

AG HOMES SAVINGS & LOANS PLC

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2012**

AG HOMES SAVINGS & LOANS PLC

Annual Report & Accounts 31st March 2012

Our Value Statement

**We strive to honour God
and be respectful of each other,
our customers and other stakeholders.**

Our Vision Statement

**To be the preferred Primary Mortgage Institution
with a commanding presence nation-wide.**

Our Mission Statement

**To consistently create value to stakeholders
by providing excellent services through
creative and caring employees using innovative
technology applications in a first class ambience.**

Company Logo

AG HOMES SAVINGS & LOANS PLC
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2012

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AG HOMES SAVINGS & LOANS PLC

CORPORATE INFORMATION

Directors:	Rev. Prof. Paul Emeka	- Chairman appointed w.e.f. Feb. 2012
	Rev. (Dr.) Charles Ogbonnaya Osueke	- Chairman ceased w.e.f. Feb. 2012
	Anthony Okechukwu Ewelike	- Managing Director/CEO
	Barr. Patrick Chinweike Abuka	- Director
	Rev (Dr.) Effiong Isangadighi	- Director ceased w.e.f. Feb. 2012
	Rev. Vincent Alaje	- Director appointed w.e.f. Feb. 2012
	Ngozi Anyogu	- Executive Director/COO
Registered Number:	RC 602252	
Date of Registration:	21 July, 2004	
Operating License Number:	000000005	
Date Licensed:	31 December, 2004	
Registered Office:	96, Opebi Road, Ikeja, Lagos.	
Company Secretary:	Theresa Nkiru Ntong (Mrs.), 96 Opebi Road, Ikeja, Lagos.	
Auditors:	Baker Tilly Nigeria, (Chartered Accountants), Kresta Laurel Complex (4th Floor), 376, Ikorodu Road, Maryland, Lagos.	
Correspondent Banks:	United Bank for Africa Plc Intercontinental Bank Plc Access Bank Plc	

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of **AG HOMES SAVINGS & LOANS PLC** will hold at Westown Hotels, No. 1 Ayeni 1010 Close, Sheraton-Opebi Link Road, Ikeja, Lagos by 11 a. m. on the 17th day of October 2012 to transact the following business: -

1. ORDINARY BUSINESS

- 1.1 To receive the Audited Accounts for the year ended 31st March 2012, the Reports of the Directors and Auditors thereon and the Audit Committee's Report.
- 1.2 To elect/re-elect Directors
- 1.3 To renew the appointment of the independent auditors, Baker Tilly Nigeria, for the 2013 financial year and to authorize the Directors to fix the remuneration of the Auditors.
- 1.4 To elect members of the Audit Committee for the ensuing financial year.

2. SPECIAL BUSINESS

- 2.1 To consider and if thought fit to pass the following by **Special Resolution**
That in compliance with the Central Bank of Nigeria's requirements for Primary Mortgage Banks with National status, the company raises more capital by issuing 9,000,000,000 ordinary shares of 50 Kobo each (or such number of shares as necessary and as may be approved by the Securities & Exchange Commission) at 60 Kobo per share or any other price that may be advised by the company's financial advisers by way of either Special Placing (Private Placement to existing and/or identified prospective investors), Rights Issue or Public Offer. The new shares to be issued shall rank pari-passu with the existing issued share capital of the company'.
- 2.2 That the company issues shares by way of Rights Issue and/or Public Offer or a combination of the three methods (Private Placement, Rights and Public Offer) or any other methods that may be approved by the Securities and Exchange Commission and List the shares on the Nigerian Stock Exchange.
- 2.3 That the directors be and are hereby authorized to allot fully paid-up shares, at par, for all amounts standing as Deposit for Shares in the books of the company.
- 2.4 That any shares which remained unpaid after the Rights Issue be allotted by the directors by way of private placement.
- 2.5 That the directors be and are hereby authorized to take any other steps to give effect to the company's re-capitalization subject to the approval of the Central Bank of Nigeria and Securities and Exchange Commission.

Dated this 24th day of September, 2012

NOTES

COMPANIES MAY ACT THROUGH REPRESENTATIVES AT THE MEETING.

As a Corporate entity, Companies may, by resolution of their directors or other governing body authorize such person(s) as they may think fit to act as their representative(s) at the meeting and any person so authorized shall be entitled to exercise the same powers on behalf of the Company as the Company could exercise if it were an individual member of the Company

PROXY

A member of the Company entitled to attend and vote at the general meeting is entitled to appoint a proxy in his stead. All instruments of proxy should be completed, stamped and deposited at the Head Office of the company, 96, Opebi Road, Ikeja, Lagos, not later than 48 hours before the time of holding the meeting. A proxy need not be a member of the Company. A blank proxy form is attached to the Annual Report.

CLOSURE OF REGISTER

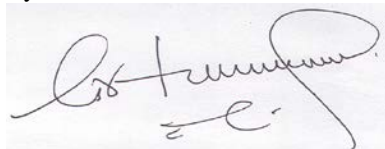
For the purpose of attendance at the meeting, the Register shall close at the end of business on September 30th 2012

AUDIT COMMITTEE

The Audit Committee of the company consists of 2 shareholders and 2 directors. As stipulated by Section 359(5) of the

Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria 2004, any member may nominate a Shareholder for election to the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Theresa Nkiru Ntong', with a large, stylized flourish at the end.

TERESA NKIRU NTONG

Company Secretary
96, Opebi Road, Ikeja, Lagos.

CHAIRMAN'S STATEMENT

Distinguished Shareholders, invited guests, ladies and gentlemen. It is my pleasure to welcome you to the 7th Annual General Meeting of your Bank and the first under my watch. I count it a privilege therefore to present to you a review of the business and operations of your Bank for the year ended March 31, 2012. The year under review witnessed a lot of economic upheavals around the globe. These economic shocks impacted negatively on Nigeria as a nation whose major foreign exchange source is oil and gas. Inflation continued on the double digit, driving up interest rates.

The Central Bank of Nigeria introduced the cash-lite policy aimed at reducing the high cost of cash management within the economy. This policy is still at its early stage of implementation with Lagos State as pilot. The operations of the Asset Management Company of Nigeria (AMCON) which purchased the toxic assets of five banks as well as the acquisitions and mergers that followed brought some level of stability within the financial sector.

THE MORTGAGE INDUSTRY

The major development in the mortgage finance sector of the economy was the policy pronouncement of the Central Bank of Nigeria raising the minimum shareholders funds for Mortgage Banks to N5billion Naira for National operators and N2.5billion Naira for Regional operators. The Bank's authorized share capital was proactively raised to N5billion in 2008. Your Bank has made the decision to remain a National Primary Mortgage Bank, the implication of which is that we must raise the company's paid up capital to the tune of N5billion by the end of April 2013.

CHALLENGES:

The fundamental constraint of our operation in the mortgage sector remains the paucity of long term funds to sustain the demand for mortgages. This is aggravated by the absence of rediscounting facilities that would have enabled Mortgage Banks liquefy their assets to create more mortgages. The provisions of the Land Use Act 1978 continue to hinder development of new housing stocks and housing delivery in the country. The processing time and the high cost of obtaining necessary permits and taxes on construction related transactions are also obstacles to housing delivery. These sectoral challenges have combined to hinder remarkable investments in housing despite its huge potentials.

The Federal Mortgage Bank of Nigeria (FMBN) has however, made significant strides within its funding constraint in providing long term funding for mortgages and raising the maximum loan limit from N5million to N15million for eligible borrowers under the National Housing Fund window. The FMBN also continue to support the production of affordable houses across the country through its Estate Development Loans (EDL) window. We are grateful for their sustained support to our Bank.

OPERATING RESULTS:

Our determination to focus on our core area of business by a deliberate effort to convert our land bank and our mortgage portfolio significantly impacted our results during the review period. Our total asset grew by 53.4% during the period; from N2.32bn to N3.56bn while mortgage loans increased by 117.8% from N681.35million to N1.5bn. Turnover increased by 43% from N397million to N567million as Net Operating Income rose by N58.5million from N280million to N444million by the year ended 31st March 2012. Your Bank also recorded a Profit Before Tax (PBT) of N122million during the financial year. This represents an increase of 500.5% over the N20.31million achieved in the previous year. Profit After Tax (PAT) increased by 536% from N18.98million 2011 to N120.78million at the end of the review period. These growth indicators point to the fact that we are moving in the right direction.

In spite of the good operating results, we are unable to pay dividends as we are in the process of recapitalizing to meet the new minimum shareholders' fund of N5billion from the current N504.8million. We desire to declare dividend in the nearest future and thank you for your patience.

APPRECIATION:

I must express my profound appreciation of Rev. Dr. Charles Ogbonnaya Osueke, my predecessor and Rev. Dr. Effiong Isangadighi who retired from the Board on 31st January 2012. They have made immeasurable contributions towards the development of this company from its inception until their retirement within the year

under review.

I want to thank the staff and management who have worked so assiduously to achieve a good result during the financial year. I thank our numerous customers, service providers, regulatory authorities and other critical stakeholders for their support and encouragement.

I wish to appreciate our shareholders for your continuous belief and faith in the future of this Bank. The future really looks bright and I believe that soon we all will begin to reap the fruit of our investments.

Thank you and God Bless.

A handwritten signature in blue ink, appearing to read "Emeka", is written over a horizontal dotted line.

Rev. Prof. Paul Emeka

A message from the Chief Executive Officer

Introduction:

The 2011/2012 financial year was a stimulating and very challenging year for us. Stimulating because it has been a period of great strides as revealed in our operational result, and challenging because of enormous work it generated that will drive the future success of our bank. The regulatory minimum capital base for Mortgage Banks and the time dead line announced by the Central Bank of Nigeria elicited a flurry of activities aimed at ensuring that we meet the compliance date of 30th April 2013.

We focused operation on our core area of mortgage financing and engaged in the development of our land assets as a strategic shift to concentrate on financing house ownership. The Evangel Estate Ofada is currently under construction and will deliver about eight hundred housing units for which we shall provide mortgages under the National Housing Fund window.

National Housing Fund (NHF) Loan Scheme:

In course of the year we received total disbursement of ₦898 Million from the Federal Mortgage Bank of Nigeria (FMBN) for on-lending to various customers under the National Housing Fund (NHF) Loan Scheme. Furthermore, approval has been received from FMBN for another set of our NHF applications in the sum of N626 million. Disbursement on these approvals is being awaited. The FMBN also gave Estate Development Loan (EDL) approval in the sum of N860 million to Evangel Properties Ltd for the development of Evangel Estate Ofada. Upon completion of the first phase of this project, 379 housing units would be produced resulting in the creation of additional mortgage in the sum of N1.4billion. We are therefore well on our way to meeting our target growth of the mortgage portfolio to N5billion within the next 2 years.

We are grateful to the Federal Mortgage Bank of Nigeria for their immense support in driving the Bank's housing delivery programme and the impressive growth in our mortgage portfolio.

Financial Highlight:

Our operating results this year has been encouraging. Despite the harsh economic environment, we were able to post impressive results by growth trend in all significant indices. Gross operating income rose to ₦567 million from ₦396 million in 2011 representing a 43.5% increase while total expense increased only marginally by 7.4% from ₦336 million to ₦366 million. This vindicates our efforts at focusing on achieving a consistent downward trend in cost management. Consequently we were able to achieve a net drop in cost to income from a net position of 85k per naira in 2011 to 64k per naira in 2012.

We achieved a profit before tax of ₦121.97million in the year under review representing a significant increase of 500% from ₦20.31million in the previous financial year. In the same vein, profit after tax for the year was ₦120.78million against ₦18.98million in 2011. These results were bolstered by our increased activities in the National Housing Fund (NHF) window in which we have become more active than before as a result of increased funding from the Federal Mortgage Bank of Nigeria.

The Future:

Our focus in the coming year shall be the realization of our investment properties through strategic alliance with reputable Estate Developers. We hope in the coming year to commence development of the Marvel Heights Estate at Isheri North Lagos with forty two terrace houses, as well as our other land assets in Lekki Lagos and Enugu respectively.

We would support these developments by providing mortgages to buyers on the housing units to be produced.

Conclusion:

Over the past years we have been laying the foundation for an organization that will meet the aspirations of our various stakeholders. I want to thank our shareholders specifically for their faith in us and confidence in the future greatness of our Bank. I assure you that the dividends of your faith in us are around the corner.

Thank you.



'Tony Ewelike
Managing Director/Chief Executive Officer

AG HOMES SAVINGS & LOANS PLC
RESULTS AT A GLANCE

	31/3/2012	31/3/2011	%
	N'm	N'm	change
Major Profit and Loss Account Items			
Gross Income	567	397	43
Interest Expenses	123	117	5
Overhead Expenses	239	220	7
Profit before Taxation	122	20	385
Profit after Taxation	121	19	411
	====	=====	====
Major Balance Sheet Items:			
Mortgage and other Loans and Advances	1,352	615	
Deposits	1,899	1,627	
Share Capital	500	500	-
(Reserve) Funds	(31)	(125)	
Total Assets	3,564	2,323	
	=====	=====	
Per ₦1 share data			
(Based on 1 billion ordinary shares)			
Earnings	0.12	0.02	
Net Assets	0.50	0.37	
Total Assets	356.4	232.28	
	=====	=====	
Number of Branch and Cash Centre	5	5	
Number of Employees	56	57	
	=====	=====	

AG HOMES SAVINGS & LOANS PLC

REPORT OF THE DIRECTORS

The Directors hereby submit their report and the financial statements of the Company for the year ended 31 March, 2012.

1. Result for the period

	₦'000
Profit after taxation	120,775
<i>Appropriated as follows: -</i>	
Transfer to Statutory Reserve	-
Profit transferred to General Reserve	120,775
	=====

2. Legal Form

The Company, a Primary Mortgage Institution (PMI) and member of the Mortgage Banking Association of Nigeria (MBAN), was incorporated in July 2004 as a private limited liability company and commenced business on January 31st, 2005. The PMB was converted to a public limited company on April 23, 2007.

3. Principal Activities

The Company is licensed by the Central Bank of Nigeria to carry on mortgage banking business, with license No. 000000005 dated 31 December, 2004.

4. Branch and Cash Centers

As at the balance sheet date, the Company had a branch at the Head Office, 2 other branches at Enugu and Abuja; and 2 Cash Centers at Surulere and Festac Town as shown hereunder:

Head Office/Opebi Branch 96, Opebi Road Ikeja, Lagos.	Enugu Branch 2 Okpara Avenue Enugu	Abuja Branch Federal Mortgage Bank of Nigeria Building 266 Cadastral A.O. Central Business District, Wuse Abuja
Apapa Cash Center Festac Tower 2 nd Avenue, 22 Road Beside Mr. Biggs Festac Town, Lagos.	Surulere Cash Center 12A Ogunlana Drive Surulere, Lagos.	

5. Directors' Shareholding

The interest of the Directors in the issued share capital of the Company are as follows:-

	Number of shares held	
	At 31 March 2012	At 31 March 2011
Rev. Prof. Paul Emeka	10,000,000	Nil
Mr. Anthony O. Ewelike	28,000,000	28,000,000

Mr. Ngozi O. Anyogu	22,000,000	22,000,000
Rev. Vincent Alaje	6,000,000	Nil
Barr. Patrick C. Abuka	2,734,000	2,734,000

6. Directors

The names of the current Directors are listed on page 1.

1. Director retiring by rotation:

In accordance with articles 84, 85, 86, 87 and 88 of the Company's Articles of Association, one-third of the directors of the company shall retire from office. The directors to retire every year shall be those who have been longest in office since their last election, but as between persons who become directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The director retiring by rotation is Rev. Vincent Alaje and being eligible, offers himself for re-election.

2. Resignation

In course of the year under review, we received notice of intention to resign from one of the non-executive directors, Mr. Esai Dangabar. He was appointed as director of AG Homes Savings and Loans Plc in January 2012 but was unable to function before his resignation. To fill the vacancy created by his resignation, the members shall be asked to consider fresh appointment to the Board as part of the day's business.

3. Fresh appointments

During the year under review, the Board received nomination of Barr. Suleiman Danjuma's appointment to the Board as a non-executive director. He shall be presented for election in course of the day's meeting in accordance with Article 88 of the Company's Articles of Association.

4. None of the directors has notified the Bank, for the purpose of section 277 of the Companies and Allied Matters Act, 2004, of any disclosable interest in the contracts with which the Bank was involved during the year under review.

7. Analysis of Shareholding

The Ordinary Shares of the Company as at 31 March, 2012 were held as follows: -

	No. of ordinary shares held	Percentage share holding
Assemblies of God Ministers Benefit Scheme	490,000,000	49
AG Nigeria	160,000,000	16
Others	<u>350,000,000</u>	<u>35</u>
	1,000,000,000	100
	=====	===

8. Directors' Responsibility

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act Cap C20 LFN 2004, the Directors of the Company are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year, and of the profit or loss for that year, and comply with the provisions of the Companies and Allied Matters Act, CAP C20 LFN 2004. In doing so, they ensure that:-

- proper accounting records are maintained;
- applicable accounting standards are followed;
- suitable accounting policies are adopted and consistently applied;

- the going concern basis is used, unless it is inappropriate to presume that the company will continue in business; and
- adequate internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities.

9. Corporate Governance

The Board consists of two Executive and three Non-Executive Directors chaired at present by Rev. Prof. Paul Emeka. The position of the Chairman and the Managing Director/Chief Executive Officer therefore remains separated. The Board met four times in the period under review. The Board has focus on its responsibilities and has continued to pursue its operational strategies to secure reasonable performance of the company.

The company has complied, as much as possible, with the Code of Best Practice in Corporate Governance as published by Securities and Exchange Commission.

1. CORPORATE GOVERNANCE

Introduction

AG Homes Savings & Loans Plc has remained true to its reputation built within its seven years of mortgage banking practise as an organisation founded on integrity, professionalism and exemplary corporate governance practises. Our strong values remain an important ingredient in sustaining shareholder value, while ensuring that behaviour is ethical, legal and transparent. AG Homes is governed by a framework which in line with the Central Bank's Code of Conduct for Board of Directors of Banks and financial institutions, ensures that checks and balances are facilitated and that appropriate controls are put in place. The corporate governance principles of the company are designed to promote high standards of corporate governance as we benchmark ourselves against best practices as the Board recognises the importance of best corporate governance principles, its invaluable contributions to long term business prosperity and accountability to its shareholders.

The Shareholders at the General Meeting remain the highest decision making body of AG Homes Savings & Loans Plc. Effect is given to the memorandum and Articles of Association of the Company as well as any laws for the time being in force in Nigeria. Members are given the opportunity to part-take in decisions affecting the strategic direction of the Company.

Board Committees

The Board's functions are dispensed through the three (3) standing committees each of which has clearly defined composition, duties, purpose and reporting lines to the Board. The standing committees are as listed hereunder:

- Board Credit Committee
- Board Audit Committee
- Board Establishment and General Purpose Committee.
- Shareholders' Audit Committee

Board Credit Committee

The Board Credit Committee is responsible for approval of loans above Executive Management's authority limits as defined by the board of directors from time to time. The Committee ensures that internal control procedures in the area of risk assets remain high to safeguard the quality of the company's risk assets. Members of the Board Credit Committee are as follows:

Barr. P.C Abuka

Mr. Tony Ewelike

Mr. Ngozi Anyogu

Rev. Dr. Effiong Isangadighi

Board Audit Committee

Before the set up of the Statutory Audit Committee, the Bank as a private company exercised its oversight functions on credits through its Board Audit Committee which has the responsibility of ensuring that the bank complies with all relevant policies and procedures from the regulators and as laid down by the board of directors. The four man audit Committee consists of two executive and two non-executive directors. Although the Statutory Audit committee is now in place considering the company's plc status, the Board has retained its Audit Committee because of the importance attached to the audit functions. The Internal Auditor has access to the Audit Committees and presents quarterly reports to them.

Board Establishment and General Purpose Committee

The Establishment and General Purpose Committee is strategically positioned for its functions which includes human resource issues, investments and general operational matters. This Committee provides governance and strategic oversight for considering remunerations, human resource activities and senior management development.

Risk Management

We recognise that the new dispensation has introduced a fresh approach to risk management which must be reflected in the operational principles of organisations such as ours. The company shall be repositioned to accommodate innovative techniques in credit administration and remedial services. We raised the bar in our risk management standards to enable us remain in tune with developments at all times. Our risk management framework and team were be put in place within the financial year to ensure an adequate risk management structure.

2. RECORD OF DIRECTORS' ATTENDANCE

In accordance with Section 258(2) of the Companies and Allied Matters Act, Cap C20, LFN, 2004, the Record of Directors' attendance at Directors' meetings during the financial year under review is as follows:

Name	No. of Board meetings during the period	No. attended	No. of Committee Meetings	No. attended	No. of shareholders' meetings	No. attended
Rev. Prof. Paul Emeka	4	2	N/A	N/A	2	2
Rev (Dr) Charles Ogbonnaya Osueke	4	3	N/A	N/A	2	2
Tony Okechukwu Ewelike	4	4	3	3	2	2
Ngozi Onyemuwa Anyogu	4	4	3	3	2	2
Rev (Dr) Effiong Isangadighi	4	4	3	3	2	2
Barrister Patrick Chinweike Abuka	4	4	3	3	2	2

10. Fixed Assets

Movements in fixed assets are shown in note 6 on page 15. In the opinion of the Directors, the value of the company's properties is not less than the book value.

11. Declaration of Fraud and Forgeries

There were no reported cases of fraud and forgeries during the period under review.

12. Post Balance Sheet Event

There are no post balance sheet events, which could have had a material effect on the state of affairs of the company as at 31 March, 2012 and the profit for the period ended on that date.

13. Employment and Employees

(i) Employment of Physically Challenged Persons:

The company does not discriminate in considering applications for employment including those from disabled persons. All employees are given equal opportunities for self development.

(ii) ***Employees involvement and Training:***

The Company is committed to keeping employees fully informed as far as possible regarding its performance and progress and seeking their views wherever practicable on matters, which particularly affect them as employees.

Management, professional and technical expertise are the Company's major assets and investment in their further development continues.

The Company's expanding skill base has increased by a range of training programmes provided to its employees whose opportunities for career development within the company have thus been enhanced.

(iii) ***Health, Staff Welfare and Safety at Work:***

Health and safety regulations are in force within the company's premises, and employees are aware of safety regulations. The Company provides subsidies to all employees for medical, transportation, housing and lunch. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these include bonuses, salary reviews, promotions, etc.

14. SHAREHOLDERS' AUDIT COMMITTEE

Pursuant to Section 359(3) of the Companies and Allied Matters Act CAP C20 LFN 2004, the Company has in place an Audit Committee comprising 2 (two) shareholders and 2 (two) Directors with the following details:

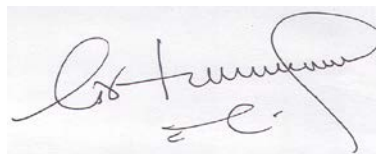
- | | | |
|---------------------|---|-------------------------------|
| 1. Mr. Godwin Mbatu | - | Chairman/Shareholder |
| 2. Barr. P.C Abuka | - | Non-Executive Director/member |
| 3. Mr. Ngozi Anyogu | - | Executive Director/member |
| 4. Engr. Eme Tasié | - | Shareholder/member |

The functions of the Audit Committee are as stipulated by 359(9) of the Companies and Allied Matters Act CAP C20 LFN 2004.

15. Auditors

Messrs Baker Tilly Nigeria (Chartered Accountants) who were appointed during the year, have indicated their willingness to continue as Auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004. A resolution will be proposed at the Annual General Meeting to authorise the Directors to fix their remuneration.

By order of the Board



**Theresa Nkiru Ntong
Company Secretary**

**LAGOS, Nigeria
6 July, 2012**

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
AG HOMES SAVINGS & LOANS PLC**

Report on the financial statements

We have audited the accompanying financial statements of AG HOMES SAVINGS AND LOANS PLC, for the year ended 31 March, 2012, set out on pages 12 to 25 which have been prepared on the basis of significant accounting policies on pages 9 to 11 and other explanatory notes on pages 15 to 25.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with statement of accounting standards issued by Nigerian Accounting Standards Board and with requirements of the Companies and Allied Matters Act, Cap C20 LFN, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian Standards on Auditing (NSAs) issued by the Institute of Chartered Accountants of Nigeria. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 31 March, 2012 in accordance with Statements of Accounting Standard issued by Nigerian Accounting Standard Board and the Companies and Allied Matters Act, CAP C20 LFN, 2004.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that: -

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account have been kept by the Company; and
- iii) the Company's balance sheet and profit and loss account are in agreement with the books of account.

LAGOS, Nigeria
6 July, 2012

CHARTERED ACCOUNTANTS

AG HOMES SAVINGS AND LOANS PLC
REPORT OF THE AUDIT COMMITTEE
TO THE MEMBERS OF
AG HOMES SAVINGS AND LOANS PLC

In compliance with Section 359 sub section 6 of the Companies and Allied Matters Act Cap C20 LFN 2004, we have:

- (1) Reviewed the scope and planning of the audit requirements.
- (2) Reviewed the External Auditors' management report for the year ended 31 March, 2012 as well as the Management response thereon.
- (3) Ascertained that the accounting and reporting policies of the Company for the year ended 31 March, 2012 are in accordance with legal requirements and agreed ethical practices.

The External Auditors had discharged their duties conscientiously and without fear or favour whilst the management responded with due sense of responsibility and cooperation to the audit points raised.

Dated this 6 July, 2012


Mr. Godwin Mbatu
Chairman
Audit Committee

Members of the audit Committee:

Mr. Godwin Mbatu	-	Chairman
Engr. Eme Tasie		
Mr. Ngozi Anyogu		
Barr. Patrick C. Abuka		
Mrs. Theresa Nkiru Ntong	-	Company Secretary

AG HOMES SAVINGS & LOANS PLC

ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Company in the preparation of its financial statements.

1. **Basis of Accounting**

The financial statements have been prepared on the historical cost basis as modified by inclusion of certain assets at current valuation.

2. **Loan and Advances**

Loans and advances are stated after provision for doubtful accounts. This provision is determined from a specific assessment of each customer's account in line with Prudential Guidelines. Specific provisions are made against bad and doubtful debts for which principal repayments are overdue as follows: -

Interest and/or Principal outstanding for	Classification	Provision
90 days but less than 180 days	Watchlist	1%
180 days but less than 360 days	Substandard	10%
360 days but less than 720days	Doubtful	50%
720 days and above	Lost	100%

A general provision of 1% is made for loans and advances not specifically provided for in accordance with the Prudential Guidelines of the Central Bank of Nigeria.

3. **Income Recognition**

Income is recognized as follows: -

- a) Interest on loans and advances is recognized on accrual basis. Interest overdue for more than 90 days is suspended and recognized on cash basis.
- b) Credit related fee income is deferred and amortized over the life of the related credit in proportion to the outstanding credit risk.
- c) Non-credit fee income is accounted for at the time the service or the transaction is concluded.

4. **Foreign Currency Transactions**

Transactions in foreign currency are recorded at the rate of exchange ruling at the date of the transactions. Foreign currency balances are converted at the rate of exchange ruling at the balance sheet date. The exchange differences arising therefrom are transferred to profit and loss account.

5. **Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation.

6. **Depreciation**

Depreciation is provided to write off the cost of fixed assets on straight line basis over their estimated useful lives at the following annual rate;

	%
Land and buildings	2
Motor vehicles	25
Office equipment	20
Furniture and fittings	20
Plant and machinery	20
Leasehold improvement	20
Computer equipment	20

7. **Investments**

Investments held as long term are stated at cost. Provision is made for permanent diminution in value. Short term investments are stated at lower of cost and market value. Provision is made for diminution in value.

8. **Taxation**

i) ***Income tax***

Current income tax is payable on the taxable income for the year, based on the statutory tax rate.

ii) ***Deferred Taxation***

Provision for deferred taxation is made using the liability method by applying the current rate of taxation on the amount by which the net book value of fixed assets exceeds the corresponding tax written down value. Deferred tax asset is recognized only when there is a reasonable expectation of its realization otherwise; it is disclosed by way of notes.

9. **Off Balance Sheet Engagements**

Transactions that are not currently recognized as assets or liability in the balance sheet but which nonetheless give rise to credit risks, contingencies and commitments are reported off balance sheet. Such transaction include letters of credit, bonds and guarantees, indemnities, acceptances and trade related contingencies such as documentary credits. Outstanding unexpired commitments at the year end in respect of these transactions are shown by way of note to the financial statements.

Income on off balance sheet transactions is in form of commission. Commission is recognized as and when transactions are executed.

10. **Staff Pension Scheme**

The Company operates a contributory scheme to which employees and the company contribute 7.5% each of total emoluments which includes basic, housing and transport allowances, in line with the Pension Reform act of 2004.

11. **Investment Properties**

Investment properties are land and buildings which are not occupied substantially for use in the operations of the Company. They are revalued periodically by external professional values and are not subject to periodic charges for depreciation.

12. **Provision**

Provision is recognized when the Company has present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle to obligation, in accordance with the Statement of Accounting Standard (SAS) 23.

13. **Intangible Assets**

Intangible assets consist of computer software and the costs associated with the development of software for internal use.

Cost that are directly associated with the production of identifiable and unique software products which was controlled by the company and which will generate economic benefits exceeding costs are recognized as intangible costs. These costs are amortized on the basis of straight line at the rate of 20%. Costs associated with maintaining software programs are recognized as an expense when incurred.

14. **Advance under Finance Lease**

Advances under finance lease are recorded to show the gross investment in the leases, the related unearned income and outstanding net investment at the balance sheet date. Fiancé income accruing on the leases is amortized over the lease period on a basis reflecting a constant yield on the outstanding net investment in the lease.

AG HOMES SAVINGS & LOANS PLC

BALANCE SHEET AS AT 31 MARCH, 2012

Assets	Note	2012 N'000	2011 x'000
Cash and short-term funds	1	34,569	29,007
Due from banks and other Financial institutions	2	1,363,243	979,999
Investment properties	3	600,900	555,005
Mortgage & other loans and advances	4	1,351,959	615,337
Other assets	5	155,023	71,028
Fixed assets	6	58,699	72,430
Intangible assets	7	<u>11</u>	<u>11</u>
		<u>3,564,404</u>	<u>2,322,817</u>
Liabilities			
Deposits	8	1,899,397	1,626,642
Tax payable	9(ii)	29,486	33,210
National Housing Fund		1,001,792	-
Deferred taxation	10	6,235	4,943
Other liabilities	11	<u>122,716</u>	<u>283,464</u>
		<u>3,059,626</u>	<u>1,948,259</u>
Capital and Reserves			
Share capital	12	500,000	500,000
Statutory reserves	13	22,919	22,919
Share premium	14	13,210	13,210
General reserve	15	<u>(31,351)</u>	<u>(161,571)</u>
		<u>504,778</u>	<u>374,558</u>
		<u>3,564,404</u>	<u>2,322,817</u>

These financial statements were approved by the Board of Directors of the company on 6 July, 2012.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:


Rev. (Prof.) Paul Emeka
 Chairman

DIRECTORS


Mr. Anthony Ewelike
 Managing Director/CEO

AG HOMES SAVINGS & LOANS PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2012

	Note	2012 N'000	2011 N'000
Income	16	420,358	290,015
Interest Expenses	17	<u>(122,723)</u>	<u>(117,014)</u>
Net Interest Income		297,635	173,001
Other Incomes	18	<u>146,811</u>	<u>106,893</u>
Net Operating Income		444,446	279,894
Overhead Expenses	19	(238,641)	(219,879)
Provision for Risk Assets	20	(40,629)	(14,818)
Provision for diminution in stock	3	(25,261)	-
Depreciation of Fixed Assets	6	<u>(17,947)</u>	<u>(24,888)</u>
Profit before Taxation		121,968	20,309
Current Taxation	9(i)	<u>(1,193)</u>	<u>(1,332)</u>
Profit after Taxation & transfer to general reserves		120,775 -----	18,977 -----
Appropriation:			
Statutory reserve	13	-----	-----
General reserve	15	<u>120,775</u> =====	<u>18,977</u> =====
Earnings per Share		0.12k =====	0.02k =====

The accounting policies on pages 9 to 11 and the notes on pages 15 to 26 form part of these financial statements.

AG HOMES SAVINGS & LOAN PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2012

	Notes	2012 N'000	2011 N'000
Cash Flow From Operating Activities -			
Interest and other Incomes	18.i	567,169	396,908
Interest Payments		(122,723)	(117,014)
Cash Payments to Employees and Suppliers'		<u>(238,641)</u>	<u>(219,879)</u>
Operating Profit Before Changes in Operating Assets/Liabilities		205,805	60,015
Movement in Operating Assets and Liabilities			
Mortgage and Other Loans and Advances		(43,068)	(208,966)
Other Assets		(83,995)	(11,811)
Customers' Deposits		272,755	170,734
Staff Pension Contribution		186	(327)
Other Liabilities		<u>(160,934)</u>	<u>(175,334)</u>
Cash Generated from Operating Activities		(509,251)	(165,689)
Income and Education Taxes Paid		<u>(6,188)</u>	<u>(10,322)</u>
Net Cash (outflow) from Operating Activities		<u>(515,439)</u>	<u>(176,011)</u>
Cash Flow from Investing Activities			
Purchase of Investments		(95,809)	(85,614)
Proceeds from disposal of investment		-	238,406
Purchase of Fixed Assets		(2,374)	(16,051)
Proceeds from Disposal of Fixed Assets		<u>636</u>	<u>729</u>
Net Cash (outflow)/inflow in Investing Activities		<u>(97,547)</u>	<u>137,470</u>
Cashflow from financing activities			
National Housing Fund		1,001,792	-
Deposit for shares		-	<u>(38,541)</u>
Net cash inflow/(outflow) from investing activities		<u>1,001,792</u>	<u>(38,541)</u>
Net increase/decrease in cash and cash equivalent		388,806	(40,032)
Cash and cash equivalent at beginning		<u>1,009,006</u>	<u>1,047,547</u>
Cash and cash equivalent at end		<u>1,397,812</u>	<u>1,009,006</u>
Cash and Short Term Funds	1	34,569	29,007
Due from Banks and Other Financial Institution	2	<u>1,363,243</u>	<u>979,999</u>
		<u>1,397,812</u>	<u>1,009,006</u>

AG HOMES SAVINGS & LOAN PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2012

	2012	2011
	₦'000	x'000
1. Cash and Short-term Funds		
Cash	34,569	29,007
	=====	=====
2. Due From Banks and Other Financial Institutions		
<i>i Summary</i>		
Balances with Banks and Other Financial Institutions in Nigeria	234,072	357,009
Placements with Banks	<u>1,129,171</u>	<u>622,990</u>
	1,363,243	979,999
	=====	=====
3. Investment Properties		
Quoted shares (Note 3. i)	121,884	147,145
Investment properties (Note 3. ii)	399,023	377,860
Other investment (Note 3.iii)	<u>79,993</u>	<u>30,000</u>
	600,900	555,005
	=====	=====
3.i Quoted shares	147,455	147,455
Provision for diminution	<u>(25,571)</u>	<u>(310)</u>
	121,884	147,145
	=====	=====
Provision for diminution	310	5,096
Balance brought forward		
Released/charged during the year	<u>25,261</u>	<u>(4,786)</u>
As at 31 March	25,571	310
	=====	=====
3.ii Investment properties		
At 1 April	377,860	460,246
Additions	52,446	85,614
Disposal	<u>(31,283)</u>	<u>(168,000)</u>
As at 31 March	399,023	377,860
	=====	=====

Certain properties were revalued by Messrs Godwin Iteghete & Co. Estate Surveyors and Valuers as follows:

Location	Initial Cost	Date of Valuation	Market Value
	₦	₦	₦
1. Plot 26, Block 15 Admiralty Way Lekki Phase 1, Lagos	83,292,169.90	29 June, 2012	200,000,000
2. River view Estate Isheri North Lagos	114,758,101.33	29 June, 2012	200,000,000
3. Plot 14 & 15 Extension, Trans Ekulu Pocket Layout Enugu North LGA, Enugu State	58,471,300.33	29 June, 2012	350,000,000
4. 48 Ogni Road, Enugu, Enugu State	31,322,700.00	29 June, 2012	30,000,000
5. Ogbeke Ibagwa Estate Enugu East LGA, Enugu State	15,396,250.00	29 June, 2012	<u>150,000,000</u>
Total			<u>930,000,000</u> =====

Nine Hundred and Thirty Million Naira Only

The surplus arising from this valuation has not been incorporated in these financial statements because the Company is yet to get approval from the Central Bank of Nigeria.

3.iii This represents investment in Evangel Properties and treasury bills.

	2012	2011
	₦'000	₦'000
4. Mortgage and Other Loans and Advances		
<i>i By security</i>		
Secured against real estate	936,811	294,795
Otherwise secured	<u>547,306</u>	<u>386,558</u>
	1,484,117	681,353
Less: Provision	<u>(132,158)</u>	<u>(66,016)</u>
	<u>1,351,959</u>	<u>615,337</u>
	=====	=====
<i>ii By Type:</i>		
Mortgage loans	936,811	294,795
Other advances	<u>547,306</u>	<u>386,558</u>
	1,484,117	681,353
	=====	=====

	2012	2011
	₦'000	₦'000
iii By Performance		
Performing	1,224,179	546,739
Substandard	169,178	48,304
Doubtful	45,787	68,955
Lost	<u>44,973</u>	<u>17,355</u>
	<u>1,484,117</u>	<u>681,353</u>
	=====	=====
iv. The movement on loan loss provision was as follows:		
(a) General provision		
At 1 April	5,467	3,787
Charge for the year	<u>6,775</u>	<u>1,680</u>
At 31 March	12,242	5,467
	-----	-----
(b) Specific provision		
At April 1	56,663	58,334
Charge for the year	28,120	7,258
Recoveries	<u>-----</u>	<u>(8,929)</u>
	84,783	56,663
	-----	-----
	97,025	62,130
	-----	-----
(c) Interest in suspense		
At April 1	3,886	7,790
Recoveries	-	(7,790)
Arising during the year	<u>31,247</u>	<u>3,886</u>
	35,133	3,886
	-----	-----
	132,158	66,016
	=====	=====

	2012	2011
	₦'000	₦'000
v. Maturity Profile		
Under 1 month	-	305,182
3 to 6 months	166,297	91,848
6 to 12 months	81,320	177,208
Over 12 months	<u>1,236,500</u>	<u>107,115</u>
	1,484,117	681,353
	=====	=====
vi. Analysis of Insider Related Credits		
Substandard	-	-
Doubtful	-	-
Lost	<u>-</u>	<u>-</u>
	-	-
Performing (Note 27)	<u>-</u>	<u>81,500</u>
	-	81,500
	=====	=====
Credits to staff	2,471	5,050
	=====	=====
5. Other Assets		
Accrued interest receivable	47,695	20,507
Prepaid interest	-	1,875
Other prepayments	15,927	18,768
Inter branch account system	737	734
Cash suspense	-	196
Head office inter branch	68,635	23,419
NHF repayments	11,956	-
Other investments	5,529	5,529
Dividend receivable	<u>4,544</u>	<u>-</u>
	155,023	71,028
	=====	=====

6. Fixed Assets

	Leasehold Improvement N'000	Land and Buildings N'000	Plant and Machinery N'000	Office Equipment and Computers N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Total N'000
Costs/Valuation							
Bal. b/fwd 1/4/2012	25,784	31,322	13,962	17,609	37,160	54,016	179,853
Additions	728	-	-	488	1,158	-	2,374
Adjustment/Disposal	-	-	(17)	-	-	(3,114)	(3,131)
Bal. 31/3/2012	<u>26,512</u>	<u>31,322</u>	<u>13,945</u>	<u>18,097</u>	<u>38,318</u>	<u>50,902</u>	<u>179,096</u>
Depreciation							
Bal. fwd 1/4/2012	15,420	2,159	11,617	11,631	28,060	38,536	107,423
Charge for the year	5,404	629	1,245	1,928	3,543	230	12,977
Disposal/adjustment	-	-	-	-	-	-	-
Bal. 31/3/2012	<u>20,824</u>	<u>2,786</u>	<u>12,862</u>	<u>13,559</u>	<u>31,603</u>	<u>38,766</u>	<u>120,400</u>
Net book Value:							
At 31 March, 2012	<u>5,688</u>	<u>28,536</u>	<u>1,083</u>	<u>4,538</u>	<u>6,715</u>	<u>12,136</u>	<u>58,696</u>
At 31 March, 2011	<u>10,364</u>	<u>29,163</u>	<u>2,345</u>	<u>5,978</u>	<u>9,100</u>	<u>15,480</u>	<u>72,430</u>

	2012 N'000	2011 N'000
7. Intangible Assets		
Cost	5,250	5,250
Amortization		
At 1/4/2012	5,239	5,239
Charged for the year	-	-
At 31/3/2012	<u>5,239</u>	<u>5,239</u>
Net book value	11	11

	2012	2011
	₦'000	₦'000
8. Deposits		
<i>.i Analysis by Category</i>		
Current	326,838	446,647
Savings	482,573	291,771
Time	<u>1,089,986</u>	<u>888,224</u>
	1,899,397	1,626,642
	=====	=====
 <i>.ii Maturity Profile</i>		
Under 1 month	-	738,418
1 - 3 months	326,838	108,203
3 - 6 months	482,573	517,641
6 - 12 months	1,089,986	262,380
Over 12 months	<u>-</u>	<u>-</u>
	1,899,397	1,626,642
	=====	=====
 9. Taxation		
Current Taxation		
<i>i Profit and loss</i>		
Company/Minimum tax	2,053	2,314
Education tax	411	
Deferred tax (asset)	<u>(1,271)</u>	<u>(982)</u>
	1,193	1,332
	=====	=====
 <i>ii Balance Sheet</i>		
Balance brought forward	33,210	41,218
Based on the profit for the period	2,464	2,314
Paid during the year	<u>(6,188)</u>	<u>(10,322)</u>
	29,486	33,210
	=====	=====

	2012	2011
	₦'000	₦'000
10. Deferred Taxation		
Balance brought forward	4,943	5,925
Released during the year	<u>1,292</u>	<u>(982)</u>
	6,235	4,943
	=====	=====
11. Other Liabilities		
Accounts payable	24,539	18,075
Interest accrued	11,787	43,675
Unidentified deposit	6,856	17,910
Provision for audit fees	3,000	4,855
Deposit for real estate	58,270	81,112
NHF	-	102,820
Statutory deductions	13,710	10,427
Information Technology Levy	1,499	1,717
Deposit for shares	1,437	1,437
Staff pension	1,610	1,424
Cash overages	<u>8</u>	<u>12</u>
	122,716	283,464
	=====	=====
12. Share Capital		
<i>.i Authorised: -</i>		
10,000,000,000		
Ordinary Shares of 50k each	5,000,000	5,000,000
	=====	=====
<i>.ii Issued and Fully Paid:</i>		
1,000,000,000		
Ordinary Shares of 50k each	500,000	500,000
	=====	=====

	2012 ₹'000	2011 ₹'000
13. Statutory Reserve		
As at 1 April	22,919	22,919
Addition during the year	<u> -</u>	<u> -</u>
As at 31 March	22,919	22,919
	=====	=====
14 Share Premium		
As at 31 March	13,210	13,210
	=====	=====
15. General Reserve		
As at 1 April	(161,571)	(180,548)
Prior year adjustment	9,445	-
Transfer from profit & loss account	<u>120,775</u>	<u>18,977</u>
As at 31 March	(31,351)	(161,571)
	=====	=====
16. Interest Income		
Interest on term loans and overdrafts	230,922	154,010
Interest on mortgage loans	45,265	38,181
Interest on placements	<u>144,171</u>	<u>97,824</u>
	420,358	290,015
	=====	=====
17. Interest Expenses		
Savings accounts	7,902	2,281
Deposit accounts	114,174	103,781
Others	<u>647</u>	<u>10,952</u>
	122,723	117,014
	=====	=====

	2012 ₦'000	2011 ₦'000
18. Other Income		
Commissions	28,050	24,353
Fees	13,156	7,737
Others	<u>105,605</u>	<u>74,803</u>
	146,811	106,893
	=====	=====
18.1 Interest and Other Income (cash flow)		
Interest Income	420,358	290,015
Other incomes	<u>146,811</u>	<u>106,893</u>
Gross earnings	567,169	396,908
	=====	=====
19. Overheads		
Auditors remuneration	3,000	3,000
Directors' emoluments	<u>27,303</u>	<u>24,812</u>
	30,303	27,812
Other charges and expenses	<u>208,338</u>	<u>191,566</u>
	238,641	219,378
	=====	=====
20. Directors' Emoluments		
i. Fees	6,843	6,452
Sitting allowance	<u>3,342</u>	<u>1,283</u>
	10,185	7,735
	=====	=====
Chairman	1,070	1,070
Highest paid director	17,118	17,077
	=====	=====
ii. The number of Directors excluding the Chairman whose emoluments were within the following ranges were	Number	Number
500,000 - 1,000,000	1	-
1,000,001 - 1,200,000	-	1
1,200,001 - 1,400,000	1	1
3,000,000 - 5,000,000	1	1
11,900,001 - 32,000,000	<u>2</u>	<u>2</u>
	5	5
	=====	=====

2012

2011

21. Employees Remuneration at higher rates and staff costs

Number

Number

- i. The number of employees in receipt of emoluments excluding allowances and pension within the following ranges were:

N	N		
Below 60,000		-	-
60,001 - 120,000		-	-
120,001 - 200,000		2	2
200,001 - 250,000		4	4
250,001 - 300,000		3	3
300,001 - 400,000		3	3
400,001 - 500,000		9	9
500,001 - 750,000		17	18
750,001 - 1,000,000		3	3
1,000,001- 1,150,000		3	3
1,150,001 and above		<u>12</u>	<u>12</u>
		56	57
		=====	=====

- ii. The average number of persons employed during the year was as follows:

	2012	2011
	Number	Number
Managerial	15	15
Senior	16	16
Junior	<u>25</u>	<u>26</u>
	56	57
	=====	=====

- .iii. **The Related Staff Costs Amounted to:**

N'000

N'000

Staff cost	89,275	83,670
Pension costs	<u>5,688</u>	<u>5,688</u>
	94,963	89,358
	=====	=====

22. Guarantees and Other Financial Commitments

The Directors are of the opinion that there are no known commitments and liabilities which are relevant in assessing the state of affairs of the company during the period under review.

23. Contravention

The company did not contravene any aspects of the Central Bank of Nigeria rules, regulations and guidelines during the period and no penalty was paid.

24. Post Balance Sheet Event

There are no post balance sheet events which could have a material effect on the state of affairs of the company as at 31 March, 2012 and the loss for the period ended on that date.

25. Contingent Liabilities

The Directors are of the opinion that there are no known contingent liabilities as at the end of the period.

26. Related Party Transactions

The company has related party transactions where one or more of its directors are also directors of company whose facilities were outstanding at year end.

27. Compliance with Central Bank of Nigeria directive

The Directors noted at their meeting of 6 July, 2012 that the reports and financial statements of the company will henceforth adopt the uniform year-end date in compliance with the Central Bank of Nigeria (CBN) circular dated 10 January, 2012 with reference No. FPR/DIR/CIR/GEN/01/022.

AG HOMES SAVINGS & LOANS PLC

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 MARCH, 2012

	2012 ₦'000	%	2011 ₦'000	%
Gross Earnings	567,169		396,908	
Interest Expenses	<u>122,723</u>		<u>(117,014)</u>	
	444,446		279,894	
Overheads and Payment for Other Services	<u>209,568</u>	—	<u>(145,339)</u>	—
Value added	234,878	100	134,555	100
	=====	===	=====	===
Applied as follows:				
<i>In Payment to Employees -</i>				
Salaries and Benefits	94,963	40	89,358	67
<i>In Payment to Government:</i>				
Current taxation	2,464	1	2,314	1.7
<i>Retained for future maintenance of assets & expansion of business:</i>				
Depreciation	17,947	7.5	24,888	18
Deferred tax	(1,271)	(0.5)	(982)	(0.7)
Profit retained for the year	<u>120,775</u>	<u>52.0</u>	<u>18,977</u>	<u>14</u>
Value added	234,878	100	134,555	100
	=====	=====	=====	=====

AG HOMES SAVINGS AND LOANS PLC

FIVE-YEAR FINANCIAL SUMMARY

YEAR ENDED 31 MARCH

	2012	2011	2010	2009	2008
Balance sheet	N'000	N'000	N'000	N'000	N'000
Cash and Short Term Funds	1,397,812	1,009,006	1,182,547	1,451,102	2,248,596
Investments	600,900	555,005	586,355	480,481	293,567
Loans and Advances	1,351,959	615,337	406,371	537,094	484,975
Other Assets	155,023	71,028	59,217	261,613	59,803
Fixed Assets	<u>58,710</u>	<u>72,441</u>	<u>83,267</u>	<u>145,118</u>	<u>146,839</u>
	3,564,404	2,322,871	2,317,757	2,875,408	3,233,780
	=====	=====	=====	=====	=====
Liabilities					
Deposit and other accounts	1,899,397	1,626,642	1,455,908	1,817,605	2,304,783
Taxation	29,486	33,210	41,218	40,896	49,943
Other liabilities	122,716	283,464	459,125	381,753	249,225
National Housing Fund Loans	1,001,792	-	-	-	-
Deferred taxation	<u>6,235</u>	<u>4,943</u>	<u>5,925</u>	<u>7,506</u>	<u>6,383</u>
	3,059,626	1,948,259	1,962,176	2,247,760	2,610,334
	-----	-----	-----	-----	-----
Capital and reserves					
Share capital	500,000	500,000	500,000	500,000	200,000
Statutory reserve	22,919	22,919	22,919	22,919	22,079
Share premium	13,210	13,210	13,210	13,210	13,210
Deposit for shares	-	-	-	1,524	1,524
Revenue reserve	<u>(31,351)</u>	<u>(161,571)</u>	<u>(180,548)</u>	<u>89,995</u>	<u>86,633</u>
Shareholders' fund	504,778	374,558	355,581	627,648	623,446
	-----	-----	-----	-----	-----
	3,564,404	2,322,817	2,317,757	2,875,408	3,233,780
	=====	=====	=====	=====	=====
Profit and loss account					
Gross earnings	567,169	396,908	432,597	393,239	413,739
Net interest margin	297,635	173,001	173,812	161,081	150,551
Profit/(loss) before exception item and taxation	121,968	20,309	(86,963)	9,542	130,184
Exceptional item	-	-	(182,839)	-	-
Taxation	<u>1,193</u>	<u>(1,332)</u>	<u>(741)</u>	<u>(5,340)</u>	<u>(42,961)</u>
Profit/(loss) after taxation	120,775	18,977	(270,543)	4,202	85,921
	=====	=====	=====	=====	=====
Per share information					
Basic earnings / (loss) per share (kobo)	0.12k	0.02k	(27.05k)	0.42k	9k
	=====	=====	=====	=====	=====
Net asset per share (kobo)	0.50k	0.37k	0.36k	0.62k	62k
	=====	=====	=====	=====	=====

Basic earnings/(loss) per share is calculated based on profit/(loss) after tax and the number of issued shares at the end of each financial year.

Net assets per share is based on the number of issued shares at the end of each financial year.

**PROXY FORM
AG HOMES SAVINGS & LOANS PLC**

**ANNUAL GENERAL MEETING TO BE HELD AT 11.00 A.M.
ON WEDNESDAY, 17TH OCTOBER 2012 AT WESTOWN HOTELS, 1, AYENI 1010 CLOSE, SHERATON/ IKEJA LINK ROAD
LAGOS.**

I/WE _____

(Name of shareholder in block letters)
being a member/members of the above named company, hereby
appoint _____ or failing him, the
Chairman of the meeting as my/our proxy to act and vote for me/us
and on my/our behalf at the 7th Annual General Meeting of the
company to be held on 17th October, 2012 and at any adjourned date
thereof.

Dated this _____ day of _____ 2012.

Shareholder's Signature _____

IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

Please sign this proxy form and forward it so as to reach the office of the Secretary, 96 Opebi Road, Ikeja, Lagos, not later than 48 hours before the time fixed for the meeting. If executed by a Corporation, the proxy form should be duly executed by the appointor.

It is a requirement of the law under the Stamp Duties Act CAP C20, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties.

The proxy must produce the Admission Card below to obtain entrance to the meeting.

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**AG HOMES SAVINGS & LOANS PLC
7TH ANNUAL GENERAL MEETING
ADMISSION CARD**

Please admit the shareholder named on this card or his duly appointed proxy to the 7th Annual General Meeting of the Company to be held on 17th October, 2012, at Westown Hotels, 1, Ayeni 1010 Close, Sheraton/ Ikeja Link Road Lagos

This admission card must be presented
By the shareholder in order to obtain entrance
to the Annual General Meeting

	The manner in which the proxy is to vote should be indicated by inserting "X" in the appropriate space.		
	Number of Shares		
	RESOLUTIONS	FOR	AGAINST
1.	To receive the Accounts and the Reports thereon	.....	.....
2.	To elect as Director, Barr. Danjuma Suleiman	.....	.....
3.	To fix the remuneration of the Auditors	.....	.....
4.	To elect members of the Audit Committee	.....	.....
5.	To issue 9,000,000,000 ordinary shares of 50 Kobo each at 60 Kobo each		
6.	To issue shares by way of Rights Issue and/or Public Offer or a combination of methods	.....	.....
7.	To allot fully paid-up shares, at par, for all amounts standing as Deposit for Shares		
8.	To allot unpaid shares by way of private Placement		
9.	To authorize directors to give effect to the company's recapitalization		
	Please indicate with an "X" how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, your proxy will vote or abstain from voting at his discretion.		

Name of Shareholder

Name of Proxy

Number of shares held

Signature

