8,834,198	14,448,353
Cap Gain income	4,002,813	12,787,865	1,918,490	(21,476,263)	49,537,579
Sundry Income	1,927,379	5,276,315	1,957,253	5,218,744	3,682,287
Dividend income	4,351,435	4,014,734	4,172,351	2,911,565	5,341,338
Public Offer Income	0	-	-	-	304,750
Portfolio management	0	-	-	251,874	511,475
Rental Income	0	1,836,667	4,464,800	8,289,233	7,504,579
PCM Fees	0	90,000	20,000	844,290	4,385,603
Gain on Disposal of Asset	0	-	679,420	-	-
Gain on Disposal of Investment property	1,948,762	-	-	-	-
Lease Finance Interest	231,580	900,866	7,650,450	22,519,147	23,677,522
Interest on deposit	0	396,790	2,817,681	420,270	2,459,427
Other Income	89,839	-	-	-	-
Sale commission	7,829,389	14,074,777	8,405,187	8,813,365	11,695,907
	<b>25,400,566</b>	<b>48,058,796</b>	<b>36,400,260</b>	<b>36,626,422</b>	<b>123,548,821</b>
<b>22. Interest Income</b>					
Interest income on loan	0	116,210	38,824	(2,561,754)	4,463,789
Profit on disposal of Fixed Assets	0	-	-	-	606,816
Other income	0	-	-	-	6,300,241
		<b>116,210</b>	<b>38,824</b>	<b>(2,561,754)</b>	<b>11,370,846</b>
<b>23. Commission and similar Expense</b>					
NSE Annual charges	1,244,945	608,533	233,600	561,330	297,000
NASD Fees	70,000	1,932,906	-	-	-
Agency commission	212,548	1,391,366	409,969	598,659	536,209
CSCS FEES	0	282	-	10,000	-
Sec fees and charges	230,600	31,183	-	106,560	-
CSCS Eligibility	70,000	50,000	53,000	76,250	26,250
	<b>1,828,093</b>	<b>4,014,268</b>	<b>696,569</b>	<b>1,352,799</b>	<b>859,459</b>

## FINANCIAL INFORMATION

### NOTES TO THE FINANCIAL STATEMENTS (Contd)

	IFRS			NGAAPs	
	2014 =N=	2013 =N=	2012 =N=	2011 =N=	2010 =N=
<b>24. Personnel Expenses</b>					
Salaries and Wages	42,570,389	42,379,706	50,874,946		
Employer's Pension Contributions	2,805,670	2,726,109	2,803,184		
Medical	420,000	315,000	702,816		
Leave Allowance	1,541,271	1,477,421	1,559,500		
	<u>47,337,330</u>	<u>46,898,236</u>	<u>55,940,445</u>		

#### 24.1 General and Administrative Expenses

Directors' fees and allowance	1,600,000	1,600,000	5,750,000		
Telephone and Postages	1,556,984	1,776,356	1,593,685		
Transport and Travelling	801,331	134,720	268,150		
Electricity and Water	427,662	564,232	410,300		
Subscription	968,550	467,500	508,575		
Printing and Stationery	467,400	370,650	447,170		
License and Insurance	2,170,637	2,100,854	3,645,876		
Board Expenses	-	-	400,000		
Business Development	316,610	313,650	344,610		
Repair and Maintenance-Generator	-	-	-		
Advert and Publicity	30,000	-	-		
Vault Expenses	150,000	150,000	153,750		
AGM Expenses	1,874,362	1,983,462	1,704,254		
Newspapers and Periodicals	66,300	77,800	126,850		
Machinery repair and maintenance	451,200	270,647	362,747		
Provision for Bad debt	-	-	4,452,879		
Rent	1,960,228	1,915,440	8,725,917		
Professional fees, Agency and Legal fees	1,915,000	4,366,800	6,150,450		
Gifts and donations	-	-	-		
Entertainment Expenses	438,480	266,010	323,660		
Security Expenses	-	-	700,000		
Motor Vehicle repair and maintenance	401,220	265,465	1,477,337		
Diesel and Fuel expenses	-	-	1,180,418		
Staff Training / Conference	661,000	1,455,240	2,827,238		
Relocation Expenses	-	-	3,256,950		
Cleaning Expenses	1,190,650	627,219	290,200		
Computer Equipment Accessories	341,000	383,239	1,140,500		
Bank Charges and Interest on O/D	387,575	1,558,487	2,108,688		
Interest Expenses	-	-	2,305,051		
Secretariat	421,300	-	-		
Audit Fees and Expenses	2,185,000	2,000,000	2,150,000		
	<u>20,782,490</u>	<u>22,647,770</u>	<u>52,805,256</u>		

#### 25. Impairment charge

Investment written off	-	-	-		
Impairment ( Performing Lease )	-	-	-		
Debit Client's Account	778,444	367,353	2,521,900		
Impairment ( Non Performing Lease )	1,363,934	13,307,324	29,897,220		
Diminution in quoted investment	475,481	8,096,471	1,671,616		
	<u>2,617,859</u>	<u>21,771,148</u>	<u>34,090,736</u>	-	-

## FINANCIAL INFORMATION

### NOTES TO THE FINANCIAL STATEMENTS (Contd)

	IFRS			NGAAPS	
2014 =N=	2013 =N=	2012 =N=	2011 =N=	2010 =N=	

#### 26. Earnings Per Share

Earnings per share (basic) is calculated by using the weighted average number of shares in issue during the year as the denominator while earnings per share (diluted) is calculated by adjusting the number of shares in issue during the year with effects of all potential ordinary shares.

Profit attributable to shareholders	(52,249,662)	(54,739,594)	(119,306,607)	(150,612,087.76)	(45,553,537.46)
Numbers of shares in issue at year end	1,170,324,536	1,170,324,536	1,170,324,536	1,170,324,536	1,170,324,536
Weighted average number of ordinary shares in issue	1,170,324,536	1,170,324,536	1,170,324,536	1,170,324,536	1,170,324,536
Earnings per share- Basic	(4)	(5)	(10)	(13)	(4)

There was no change in the number of shares in issue during the year.

Consequently, the weighted average number of shares is the same as absolute number of shares in issue, and outstanding as at the year ended December 31, 2014.

#### 27. Capital Commitments

There were no commitments to capital expenditure as at 31 December 2014 (2013: Nil).

#### 28. Contingent Liabilities

There were no contingent liabilities as at 31 December 2014 (2013 : Nil)



## THE PROFIT FORECAST

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### 1. LETTER FROM THE ISSUING HOUSE ON THE PROFIT FORECAST



Sterling Capital Markets Limited RC 499243

Sterling Capital Markets Limited,  
19<sup>th</sup> Floor, Stock Exchange House,  
2-4 Custom Street, Marina, Lagos

April 29, 2015

The Directors  
Golden Capital Plc  
3, Ajele Street  
Off Broad Street  
Lagos.

Dear Sirs,

**RIGHTS ISSUE OF 749,007,703 ORDINARY SHARES OF 50K EACH IN GOLDEN CAPITAL PLC AT 50 KOBO PER SHARE**

We write further to the Rights Circular issued in respect of the Rights Issue of 749,007,703 Ordinary shares of 50 kobo each in Golden Capital Plc, which contains forecasts of the profits of the Company for the years ending 31 December 2015, 2016 and 2017.

We have discussed the basis and assumptions upon which the forecasts were made with you and have reviewed your calculations, and we confirm that the forecasts (upon which the Directors are solely responsible) have been made by you after due and careful enquiry.

Yours faithfully,

A handwritten signature in brown ink, appearing to read "Gavena Otono", with a horizontal line underneath.

**Gavena Otono**  
Managing Director  
Sterling Capital Markets Limited

## THE PROFIT FORECAST

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### 2. LETTER FROM THE DIRECTORS ON THE PROFIT FORECAST



RC: 773454

April 29, 2015

The Directors  
Sterling Capital Markets Limited  
19<sup>th</sup> Floor  
Stock Exchange House  
2-4 Custom Street  
Marina  
Lagos

Dear Sirs,

#### **REPORT ON PROFIT FORECAST**

The Directors of Golden Capital Plc hereby present the Profit Forecast of Golden Capital for the years ending 31<sup>st</sup> December 2015, 2016 and 2017. The Directors are of the opinion that barring unforeseen circumstances and based on the stated assumptions of pages 36 of the Rights Circular, the Company's profit before tax will be as presented herein.

The Directors confirm that the Company's Profit Forecasts, so far as accounting policies are concerned, have been properly compiled based on the assumptions made by the Board and is presented on a basis consistent with the accounting policies normally adopted by the Company.

We accept responsibility accordingly.

Yours Faithfully,

**Mr. Michael O. A. DADA**  
Director

**Mr. Oluwadare Oladipo-Olukosi**  
Company Secretary

## THE PROFIT FORECAST

### 3. PROFIT FORECAST

The Directors are of the opinion that subject to unforeseen circumstances and based on the assumptions above, the profit before taxation for the years ending 31<sup>st</sup>December 2015, 2016 and 2017 will be N78,273,183, N106,446,275 and N117,090,902 respectively.

#### PROJECTED INCOME STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER

	2015E =N=	2016E =N=	2017E
<b>Turnover:</b>			
Commission and Fees	30,000,000	33,000,000	36,300,000
Other Commission-OTC,	15,000,000	15,000,000	16,500,000
Gain on proprietary trading (a-Owned Funds)	126,000,000	158,874,737	174,762,211
Dividend Income	3,000,000	10,000,000	11,000,000
Sundry Income	1,000,000	1,100,000	1,210,000
Lease Finance interest	500,000	-	-
	<b>175,500,000</b>	<b>217,974,737</b>	<b>239,772,211</b>
Less Direct Cost	(5,932,500)	(6,466,425)	(7,113,068)
<b>Operating Income</b>	<b>169,567,500</b>	<b>211,508,312</b>	<b>232,659,143</b>
Training, Research & Devpt	2,100,000	3,000,000	3,300,000
Salary & Wages	60,542,123	64,123,441	70,535,785
AGM Expenses	2,305,500	3,500,000	3,850,000
Directors' Sitting Allowances	2,700,000	3,500,000	3,850,000
Directors' Fees	5,000,000	5,000,000	5,500,000
Bank Charges & interest	1,500,000	2,000,000	2,200,000
Depreciation	4,500,000	5,000,000	5,500,000
Audit fees/Expenses	2,550,000	4,500,000	4,950,000
Professional fees	2,520,000	4,000,000	4,400,000
Rates, Rent & Service Charge	3,000,000	4,000,000	4,400,000
General Office And Other Expenses	4,576,694	6,438,596	7,082,456
<b>Total Expenses</b>	<b>91,294,317</b>	<b>105,062,037</b>	<b>115,568,241</b>
<b>Budgeted Profit/(Loss)</b>	<b>78,273,183</b>	<b>106,446,275</b>	<b>117,090,902</b>
Forecast Earning per share (Kobo)	3.98	5.42	5.96
Forecast Earning Yield at offer price (%)	7.96	10.83	11.92
Forecast Price Earning Ratio at offer price	12.55	9.23	8.39

Note: Earnings and Dividend per share are based on the post offer 1,919,332,239 Ordinary shares of 50 kobo each expected to be in issue as at 31<sup>st</sup> December 2015, 2016 and 2017.

## THE PROFIT FORECAST

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### 4. BASES AND ASSUMPTIONS

#### 4.1 BASES AND ASSUMPTIONS

The forecast has been arrived at on the following bases and assumptions which are expected to remain in operation throughout the forecast period.

#### 4.2 BASES

1. The projected financial statements have been prepared in accordance with the company's normal accounting policies.
2. Previous years' actual performances have been reviewed against budget as the basis for measuring the reasonableness of the forecasts for the years ending 31<sup>st</sup> December, 2015, 2016 and 2017.
3. The forecast is also based on the net proceeds of the Rights Issue to be realized and brought into the books of the Company at the conclusion of the Right Issue exercise.

#### 4.3 ASSUMPTIONS

The following general assumptions were used in guiding the financial projection for the periods. They are based on the experience in the capital market and the economy to establish a basic foundation for building the forecast. These general assumptions provide a framework for setting priorities, determining service levels, and allocating limited financial resources:

1. **Proprietary Income:** We expect a working capital injection of N300m (Three Hundred Million Naira Only) by September, 2015. The sum injected would be invested to generate a capital gain of about 3.3% per month on Proprietary account.
2. **Income on OTC:** With the recent successful registration with NASD OTC Market, and improved marketing for quality service delivery, we expect substantial increase in income from OTC.
3. **Commission and Fees:** We believe that with our improved marketing and client services coupled with our experienced and professional brokers and associates, our Commission and Fees on brokerage services would improve.
4. **Direct Cost:** With the increase in the commission and improved marketing, we expect to have a corresponding increase in our agency commission.

#### Others are:

1. Short Term Investment would increase during the five years period
2. Long Term Investment is also expected to increase by 30%
3. Investment in the items of Property Plant and Equipment will increase
4. Breakeven by the end of the fourth year as a result of decrease in the accumulated losses
5. Dividend Income on investment is expected to grow by 200%
6. Staff Cost on the other hand is expected to also increase marginally

#### WORKING CAPITAL

The Directors of the Company, having regard to the Company's present financial position and the anticipated proceeds from the Issue, are of the opinion that the Company will have adequate working capital and sufficient liquidity for its immediate and foreseeable funding requirements.

## THE PROFIT FORECAST

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### FUTURE PLANS

The dynamic nature of the Nigerian capital and leasing markets calls for strategies that will enable the companies within the group take advantage of the opportunities that are daily manifesting. The Capital market, for instance is throwing up opportunities to trade in stocks of Companies that are not listed on the Nigerian Stock Exchange through the NASD OTC Market. The integration of the capital markets in the West African sub-region is also opening opportunities for strategic alliance with capital market operators in the sub-region. Awareness of leasing as an alternative source of using and acquiring equipment is another potential growth sector of the economy.

Our strategic focus is therefore geared towards taking advantage of the emerging business opportunities within and outside the country. We will step up our activities in the OTC market by reaching out to Institutional Investors and High Networth Individuals to increase the level of our existing participation in the market. We will also explore the opportunities through beneficial strategic alliance with other players with the country and the sub-region to enable us play an active role in the integrated market.

Substantial investment will also be made in equipping our Associates and employees to build a robust integrated marketing platform to deepen our direct marketing activities and reach out to hitherto unreached investors with appropriate investment education programme.

## STATUTORY AND GENERAL INFORMATION

### 1. INCORPORATION AND SHARE CAPITAL HISTORY

The Company was incorporated on September 16, 2008 as a Venture Capital, Investment and Trust Company with an authorized share capital of the Company is ₦800 million divided into 1.6 billion ordinary shares of 50k each.

Its authorized share capital currently stands at ₦1 billion divided into 2 billion ordinary shares of 50k each, with issued and fully paid up share capital of ₦585,162,268.

Date	Authorized (N'000)		Issued & Fully Paid (N'000)			Consideration
	Increase	Cumulative	Increase	Decrease	Cumulative	
2008	-	800,000,000	-	-	-	
2009	200,000,000	1,000,000,000	-	-	-	
2009			-	-	-	
2009	-	1,000,000,000	585,162,268	-	585,162,268	Cash

### 2. SHAREHOLDING STRUCTURE

#### Pre-Issue

As at 31<sup>st</sup> December, 2014, the 1,170,324,536 issued Ordinary shares of 50 kobo each in the share capital of the Company were beneficially held as follows:

Name of Shareholder	Number of Shares	% Holding
Eleoramo Emmanuel Olutoyin	186,247,368	15.91
Adeyeye Amos Adedeji	133,109,923	11.37
Dada Michael Olagunju Aina	117,687,894	10.06
Wise Investment Limited	102,000,000	8.72
Others	631,279,351	53.94
<b>Total</b>	<b>1,170,324,536</b>	<b>100</b>

Except as stated above, no other shareholder held more than 5% of the issued share capital of the Company as at the date of the Rights Issue.

#### Post-Issue

It is expected that on completion of the Rights Issue, if all the shareholders take up their rights in full, the Company's paid-up share capital should increase to ₦959,666,119.50 comprising 1,919,332,239 Ordinary shares of 50 kobo each, to be beneficially held as follows:

Name of Shareholder	Number of Shares	% Holding
Eleoramo Emmanuel Olutoyin	305,445,684	15.91
Adeyeye Amos Adedeji	218,300,274	11.37
Dada Michael Olagunju Aina	193,008,146	10.06
Wise Investment Limited	167,280,000	8.72
Others	1,035,298,136	53.94
<b>Total</b>	<b>1,919,332,239</b>	<b>100</b>

*Assuming all the shareholders take up their Rights in full*

## STATUTORY AND GENERAL INFORMATION

### 3. DIRECTORS' BENEFICIAL INTERESTS

As at 31<sup>st</sup> December, 2014, the beneficial shareholdings of the Directors in the Issued Share Capital of the Company as recorded in the Registers of Members were as follows:

Name of Director	Shareholding		Total
	Direct	Indirect	
Mr M.O.A. Dada	117,687,894	-	117,687,894
Mr. E.O Eleoramo	186,247,368	-	186,247,368
Mr. A.A Adeyeye	133,109,923	-	133,109,923
Mr. J.A.I Olawepo	-	102,000,000	102,000,000
Mr. A.A Odukale	56,587,688	-	56,587,688
Mr. F.K. Lawal	15,704,025	-	15,704,025
Mr. M.A Siyanbola	57,815,069	-	57,815,069
Mrs. J. O. Ifaturoti	10,000,000	-	10,000,000

### 4. INDEBTEDNESS

As at the date of this Rights Circular, the Company had no outstanding debentures, mortgages, charges or similar indebtedness other than in the ordinary course of business.

### 5. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Rights Circular, the Company has 100% holdings in its two subsidiaries Golden Securities Limited and Synergy Asset Management Company Limited.

### 6. CLAIMS AND LITIGATIONS

As at the date of this Rights Circular, the Company in the ordinary course of its business is presently involved in two (2) suits, both of which were instituted against the Company.

The total amount claimed against the Company is ₦84,000,000 (Eighty-Four Million Naira). The contingent liabilities to which the Company may likely be exposed on account of the above matters are not likely to exceed the sum of ₦5,000,000 (Five Million Naira).

The Solicitors are therefore of the opinion that the Company is not engaged in and does not have any other pending or threatened litigation or arbitration whatsoever which may adversely affect its business, assets or financial condition or those of any of its subsidiaries save the ones mentioned above which are of no significant importance to the Rights Issue.

The Directors are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on the Company or the Issue, and are not aware of any other pending claims or litigations

### 7. ESTIMATED COST AND EXPENSE OF THE ISSUE

The costs, charges and expenses of the Issue (including fees payable to the Securities and Exchange Commission, The NASD OTC Market, Central Securities Clearing System Limited, the Issuing Houses and other Professional Parties, brokerage commissions, printing, publicity and advertisement and other miscellaneous expenses) estimated at ₦12,300,302.00 (representing 3.28% of the offer proceeds) of the gross proceeds, are payable by the Company.

## STATUTORY AND GENERAL INFORMATION

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### 8. MATERIAL CONTRACTS

The following contract has been entered into by the Company and may be considered material to this Issue:

- A Vending Agreement dated June 29, 2015 between Golden Capital Plc on the one hand and Sterling Capital Markets Limited on the other hand; under which the Issuing House has agreed to offer by way of a Rights Issue 749,007,703 Ordinary shares of 50 kobo each at 0.50k per share on a basis of Sixteen (16) new Ordinary shares for every Twenty-Five (25) Ordinary shares of 50 kobo each held as at March 31, 2015

Other than as stated above, the Company, as at the date of this Rights Circular, did not have subsisting or any material contract other than those entered into in the ordinary course of business.

### 9. MERGERS AND TAKEOVERS

As at December 31, 2014, there were no known merger or takeover attempts of the Company's securities by a third party or by the Company in respect of another company's securities.

### 10. RISK AND MITIGATING FACTORS

In formulating the future plans of the Company, management has taken reasonable steps to identify the potential risks of the business and has devised effective strategies to mitigate the impact of those risks. The following are the risks peculiar to the company's business and the attendant strategies to mitigate the controllable risks

#### **Business / Company Specific Risks**

These are the risks that are peculiar to an organization and are capable of preventing the Company from achieving its stated strategic objectives. These risks include failure of internal control and accounting processes, policy implementation flaws, human resource crisis and poor customer services.

**Mitigating Factors:** *As Golden Capital pursues the recapitalization plans of its main subsidiary Golden Securities Limited, it has established processes and systems to ensure improved customer services, development of technologies, engaging and retaining professionals. It is believed that these measures will consolidate the Company's financial strength and help achieve a significant turnaround.*

#### **Industry/Sectorial Specific Risks**

##### **Political Risk**

There is also the risk that the policies being carried out by the present government may not be continued by the next democratically elected government.

**Mitigating Factors:** *This is totally out of control of Golden Capital since it is determined by the external drivers and conditions within the polity. The Company plans to mitigate the problem of policy reversal by offering services that meet international standard that will make it compete favourably with other investment companies.*

##### **Equity Investment Risk**

Investments in the capital market are always subject to general risk. There can be no guarantee of constant trading in Golden Capital's shares or that the Company's market price will not fluctuate. The price of Golden Capital, or any other equity, may rise or fall depending on a number of factors beyond the control of the Company.

**Mitigating Factor:** *Shareholders are to ensure that they consult a professional adviser who is knowledgeable in equity investments before they subscribe to this Issue.*



## STATUTORY AND GENERAL INFORMATION

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### GENERAL RISK DISCLOSURE

Shareholders should consult their advisers if in any doubt as to the nature of this investment and its suitability in the light of their particular circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, which can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for all investors.

### 11. COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company is committed to the principles of good corporate governance and the Code of Best Practices. The Company recognizes that sound corporate governance practices are necessary for effective management and control of the Company's business with a view to maximizing the shareholders value and meeting the expectations of other Stakeholders. Golden Capital is committed to full disclosure and transparency in providing information to all stakeholders.

A regular review of the Company's processes and practices is carried out periodically to ensure compliance with the legislative and best practice changes in the global corporate governance environment. The Company continues to comply with its internal Governance Policies and the Code of Corporate Governance for the Public Companies in Nigeria. As an investment Company, Golden Capital also complies with the guidelines of Securities and Exchange Commission.

#### Composition of the Board

The Board of Directors is made up of Nine (9) members comprising the Managing Director and Eight (8) non-executive directors. Board members are professionals and entrepreneurs with vast experience and credible track records. To enhance corporate governance, Board sub-committees are constituted to help the Board properly assess management reports, proposals and oversight functions and make recommendations to the main Board.

#### Responsibility of the Board of Directors

The Board is responsible for controlling and managing the strategic business of the Company and constantly reviews and presents a balanced and comprehensive assessment of the Company's performance and future prospects. It may exercise all such powers of the Company as are not by law or the Articles of Association of the Company required to be exercised by the Company in General Meeting.

#### Chairman and CEO positions

Responsibilities at the top of the Board are well defined and the Board is not dominated by one individual. The position of the Chairman is separate from that of the Managing Director. The Chairman is not involved in the day to day operations of the Company.

The Board carries out its responsibilities either as a full board or through any of its committees which are constituted as follows;

#### Committees

- a. Finance & General Purpose Committee
  
  
- b. Audit Committee

#### Membership

Mr. M. O. A. Dada  
Mr. Fatai Lawal  
Mr. J.A.I Olawepo  
Mr. E. O. Eleoramo

Mr. Abimbola Odukale  
Mr. Fatai Lawal  
Prince Babatunde Shobande  
Mr. Peter Okoh

## STATUTORY AND GENERAL INFORMATION

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### 12. STATUS OF UNCLAIMED/ UNPAID DIVIDEND

The Company has not paid any dividend since inception.

### 13. RESEARCH AND DEVELOPMENT

The Company did not engage in any research and development activities in the last four years.

### 14. RELATIONSHIP BETWEEN THE ISSUER AND ITS PROFESSIONAL ADVISERS

As at the date of the Rights Circular, there was no shareholding relationship between Golden Capital Plc and its Advisers, their respective directors, major shareholders and principal officers except for Golden Securities Limited as a stockbroker to the Issue, is a 100% subsidiary of Golden Capital Plc.

### 15. RELATED PARTY TRANSACTIONS

As at the date of this Rights Circular, the Company was not engaged in any related party transactions.

### 16. OFF BALANCE SHEET ITEMS

As at December 31, 2014, the date of the last audited accounts, the Company had no off-balance sheet items or transactions.

### 17. DECLARATIONS

Except as otherwise disclosed herein:

- (a) No share of the Company is under option or agreed conditionally or unconditionally to be put under option.
- (b) There are no long-term service agreements between the Company and any of the Directors and employees except pension agreements.

The Company also hereby declares that none of its directors or management staff is subject to any of the following in Nigeria or elsewhere:

- a) A petition brought under any bankruptcy or insolvency proceedings either against his/her person or against any partnership or company of which he or she is a partner, director or key personnel;
- b) A conviction in a criminal proceedings relating to fraud or dishonesty;
- c) A judgement or a ruling by a regulatory body relating to fraud or dishonesty restraining him/her from acting as a director or employee of a financial institution and engaging in any type of business practice or activity.

The Company also makes the following declarations;

- a) That all reasonable care has been taken to ensure that the information contained in this Rights Circular and any related documentation is to the best of their knowledge and belief in accordance with the facts and contains no omission likely to affect its import.
- b) That there has been no significant change in the financial condition or material adverse change in the prospect of the Issuer since the date of the Rights Circular.
- c) That the Issuer has not during the Twelve (12) calendar months immediately preceding the date of the application to the Securities & Exchange Commission for registration of the Rights Circular breached any terms and conditions in respect of borrowed money which has resulted in the occurrence of an immediate recall of such borrowed money.

## STATUTORY AND GENERAL INFORMATION

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### 18. CONSENTS OF PARTIES

The following parties have given and not withdrawn their written consent to the issue of this Rights Circular with their names included in the form and context in which they appear:

<b>Directors:</b>	Mr. Micheal O. A. Dada <b>(Chairman)</b> Mr. Emmanuel Ortswen <b>(Managing Director/CEO)</b> Mr. Emmanuel O. Eleoramo Mr. Amos Adedeji Adeyeye Mr. Jacob Adebisi I. Olawepo Mr. Abimbola A. Odukale Mr. Fatai Kayode Lawal Mr. Michael Abimbola Siyanbola Mrs. Jokotola Oluseyi Ifaturoti
<b>Company Secretary:</b>	Mr. Oluwadare Oladipo-Olukosi
<b>Issuing Houses:</b>	Sterling Capital Markets Limited
<b>Auditors:</b>	M. A. Alawode & Co. <b>(Chartered Accountant)</b>
<b>Solicitors to the Issue:</b>	Delaw Chambers
<b>Stockbrokers to the Issue:</b>	Golden Securities Limited
<b>Registrars to the Issue:</b>	Africa Prudential Registrars Plc
<b>Receiving Banker</b>	Sterling Bank Plc

### 19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the under mentioned documents are available for inspection at the offices of Sterling Capital Markets Limited, Sterling Capital Markets Limited, 19<sup>th</sup> Floor, Stock Exchange House, 2-4 Custom Street, Marina, Lagos during normal business hours on any weekday (except public holidays), from 8.00 am on Monday, June 29, 2015 to 5.00pm Wednesday, August 5, 2015

- i. The Certificate of Incorporation of the Company;
- ii. The Memorandum and Articles of Association of the Company;
- iii. The Shareholders' Resolutions authorising the Issue;
- iv. The Board Resolution authorising the Issue;
- v. The Audited Accounts of the Company for each of the four years ended 31<sup>st</sup>December, 2010, 2011, 2012, 2013 and 2014
- vi. The Vending Agreement in respect of the Issue
- vii. The Profit Forecasts of the Company for the three years ending 31<sup>st</sup>December 2015, 2016 and 2017;
- viii. The written Consents of the Parties referred to in (16) above;
- ix. Letter of approval from the Securities & Exchange Commission with respect to the Issue;
- x. Letter from The NASD OTC Market approving the Listing of the shares;
- xi. The Rights Circular detailing the terms of the Issue.

August 29, 2015

Dear Sir/Madam,

**RIGHTS ISSUE OF 749,007,703 ORDINARY SHARES OF 50 KOBO EACH AT ₦0.50 PER SHARE**

**1. Provisional Allotment**

The Chairman's letter dated April 29, 2015 on page 12 of this Rights Circular contains particulars of the Rights Issue of 749,007,703 Ordinary shares of 50k each (the Shares) being issued at ₦0.50kper share refers. You have been provisionally allotted the number of Ordinary shares set out in page 1 of the Acceptance/Renunciation Form, being the proportion of Sixteen (16) new Ordinary shares for every Twenty-Five (25) ordinary shares registered in your name at the close of business on March 31, 2015.

You may accept all or any number of the new shares offered to you or renounce your Rights to any or all of them. You may trade any Rights you wish to renounce on the NASD OTC Market. You may also apply for additional shares beyond those to which you are entitled under the terms of the Rights Issue, by completing the relevant portion of Box B in the Acceptance/Renunciation Form.

**2. Acceptance and Payment:**

If you wish to accept this provisional allotment, please complete the Acceptance/Renunciation Form which should be accompanied by a cheque or bank draft drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**GOLDEN CAPITAL RIGHTS**" for the full amount payable (including the amount payable for the additional shares beyond those to which you are entitled under the Rights Issue; if any) and lodge it with any of the Receiving Agents or Stockbrokers listed on page 47 of this Rights Circular, not later than Wednesday, August 5, 2015.

The receipt of any payments with your Acceptance/Renunciation Form will constitute an acceptance of this provisional allotment under the terms of this letter and subject to the Memorandum and Articles of Association of the Company. If payment is not received by the above closure date, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:

- a) *Full Acceptance:* If you wish to accept this provisional allotment in full, please complete box 'B' of the Acceptance/Renunciation Form. The Acceptance/Renunciation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 47 of this document not later than Wednesday, August 5, 2015. The cheque or draft must be made payable to the Receiving Agent, drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**GOLDEN CAPITAL RIGHTS**" with your name, address and daytime telephone number (if any) written on the back of the cheque or draft. All cheques and drafts will be presented for payment upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.
- b) *Applying for Additional Shares:* This may be done by either of the following methods:
  - i. Purchasing Rights on the platform of the NASD: Rights can only be purchased through any of the stockbrokers listed on Page 47 of this document. The stockbroker will guide you regarding payment. Shareholders who purchase Rights on the platform of the NASD are guaranteed the number of the Ordinary shares purchased; they will not be subject to the allotment

## PROVISIONAL ALLOTMENT LETTER

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process in respect of the number of Ordinary shares so purchased (please refer to item 5 below)

- ii. Completing item (ii) of Box 'B' of the Acceptance/Renunciation Form: Payment should be made in accordance with (a) above. Shareholders who apply for additional shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (please refer to item 4 below).
- c) *Partial Acceptance*: To accept your provisional allotment partially, please complete item (i) of Box 'C' and submit your Acceptance/Renunciation Form to any of the Receiving Agents or Stockbrokers listed on page 47 of this Rights Circular together with a cheque or bank draft payable to the Receiving Agent for the full amount payable in respect of the number of shares you wish to accept.

If you wish to renounce your provisional allotment partially or in full and to trade all or some of your rights on the NASD OTC Market, please complete item (iii) of box 'B' and submit your Acceptance/Renunciation Form to a Stockbroker of your choice as listed on page XX, together with payment for any provisional allotment you are accepting partially. The stockbroker will guide you on the procedure for trading your rights.

### 3. Allotment of Additional Shares:

Ordinary shares which are not taken up by Wednesday, August 5, 2015 will be allotted, on a pro-rata basis in accordance to the SEC rule to existing shareholders who have applied and paid for additional Ordinary shares by completing item (ii) of box B.

### 4. Trading in Rights

The approval of The NASD has been obtained for trading in the Rights of the Company. The Rights will be tradable between Monday, June 29, 2015 and Wednesday, August 5, 2015 at the share price quoted on The NASD OTC platform. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the platform of the NASD between these dates. Please complete item (iii) of box A of the Acceptance/Renunciation Form and contact your stockbroker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing renounced Rights. Any purchaser of Rights may also trade those Rights between these dates.

### 5. Share Certificates

At the completion of the Issue, the Ordinary shares will be registered and transferable in units of 50 kobo each. A shareholders' CSCS account as provided on the acceptance form, would be credited with Ordinary shares allotted. An investor who does not provide his/her CSCS details would have his/her share certificate in respect of the Ordinary shares allotted will be sent by registered post at the applicant's risk within 15 (fifteen) working days of allotment.

### 6. Surplus Application Monies

If any Rights is not accepted or accepted for fewer shares than the number of shares additionally applied; the full amount or the balance (as the case may be) of the amount paid on acceptance will be returned by registered post, at the applicants' risk within 5 (five) working days of allotment.

### 8. Money Transfer

All payments above N10million must be made by transfers into the following account;

BANK: Sterling Bank Plc  
ACCOUNT NUMBER: XXX  
NUBAN NO: XXX  
SORT CODE: XXX  
FOR FINAL CREDIT OF: GOLDEN CAPITAL PLC RIGHTS ISSUE  
WITH THE NARRATIVE: NAME OF SUBSCRIBER INCLUDED

## PROVISIONAL ALLOTMENT LETTER

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The relative Acceptance Form must be submitted with the evidence of the transferred amount.

Yours faithfully,

For: **GOLDEN CAPITAL PLC**



**MR. OLUWADARE OLADIPO-OLUKOSI**  
**COMPANY SECRETARY**

DRAFT

## RECEIVING AGENTS

The Acceptance/Renunciation Form contained in this Rights Circular should, when completed, be accompanied with bank draft or cash or evidence of amount transferred for the full amount due on acceptance, and submitted to any of the following Agents and Stockbrokers to whom brokerage will be paid at the rate of 75K per ₦100.00 amount of the Ordinary shares allotted from the returns which carry their official stamps.

*The Issuing House cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own independent enquiries from The NASD before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by either of the Issuing Houses, cannot give rise to a liability on the part of the Issuing Houses under any circumstance.*

### BANKS

Access Bank Plc Citibank Nigeria Limited Diamond Bank Plc ECOBANK Nigeria Plc Fidelity Bank Plc First Bank of Nigeria Plc First City Monument Bank Plc Guaranty Trust Bank Plc Enterprise Bank Limited Keystone Bank Limited	Mainstreet Bank Limited Skye Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Plc Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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### STOCKBROKERS AND OTHERS

Adamawa Securities Ltd Afrinvest (West Africa) Limited AIL Securities Limited AMYN Investments Ltd Alangrange Securities Limited Anchoria Investment & Securities Ltd APT Securities & Funds Ltd Arian Capital Management Ltd ARM Securities Limited Beachgrove Securities & Invest Co Ltd Bestworth Assets & Trust Ltd BFCL Assets & Securities Ltd BGL Securities Ltd BIC Securities Ltd Bytofel Trust & Securities Ltd Calyx Securities Limited Capital Assets Ltd Capital Bancorp Ltd Capital Express Securities Ltd Capital Trust Brokers Ltd Crashcraft Securities Limited Centre Point Investment Ltd Century Securities Ltd City-Code Trust & Investment Co Ltd City Investment Management Limited Chartwell Securities Limited Chapel Hill Denham Securities Limited Compass Investment & Securities Limited Core Trust & Inv. Co. Cordros Capital Limited Cooper Fleming Stockbrokers Ltd Cowry Asset Management Ltd Crane Securities Limited Crossworld Securities Ltd Crown Capital Limited CSL Stockbrokers Ltd Diamond Securities Ltd De-Canon Securities Ltd Deep Trust Investment Limited Dependable Securities Ltd Dominion Trust Ltd Dynamic Portfolio Ltd EBN Finance and Securities Ltd Emerging Capital Limited Equity Capital Solutions Limited ESS Investment & Trust Limited EMI Capital Resources Limited Euro Comm Securities Ltd EDC Securities Limited EPIC Investment & Trust Limited Excel Securities Limited Express Portfolio Services Limited Express Discount Asset Management Limited FBN Securities Limited F& C Securities Ltd Falcon Securities Ltd First Capital Limited First Inland Securities & Asset Mgt Ltd FSDH Securities Limited	Financial Trust Co Ltd Finmal Finance Company Ltd First Atlantic Securities Ltd First Equity Securities Ltd First Stockbrokers Ltd FIS Securities Ltd Fidelity Finance Co. Limited Fittco Securities Ltd Floodgate Finance & Securities Ltd Forte Financial Ltd Forthright Securities & Investments Ltd Fountain Securities Ltd Future View Securities Ltd Genesis Securities & Inv. Limited Gidauniya Investment & Sec Ltd Global Assets & Management Trust Ltd Golden Securities Ltd Greenwich Trust Ltd GTB Securities Limited GTI Capital Ltd Hedge Securities & Investment Co. Ltd Heritage Capital Limited Horizon Stockbrokers Ltd ICMG Securities Ltd IBTC Asset Management Ltd ICON Stockbroker Ltd Imperial Asset Managers Limited Independent Securities Intercontinental Securities Ltd Investment Centre Limited International Standard Securities Ltd Interstate Securities Ltd Investor & Trust Co Ltd Jamkol Investment Ltd Kapital Core Trust & Sec Limited Kakawa Asset Management Limited Kinley Securities Ltd Kofana securities & Investment Ltd Kundila Finance Services Limited Lambeth Trust & Investment Co. Ltd LB Securities Ltd Lead Capital Ltd Lead Securities & Investment Limited Mainland Asset Management Ltd Marina Securities Ltd Marriot Securities Limited Maven Asset Management Limited Maxifund Investments & Securities Ltd Mega Equities Limited Mercov Securities Limited Meristem Securities Limited Midas Stockbrokers Limited Midpoint Capital Ltd Mission Securities Ltd Molten Trust Ltd Mountain Investment & Securities Ltd	Newdevco Finance Securities Ltd Nethworth Securities & Finance Limited Nigerian Stockbrokers Ltd Northbridge Investment & trust Limited Oasis Capital Options Securities Ltd Peace Capital Markets Limited Peninsula Asset Management Limited Perfecta Inv Trust Limited Phronesis Securities Limited Pinefields Inv. Serv. Limited PIPC Securities Limited CardinalStone Securities Limited PML Securities Company Limited Portfolio Advisers Limited Prime Wealth Capital Limited Profund Securities Ltd Pyramid Securities Limited Reading Investments Limited Regency Assets Management Limited Rencap Securities Nigeria Limited Resort Securities & Trust Ltd Reward Investments & Services Ltd Rostrum Investment Securities SanTrust & Securities Ltd Securities Solutions Ltd Security Swaps Ltd Shallom Investment & Securities Ltd Shelong Investment Limited Sigma Securities Ltd Signet Investments Securities Limited Solid-Rock Securities & Investment Ltd Spring Trust & Securities Ltd Springboard Trust & Investment Ltd Stanbic IBTC Stickbrokers Ltd Stanwal Securities Ltd Standard Alliance Capital & Asset Mgt Limited Summit Finance Company Ltd Support Services Ltd Tiddo Securities Ltd Tomil Trust Ltd Tower Securities & Investment Limited Tradelink Securities Ltd Trans Africa Financial Services Limited Trusthouse Investment Ltd TRW Stockbrokers Ltd UBA Capital Limited UNEX Capital Ltd Valmon Securities Ltd ValueLine Securities & Investment Ltd Vetiva Securities Limited Vetiva Capital Management Ltd WSTC Financial Services Yuderb Investment & Securities Co. Limited Zenith Securities limited
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# ACCEPTANCE / RENUNCIATION FORM

Acceptance List Opens  
xxxx x, 2014

Acceptance List Closes  
xxxx x, 2014



**GOLDEN CAPITAL PLC**  
RC 773654

RIGHT ISSUE OF

**749, 007, 7003**

Ordinary Shares of 50 Kobo each at 50 Kobo per share

On the basis of Sixteen (16) new Ordinary shares  
for every Twenty-five (25) Ordinary shares held as at June 30, 2014

Payable in full on Acceptance

Issuing House



## INSTRUCTION FOR COMPLETING THE ACCEPTANCE / RENUNCIATION FORM

You may accept all or any number of the new shares offered to you or renounce your Rights to any or all of them. You may trade any Rights you wish to renounce on the floors of The Nigerian Stock Exchange. You may also apply for additional shares beyond those to which you are entitled under the terms of the Rights Issue, by completing the relevant portion of Box B in the Acceptance/Renunciation Form.

1. **Acceptance and Payment:** If you wish to accept this provisional allotment, please complete the Acceptance/Renunciation Form which should be accompanied by a cheque or bank draft drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "GOLDEN CAPITAL PLC" for the full amount payable (including the amount payable for the additional shares beyond those to which you are entitled under the Rights Issue; if any) and lodge it with any of the Receiving Agents or Stockbrokers listed on page xx of this Rights Circular, not later than November 15, 2013.
2. The receipt of any payments with your Acceptance/Renunciation Form will constitute an acceptance of this provisional allotment under the terms of this letter and subject to the Memorandum and Articles of Association of the Company. If payment is not received by the above closure date, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:
  - a) **Full Acceptance:** If you wish to accept this provisional allotment in full, please complete box 'A' of the Acceptance/Renunciation Form. The Acceptance/Renunciation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page xx of this document not later than xxx x, 2014. The cheque or draft must be made payable to the Receiving Agent, drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "GOLDEN CAPITAL PLC" with your name, address and daytime telephone number (if any) written on the back of the cheque or draft. All cheques and drafts will be presented for payment upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.
  - b) **Applying for Additional Shares:** This may be done by either of the following methods:
    - i. **Purchasing Rights on the floor of The Exchange:** Rights can only be purchased through any of the stockbrokers listed on Page xx of this document. The stockbroker will guide you regarding payment. Shareholders who purchase Rights on the floor of The Exchange are guaranteed the number of Ordinary shares purchased; they will not be subject to the allotment process in respect of the number of Ordinary shares so purchased (please refer to item 3 below).
    - ii. **Completing item (ii) of Box 'A' of the Acceptance/Renunciation Form:** Payment should be made in accordance with (a) above. Shareholders who apply for additional shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (please refer to item 3 below).
  - c) **Partial Acceptance:** To accept your provisional allotment partially, please complete item (i) of Box 'B' and submit your Acceptance/Renunciation Form to any of the Receiving Agents or Stockbrokers listed on page xx of this Rights Circular together with a cheque or bank draft payable to the Receiving Agent for the full amount payable in respect of the number of shares you wish to accept.  
  
If you wish to renounce your provisional allotment partially or in full and to trade all or some of your rights on the floor of The Exchange, please complete item (iii) of box 'B' and submit your Acceptance/Renunciation Form to a Stockbroker (NOT A BANK) of your choice, together with payment for any provisional allotment you are accepting partially. The stockbroker will guide you on the procedure for trading your rights.
3. **Allotment of Additional Shares:** Ordinary shares which are not taken up by xxx x, 2014 will be allotted, on a basis to be determined by the Directors of Golden Capital Plc and cleared by SEC to existing shareholders who have applied and paid for additional Ordinary shares by completing item (ii) of box B Ordinary shares not taken up by shareholders after allotment will be sold on the floor of The Exchange.

### FOR REGISTRARS' USE ONLY

Number of ordinary shares accepted	Additional ordinary shares applied for	Additional ordinary shares applied allotted	Total amount payable	Amount paid	Amount to be returned/cheque/bank draft number
			₦	₦	₦

STAMP OF RECEIVING AGENT

PLEASE TURN OVER



**ACCEPTANCE / RENUNCIATION FORM [DUPLICATE]**

Acceptance List Opens

xxxx x, 2015

Acceptance List Closes

xxxx x, 2015

**GOLDEN CAPITAL PLC**  
RC 773454

RIGHT ISSUE OF

**749,007,793**

Ordinary Shares of 50 Kobo each at 50 Kobo per share

On the basis of Sixteen (16) new Ordinary shares  
for every Twenty-five (25) Ordinary shares held as at March 31, 2015

PAYABLE IN FULL ON ACCEPTANCE

Care should be taken to comply with the instructions set out on the front of this form as Applications that do not comply may be rejected. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Bank Manager, Solicitor, Accountant, or any other professional for guidance.

<p align="center"><b>DETAILS OF SHAREHOLDER'S PROVISIONAL ALLOTMENT</b></p>	
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If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and procedure for purchasing Golden Capital Plc. Rights.

**A. FULL ACCEPTANCE REQUEST FOR ADDITIONAL ORDINARY SHARES**

- i. I/We accept in full, the provisional allotment shown on the front of this form.
- ii. I/We also apply for additional Ordinary Shares:

Additional ordinary shares applied for	Additional amount payable at 50 Kobo per share
	N

I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me, in accordance with the Provisional Allotment Letter contained in the Right Circular.

- iii. I/We enclose my/our cheque/bank draft for N....., being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in (ii) above.

Cheque details: Name of bank/branch: .....  
 Stockbroker: .....  
 Name(s) (in block letters): 1) .....  
 2) .....  
 Signature(s): 1) ..... 2) .....  
 Next of Kin: .....  
 Mother's Maiden Name (in block letters): .....  
 Daytime Telephone number: .....

Cheque number: .....  
 CSCS Number: .....  
 Bank Account No.: .....  
 Date: .....

Incorporation number and seal of  
corporate Allottee

**B. RENUNCIATION OR PARTIAL ACCEPTANCE**

<b>1</b> Additional ordinary shares accepted	<b>2</b> Amount payable at N 1.20 per share	<b>3</b> Number of ordinary shares renounced
	N	

- i. I/We accept in only the number of Ordinary Shares shown in column '1' above and enclose my/our cheque/bank draft for the value shown in Column '2' above.

Cheque details: Name of bank/branch: ..... Cheque number: .....

- ii. I/We hereby renounce my/our rights to the Ordinary Shares shown in Column '3', being the balance of the Ordinary Shares allotted to me/us.
- iii. I/We confirm that I/we wish to trade my/our rights to ..... Ordinary Shares/my/our renounced shares as shown in Column '3' above) on the floor of The Nigerian Stock Exchange. I/We shall obtain a Transfer Form from my/our stockbroker, complete it in accordance with his instructions, and return it to the stockbroker with this form

Name(s) (in block letters): 1) .....  
 2) .....  
 Signature(s): 1) ..... 2) .....  
 Daytime Telephone number: .....

Date: .....

Incorporation number and seal of  
corporate Allottee

**C. TRADING IN RIGHTS**

- i. The approval of The Exchange has been obtained for trading in the Rights of the Company. The Rights will be tradable between xxx x, 2014 and xxx x, 2014 at the share price quoted on The Exchange.
- ii. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the floor of The Exchange between these dates. Please complete item (iii) of box 'B' of the Acceptance/Renunciation Form and contact your stockbroker for assistance.
- iii. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing renounced Rights. Any purchaser of Rights may also trade those Rights between these dates.