



## **UNITED CAPITAL PLC**

**UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**CORPORATE INFORMATION****DIRECTORS:**

Chika Mordi	Chairman
Peter Ashade	Group Chief Executive Officer
Sunny Anene	Group Executive Director
Adim Jibunoh	Non Executive Director
Emmanuel N. Nnorom	Non Executive Director
Sonny Iroche	Independent Non Executive Director
Sir Stephen Nwadiuko	Independent Non Executive Director
Dipo Fatokun	Independent Non Executive Director - Appointed 14 February 2020
Hajiya Sutura Aisha Bello	Independent Non-Executive Director - Appointed 14 December 2020

**EXECUTIVE MANAGEMENT:**

Bawo Oritshajafar	Managing Director, United Capital Securities Limited
Odiri Oginni	Managing Director, United Capital Asset Management Limited
Buky Ikeotuonye	Managing Director, United Capital Trustees Limited - Appointed 1 April 2021
Shedrack Onakpoma	Group Chief Finance Officer
Leo Okafor	Group Company Secretary/General Counsel

**RC No.** RC444999

**FRC No.** FRC/2013/00000000001976

**REGISTERED OFFICE:** 3rd & 4th Floor  
Afriland Towers,  
97/105 Broad Street,  
Lagos Island,  
Lagos, Nigeria

**BANKERS** United Bank for Africa Plc  
57, Marina,  
Lagos Island,  
Lagos.

**AUDITORS:** PwC Nigeria  
5B Water Corporation Road  
Landmark Towers, Victoria Island  
Lagos, Nigeria

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors of **United Capital Plc** are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 30 June 2021, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act and the Investments and Securities Act.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

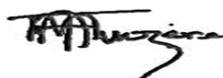
- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.

**Going Concern:**

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern for at least twelve months from the date of this financial statements.

The consolidated and separate financial statements of the Group and Company for the period ended 30 June 2021 were approved by directors on 15 July 2021.

On behalf of the Directors of the Group




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**Chika Mordi**

Chairman

FRC/2014/IODN/00000006667




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**Peter Ashade**

Group Chief Executive Officer

FRC/2013/NBA/00000002719

**OPERATIONAL RISK MANAGEMENT****1 Operational Risk Management**

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events.

Operational risk is inherent in each of the Group's businesses and support activities. Operational risk can manifest itself in various ways, including errors, fraudulent acts, business interruptions, inappropriate behaviour of employees, or vendors that do not perform in accordance with their arrangements. These events could result in financial losses, including litigation and regulatory fines, as well as other damage to the Group, including reputational harm.

To monitor and control operational risk, the Group maintains an overall framework that includes strong oversight and governance, comprehensive policies and processes, consistent practices across the lines of business, and enterprise risk management tools intended to provide a sound and well controlled operational environment. The framework includes:

- Ownership of the risk by the businesses and functional areas
- Monitoring and validation by internal control officers
- Oversight by independent risk management
- Independent review by Internal Audit

The goal is to keep operational risk at appropriate levels, in light of the Group's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment to which it is subject.

In order to strengthen focus on the Group's control environment and drive consistent practices across businesses and functional areas, the group established a Group shared service operational platform in the financial period. Critical to the effectiveness, efficiency and stability of this operating environment is the deployment and implementation of suitable technology leveraging an Enterprise Resource Platform. In addition, the Group has invested in the development of business continuity plans, systems and capabilities to ensure resilience and stability of our business operations in the face of unforeseen disruptions.

The Group's approach to operational risk management is intended to identify potential issues and mitigate losses by supplementing traditional control-based approaches to operational risk with risk measures, tools and disciplines that are risk-specific, consistently applied and utilized group-wide. Key themes are transparency of information, escalation of key issues and accountability for issue resolution. The Group has a process for monitoring operational risk event data, which permits analysis of errors and losses as well as trends. Such analysis, performed both at a line of business level and by risk-event type, enables identification of the causes associated with risk events faced by the businesses.

Internal Audit utilizes a risk-based program of audit coverage to provide an independent assessment of the design and effectiveness of key controls over the Group's operations, regulatory compliance and reporting. This includes reviewing the operational risk framework, the effectiveness of the internal control environment, and the loss data-collection and reporting activities.

Business and Strategic risks are governed by the group executive committee - which is ultimately responsible for managing the costs and revenues of the Group, and the board.

**2 Financial crime control**

Financial crime includes fraud, money laundering, violent crime and misconduct by staff, customers, suppliers, business partners, stakeholders and third parties. The Group will not condone any instance of financial crime and where these instances arise, the Group takes timely and appropriate remedial action.

**OPERATIONAL RISK MANAGEMENT**

Financial crime control is defined as the prevention and detection of, and response to, all financial crime in order to mitigate economic loss, reputational risk and regulatory sanction. This function is anchored by the Group's compliance, operations, internal control and internal audit functions.

**3 Reputational Risk**

Reputational risk results from damage to the Group's image which may impair its ability to retain and generate business. Such damage may result in a breakdown of trust, confidence or business relationships.

Safeguarding the Group's reputation is of utmost importance. Each business line, legal entity or support function executive is responsible for identifying, assessing and determining all reputational risks that may arise within their respective areas of business. The impact of such risks is considered alongside financial or other impacts.

Matters identified as a reputational risk to the Group are reported to the group chief executive officer and head, audit and business assurance; if required, the matter will be escalated to group executive committee.

Should a risk event occur, the Group's crisis management processes are designed to minimize the reputational impact of the event. This includes ensuring that the Group's perspective is fairly represented.

**4 Capital Management**

The Group's capital management approach is driven by its strategic and organizational requirements, taking into account the regulatory and commercial environment in which it operates. It is the Group's policy to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. Capital management practices are designed to ensure that the group and its legal entities are capitalized in line with the risk profile, economic capital needs and target ratios approved by the board. Capital is managed under a seven-year sustainability framework which ensures the adequacy of regulatory capital despite seven consecutive years of allocated economic capital depletion.

Through its corporate governance processes, the Group maintains discipline over its investment decisions and where it allocates its capital, seeking to ensure that returns on investment are appropriate after taking account of capital costs.

The Group's strategy is to allocate capital to businesses based on their economic profit generation and, within this process, regulatory and economic capital requirements and the cost of capital are key factors.

The Group's capital is divided into two tiers:

- Tier 1 capital: core equity tier one capital including ordinary shares, statutory reserve, share premium and general reserve.
- Tier 2 capital: qualifying subordinated loan capital, preference shares, collective impairment allowances, and unrealized gains arising on the fair valuation of equity instruments through OCI.

	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>
<b>Tier 1 capital</b>		
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	20,543,558	21,601,800
<b>Total qualifying for Tier 1 capital</b>	<b>24,227,169</b>	<b>25,285,411</b>
<b>Tier 2 capital</b>		
Fair value reserve	(672,979)	(858,932)
Other borrowings	74,892,186	72,661,645
<b>Total qualifying for Tier 2 capital</b>	<b>74,219,207</b>	<b>71,802,713</b>
<b>Total regulatory capital</b>	<b>98,446,376</b>	<b>97,088,124</b>

**LEGAL AND REGULATORY RISK****(a) Regulatory Provision**

Regulatory risk is the risk arising from a change in regulation in any legal, taxation and accounting pronouncement or specific industry regulations that pertain to the business of the Company and the Group. The Securities Business is subject to the extensive regulation which includes the SEC 2007 Rules and other Guidelines issued by the regulator. Violation of applicable laws or regulations could result in fines, temporary permanent prohibition of the engagement in certain activities, reputational harm and related client termination, suspension of personal or revocation of their licenses, or other sanctions, which could have material adverse effect of the Company's reputation, business, result of operations or financial condition and cause a decline in earnings. In order to actively manage these risks, the Company via its internal control and compliance unit engages in periodic assessments and review ensuring adherence to regulatory provisions at all times.

**Regulatory Capital Risk**

Regulatory capital risk is the risk that the entities within the United Capital Group will not have sufficient capital to meet either minimum regulatory or internal amount. The Securities and Exchange Commission sets and monitors capital requirement for all Investment, Registrar, Trust and Security Management Companies in Nigeria. The Securities and Exchange Commission prescribes the minimum capital requirement for asset management companies operating within Nigeria at N152m. Trustees business has a minimum capital of N300m Securities Business has a minimum capital base of N300m and Investment banking business has N200m as the minimum capital. As at the reporting date, the minimum capital requirement as set by the regulators have been met and the shareholders' funds are far in excess of the minimum capital requirement.

**(b) Legal Risk Assessment**

Legal risk is defined as the risk of loss due to defensive contractual arrangement, legal liability (both criminal and Civil) incurred during operations by the inability of the organization to enforce its rights, or by failure to address identified concerns to the appropriate authorities where changes in the law are proposed. The Company manages this risk by monitoring new legislation, creation of awareness of legislation amongst employee, identification of significant legal risks as well as assessing the potential impact of these. Legal risk management in the Company is also being enhanced by appropriate product risk review and management of contractual obligations via well documented Service Level Agreement and other contractual documents. The Company's legal matters are handled by the Company's secretary and legal department.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the period ended 30 June 2021**

	Notes	Group		Company	
		30 June 2021 =N=' 000	30 June 2020 =N=' 000	30 June 2021 =N=' 000	30 June 2020 =N=' 000
<b>Gross Earnings</b>		<b>6,853,729</b>	<b>4,446,675</b>	<b>1,489,464</b>	<b>1,091,814</b>
Investment income	4	3,654,632	2,887,809	923,663	658,726
Fee and commission income	5	3,118,674	1,368,167	578,779	416,493
Net trading income	6	38,189	96,170	848	-
<b>Net operating income</b>		<b>6,811,496</b>	<b>4,352,146</b>	<b>1,503,290</b>	<b>1,075,219</b>
Other income	7	57,745	103,266	1,686	25,332
Dividend income from subsidiaries		-	-	(0)	-
Net loss on financial assets at fair value through profit or loss	8	(15,512)	(8,737)	(15,512)	(8,737)
<b>Total Revenue</b>		<b>6,853,729</b>	<b>4,446,675</b>	<b>1,489,464</b>	<b>1,091,814</b>
Personnel expenses	9	(709,579)	(671,215)	(136,213)	(178,605)
Other operating expenses	10	(1,374,733)	(921,196)	(259,982)	(204,841)
Depreciation of properties and equipment	11	(85,640)	(104,484)	(64,349)	(94,960)
Amortisation of intangible & right of use assets	11	(61,655)	(7,528)	(60,645)	(5,023)
Impairment writeback /(charge) for credit losses	12	(881,914)	(474,738)	(345,000)	(151,581)
<b>Total Expenses</b>		<b>(3,113,521)</b>	<b>(2,179,160)</b>	<b>(866,188)</b>	<b>(635,010)</b>
<b>Profit before income tax</b>		<b>3,740,207</b>	<b>2,267,515</b>	<b>623,276</b>	<b>456,804</b>
Income tax expense	13	(598,449)	(354,218)	(99,724)	(73,089)
<b>Profit for the year</b>		<b>3,141,758</b>	<b>1,913,297</b>	<b>523,552</b>	<b>383,715</b>
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Fair value gain on investments in equity instruments measured at FVTOCI	32.1	243,535	(231,955)	-	(19,729)
Related tax		(2,435)	2,320	-	197
Fair value gain on investments in equity instruments measured at FVTOCI (net of tax)		241,100	(229,635)	-	(19,532)
<b>Items that may be reclassified subsequently to profit or loss</b>					
Fair value (loss)/gain on investments in debt instruments measured at FVTOCI	32.2	(55,704)	(147,458)	(1,258)	(13,367)
Related tax		557	1,475	13	134
Fair value (loss)/gain on investments in debt instruments measured at FVTOCI (net of tax)		(55,147)	(145,983)	(1,246)	(13,233)
<b>Other comprehensive income for the year, net of taxes</b>		<b>185,953</b>	<b>(375,618)</b>	<b>(1,246)</b>	<b>(32,765)</b>
<b>Total comprehensive income for the year</b>		<b>3,327,711</b>	<b>1,537,679</b>	<b>522,306</b>	<b>350,950</b>
<b>Profit for the year attributable to:</b>					
Equity holders of the Company		<b>3,141,758</b>	<b>1,913,297</b>	<b>523,552</b>	<b>383,715</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		<b>3,327,711</b>	<b>1,537,679</b>	<b>522,306</b>	<b>350,950</b>
<b>Earnings per share-basic (kobo)</b>	14	<b>105</b>	<b>64</b>	<b>17</b>	<b>13</b>

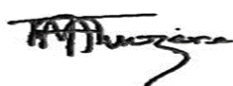
The accompanying notes form an integral part of this financial statements.

**Consolidated & Separate Statement of Financial Position  
As at 30 June 2021**

	Notes	Group		Company	
		30 June 2021 =N=' 000	31 December 2020 =N=' 000	30 June 2021 =N=' 000	31 December 2020 =N=' 000
<b>ASSETS</b>					
Cash and cash equivalents	15	202,297,184	43,420,443	14,024,460	12,196,469
Investment in financial assets	16	81,592,364	145,148,841	39,182,559	40,456,026
Trade and other receivables	17	30,997,294	28,472,742	28,833,774	27,476,909
Dividend receivable from subsidiaries	18	-	-	14,236	3,670,000
Right of use assets	19	228,844	283,694	228,844	283,694
Intangible assets	20	62,494	42,015	60,521	39,032
Investments in subsidiaries	21	-	-	901,000	901,000
Investments in Associates	22	4,500,000	4,500,000	4,500,000	4,500,000
Property, plant and equipment	23	241,695	565,824	434,678	487,457
Deferred tax assets	24	314,736	314,736	-	-
<b>TOTAL ASSETS</b>		<b>320,234,611</b>	<b>222,748,295</b>	<b>88,180,072</b>	<b>90,010,587</b>
<b>LIABILITIES</b>					
Managed funds	25	212,224,951	116,019,077	-	-
Other borrowed funds	26	74,892,186	72,661,645	74,361,152	72,432,512
Other liabilities	27	7,287,767	7,683,308	2,168,262	2,261,913
Current tax liabilities	28	2,148,543	1,830,812	1,024,968	1,012,778
Deferred tax liabilities	24	126,974	126,974	113,701	113,701
<b>TOTAL LIABILITIES</b>		<b>296,680,421</b>	<b>198,321,816</b>	<b>77,668,083</b>	<b>75,820,904</b>
<b>SHAREHOLDERS FUND</b>					
Share capital	29	3,000,000	3,000,000	3,000,000	3,000,000
Share Premium	30	683,611	683,611	683,611	683,611
Retained earnings	31	20,543,558	21,601,800	6,758,447	10,434,895
Fair value reserves	32	(672,979)	(858,932)	69,931	71,177
<b>TOTAL SHAREHOLDERS FUND</b>		<b>23,554,190</b>	<b>24,426,479</b>	<b>10,511,989</b>	<b>14,189,683</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS FUND</b>		<b>320,234,611</b>	<b>222,748,295</b>	<b>88,180,072</b>	<b>90,010,587</b>

The accompanying notes form an integral part of this financial statements.

The financial statements were approved by the Board of Directors on 15th July 2021 and signed on its behalf by:



CHIKA MORDI  
(Chairman)  
FRC/2014/IODN/00000006667



PETER ASHADE  
(Group Chief Executive Officer)  
FRC/2013/ICAN/00000002719



SHEDRACK ONAKPOMA  
(Group Chief Finance Officer)  
FRC/2013/ICAN/00000001643



**Consolidated Statement of Changes in Equity  
As at 30 June 2021****2021  
Group**

	Share capital =N=' 000	Retained earnings =N=' 000	Share premium =N=' 000	Fair value reserves =N=' 000	Shareholders' funds =N=' 000
At 1 January 2021	3,000,000	21,601,800	683,611	(858,931)	24,426,479
Transfer from profit or loss account	-	3,141,758	-	-	3,141,758
Net Change in fair value on equity instruments FVTOCI	-	-	-	241,100	241,100
Net Change in fair value on debt instruments FVTOCI	-	-	-	(55,147)	(55,147)
<b>Total comprehensive income</b>	<b>-</b>	<b>3,141,758</b>	<b>-</b>	<b>185,952</b>	<b>3,327,711</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend paid	-	(4,200,000)	-	-	(4,200,000)
<b>As at 30 June 2021</b>	<b>3,000,000</b>	<b>20,543,558</b>	<b>683,611</b>	<b>(672,979)</b>	<b>23,554,190</b>

**Company****At 1 January 2021**

At 1 January 2021	3,000,000	10,434,895	683,611	71,177	14,189,683
Transfer from profit or loss account	-	523,552	-	-	523,552
Net Change in fair value on debt instruments FVTOCI	-	-	-	(1,246)	(1,246)
<b>Total comprehensive income</b>	<b>-</b>	<b>523,552</b>	<b>-</b>	<b>(1,246)</b>	<b>522,306</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend paid	-	(4,200,000)	-	-	(4,200,000)
<b>As at 30 June 2021</b>	<b>3,000,000</b>	<b>6,758,447</b>	<b>683,611</b>	<b>69,931</b>	<b>10,511,989</b>

**2020  
Group**

	Share capital =N=' 000	Retained earnings =N=' 000	Share premium =N=' 000	Fair value reserves =N=' 000	Shareholders' funds =N=' 000
At 1 January 2020	3,000,000	16,790,622	683,611	(483,314)	19,990,919
Transfer from profit or loss account	-	7,811,178	-	-	7,811,178
Net Change in fair value on equity instruments FVTOCI	-	-	-	(229,635)	(229,635)
Net Change in fair value on debt instruments FVTOCI	-	-	-	(145,983)	(145,983)
<b>Total comprehensive income</b>	<b>-</b>	<b>7,811,178</b>	<b>-</b>	<b>(375,617)</b>	<b>7,435,560</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend paid	-	(3,000,000)	-	-	(3,000,000)
<b>At 31 December 2020</b>	<b>3,000,000</b>	<b>21,601,800</b>	<b>683,611</b>	<b>(858,931)</b>	<b>24,426,479</b>

**Company****At 1 January 2020**

At 1 January 2020	3,000,000	7,847,830	683,611	103,942	11,635,383
Transfer from profit or loss account	-	5,587,065	-	-	5,587,065
Net Change in fair value on equity instruments FVTOCI	-	-	-	(19,532)	(19,532)
Net Change in fair value on debt instruments FVTOCI	-	-	-	(13,233)	(13,233)
<b>Total comprehensive income</b>	<b>-</b>	<b>5,587,065</b>	<b>-</b>	<b>(32,765)</b>	<b>5,554,300</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend paid	-	(3,000,000)	-	-	(3,000,000)
<b>At 31 December 2020</b>	<b>3,000,000</b>	<b>10,434,895</b>	<b>683,611</b>	<b>71,177</b>	<b>14,189,683</b>

The accompanying notes form an integral part of this financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**As at 30 June 2021**

	Group		Company	
	30 June 2021 N' 000	31 December 2020 N' 000	30 June 2021 N' 000	31 December 2020 N' 000
Profit before tax	3,740,207	7,947,670	623,276	5,827,070
<b>Adjustments for;</b>				
Amortisation of Intangibles	11 6,804	13,936	5,795	11,916
Depreciation of property and equipment	11 85,640	202,220	64,349	120,949
Depreciation of right of use	11 54,851	70,369	54,851	70,369
Foreign exchange revaluation	7 -	(5,887)	-	(5,887)
Gain on disposal of property and equipment	(7,235)	(5,842)	(7,235)	(5,842)
Net interest income	4 (2,195,950)	(8,261,668)	(370,641)	(2,536,114)
Dividend income	4 & 18 (706,476)	(470,623)	(55,089)	(3,640,955)
Fair value changes for FVTPL	16 (28,333)	(10,367)	(15,512)	(10,367)
Impairment charge (write/back) on other financial assets	16 & 17 881,914	722,257	345,000	444,568
	<b>1,831,422</b>	<b>202,065</b>	<b>644,792</b>	<b>275,708</b>
<b>Changes in working capital</b>				
Trade receivables	(2,549,503)	(3,334,023)	(1,381,716)	(3,168,309)
Managed funds	96,205,873	43,639,780	-	-
Other liabilities	(395,541)	2,282,674	(93,652)	48,781
	<b>95,092,252</b>	<b>42,790,497</b>	<b>(830,575)</b>	<b>(2,843,820)</b>
<b>Cash generated from operations</b>				
Interest received	(8,631,284)	23,735,610	(2,423,523)	10,200,211
Interest paid	6,435,334	(13,385,800)	1,929,162	(4,000,644)
Income tax paid	(280,718)	(455,127)	(87,534)	(186,081)
	<b>92,615,584</b>	<b>52,685,180</b>	<b>(1,412,470)</b>	<b>3,169,665</b>
<b>Net cash generated by/(used in) operating activities</b>				
<b>Cash flows from investing activities</b>				
Purchase of investment securities	-	(74,354,308)	-	(17,705,676)
Disposal of investment securities	66,362,271	-	1,370,018	-
Investment in associate	-	(4,500,000)	-	(4,500,000)
Dividend income on equity investment at FVTOCI	92,881	-	55,089	-
Disposal of Financial instrument at FVTOCI	-	24,672,380	121,700	12,756,653
Purchase of property and equipment	23 (66,280)	(411,120)	(70,113)	(385,732)
Purchase of right of use assets	19 -	(353,751)	-	(353,751)
Purchase of intangible assets	20 (27,284)	(12,180)	(27,284)	(12,180)
Proceeds from the sale of property and equipment	35,475	79,516	35,475	52,551
Dividends received	4 & 18 706,476	470,623	3,710,853	2,490,955
	<b>67,103,539</b>	<b>(54,408,840)</b>	<b>5,195,737</b>	<b>(7,657,180)</b>
<b>Net cash used in investing activities</b>				
<b>Cash flows from financing activities</b>				
Dividend paid to owners of equity capital	(4,200,000)	(3,000,000)	(4,200,000)	(3,000,000)
Proceeds from borrowings	4,214,055	32,214,440	4,214,055	32,214,440
Repayment of borrowings	(2,107,028)	(14,955,113)	(2,107,028)	(14,955,113)
	<b>(2,092,972)</b>	<b>14,259,327</b>	<b>(2,092,972)</b>	<b>14,259,327</b>
<b>Net cash (used in)/generated by financing activities</b>				
Net increase/(decrease) in cash and cash equivalents	157,626,151	12,535,667	1,690,294	9,771,812
Effect of foreign exchange changes on cash	1,250,590	752,677	137,696	23,375
Cash and cash equivalents at beginning of year	43,420,443	30,132,099	12,196,469	2,401,282
	<b>202,297,184</b>	<b>43,420,443</b>	<b>14,024,460</b>	<b>12,196,469</b>

The accompanying notes form an integral part of this financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
For the period ended 30 June 2021

	Group		Company	
	30 June 2021 =N= '000	30 June 2020 =N= '000	30 June 2021 =N= '000	30 June 2020 =N= '000
<b>4 Investment income</b>				
Interest from placements and bonds	694,100	472,003	374,212	379,037
Income from loans (note 4a)	123,721	112,173	123,721	112,173
Dividend income from securities investments	613,595	-	-	-
Profit on disposal of investment	58,105	-	-	-
Dividend income on instruments at FVTOCI	92,881	249,965	55,089	-
Income from managed Funds (note 4b)	2,072,229	2,053,668	370,641	167,516
	<b>3,654,632</b>	<b>2,887,809</b>	<b>923,663</b>	<b>658,726</b>
Investment income from items measured at amortised cost	2,822,642	2,470,328	705,267	491,210
Investment income from items carried at fair value through OCI	710,348	417,480	218,396	167,516
	<b>3,532,990</b>	<b>2,887,809</b>	<b>923,663</b>	<b>658,726</b>
<b>4a. Income from loans</b>				
Interest income	1,179,956	1,929,460	1,179,956	1,929,460
Interest expense	(1,056,235)	(1,817,286)	(1,056,235)	(1,817,286)
	<b>123,721</b>	<b>112,173</b>	<b>123,721</b>	<b>112,173</b>
<b>4b. Income from managed funds</b>				
Interest income	7,451,328	4,126,195	1,243,568	932,989
Interest expense	(5,379,099)	(2,072,527)	(872,927)	(765,473)
	<b>2,072,229</b>	<b>2,053,668</b>	<b>370,641</b>	<b>167,516</b>
<b>5 Fees and commission income</b>				
Financial advisory fees	578,779	416,099	578,779	416,099
Other fees and commissions	2,539,895	952,068	-	394
	<b>3,118,674</b>	<b>1,368,167</b>	<b>578,779</b>	<b>416,493</b>
Fees recognised at point in time	1,182,637	586,103	578,779	416,493
Fees recognised over time	1,936,038	782,064	-	-
	<b>3,118,674</b>	<b>1,368,167</b>	<b>578,779</b>	<b>416,493</b>
Other fees and commission income include management fees from mutual fund which are recognised at point in time, fees and transaction sign-on fees which are recognised at point in time the mandate is consummated. Management fee accrues monthly as a percentage of the net asset value (NAV) at each point in time.				
<b>6 Net Trading Income.</b>				
Net trading income includes gains and losses arising both on the purchase and sale of financial instruments at FVTPL	<b>38,187</b>	<b>96,170</b>	<b>848</b>	<b>-</b>
<b>7 Other income</b>				
Exchange gains	-	-	-	-
Income from staff loans	784	16,684	-	16,684
Other income	56,962	86,582	1,686	8,648
	<b>57,745</b>	<b>103,266</b>	<b>1,686</b>	<b>25,332</b>
Other income includes income realised from share of disposal of equity investment arising not from ordinary course of operation. There was no disposal of FVTOCI investments during the period.				
<b>8 Net loss from financial assets at fair valued through profit or loss</b>				
Net (loss) on equity instruments at FVTPL	(15,512)	(8,737)	(15,512)	(8,737)
	<b>(15,512)</b>	<b>(8,737)</b>	<b>(15,512)</b>	<b>(8,737)</b>
<b>9 Personnel expenses</b>				
Staff cost	704,517	653,879	134,887	173,466
Contributions to defined contribution plans	5,062	17,336	1,326	5,138
	<b>709,579</b>	<b>671,215</b>	<b>136,213</b>	<b>178,605</b>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
For the period ended 31 March 2021

	Group		Company	
	30 June 2021 =N=' 000	30 June 2020 =N=' 000	30 June 2021 =N=' 000	30 June 2020 =N=' 000
<b>10 Other operating expenses</b>				
Other premises and equipment costs	28,242	34,568	242	238
Auditors remuneration	17,404	21,077	5,067	6,750
Professional fees	128,725	89,291	97,624	40,250
Travel and accommodation	3,588	8,603	619	3,020
Rent and rates	32,046	27,606	10,426	8,370
AGM/Dividend processing expenses	361,271	75,323	-	75,323
Donations	5,500	55,000	-	55,000
Subscription	5,069	7,458	3,035	6,604
Insurance	10,772	-	3,852	-
Statutory expenses	1,732	-	-	-
General administrative expenses	681,747	602,269	136,444	9,287
Advertisement and branding	54,468	-	1,089	-
Directors fees and other allowances	1,480	-	-	-
Printing and stationeries	919	-	417	-
Office running expenses	37,558	-	-	-
Business entertainment	1,460	-	702	-
IT license and maintenance fee	465	-	465	-
Training and conference	2,290	-	-	-
	<b>1,374,733</b>	<b>921,196</b>	<b>259,982</b>	<b>204,841</b>
<b>11 Depreciation &amp; amortization</b>				
<b>11.1</b> Depreciation of property and equipments	85,640	104,484	64,349	94,960
<b>11.2 Amortization</b>				
Amortization of intangible assets	6,804	7,528	5,795	5,023
Amortization of right of use assets	54,851	-	54,851	-
	<b>61,655</b>	<b>7,528</b>	<b>60,645</b>	<b>5,023</b>
<b>12 Impairment writeback /(charge) for credit losses</b>				
Loss allowance on cash and cash write back on financial assets at amortised cost	-	-	-	-
Loss allowance on financial assets at amortised cost	856,963	474,738	320,150	151,581
Loss allowance on trade receivables	24,951	-	24,850	-
	<b>881,914</b>	<b>474,738</b>	<b>345,000</b>	<b>151,581</b>
<b>13 Income tax expense</b>				
<b>Recognised in the profit or loss</b>				
Income tax	486,240	287,802	81,026	59,385
Education tax	74,806	44,277	12,466	9,136
Information technology tax	37,403	22,139	6,233	4,568
Police trust fund levy	-	-	-	-
	598,449	354,218	99,724	73,089
Deferred tax	(0)	-	-	-
	<b>598,449</b>	<b>354,218</b>	<b>99,724</b>	<b>73,089</b>
<b>Recognised in other comprehensive income</b>				
Income tax recognised in other comprehensive income	-	-	-	-
deferred tax recognised in other comprehensive income	1,878	(3,794)	(13)	(331)
	<b>1,878</b>	<b>(3,794)</b>	<b>(13)</b>	<b>(331)</b>
<b>Rate reconciliation</b>				
Total tax as a percentage of profit before tax	13%	13%	13%	13%
Information technology levy	1%	1%	1%	1%
Education tax	1%	1%	1%	1%
Police trust fund levy	0.5%	1%	1%	1%
<b>Income tax charge for the period as a percentage of profit before tax</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>	<b>16%</b>
Tax relating to prior period	0%	0%	0%	0%
<b>Net tax charge</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>	<b>16%</b>
<b>Tax reduced/(increased) as a consequence of:</b>				
Non-taxable interest	18%	16%	16%	15%
Other non-taxable income	11%	9%	9%	10%
Temporary difference not accounted for in deferred tax asset	-5%	-3%	-3%	-2%
Other permanent differences	-2%	-1%	-1%	-1%
	<b>38%</b>	<b>36%</b>	<b>37%</b>	<b>38%</b>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

	Group		Company	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
<b>14 Earnings per share</b>				
<b>Basic earnings per share</b>				
Basic earnings attributable to shareholders (N'000)	3,141,758	1,913,297	523,552	383,715
Number of ordinary shares in issue ('000)	6,000,000	6,000,000	6,000,000	6,000,000
Basic earnings per share (kobo)	<b>105</b>	<b>64</b>	<b>17</b>	<b>13</b>

	Group		Company	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
<b>15 Cash and cash equivalents</b>				
Cash and balances with banks	15,715,430	7,719,204	121,830	360,724
Money market placements	186,620,354	35,739,839	13,902,630	11,835,746
	202,335,784	43,459,043	14,024,460	12,196,469
Impairment charge	(38,600)	(38,600)	-	-
	<b>202,297,184</b>	<b>43,420,443</b>	<b>14,024,460</b>	<b>12,196,469</b>
Current	202,335,784	43,459,043	14,024,460	12,196,469
Non-Current	-	-	-	-
	<b>202,335,784</b>	<b>43,459,043</b>	<b>14,024,460</b>	<b>12,196,469</b>
<b>15a Impairment adjustments on Cash</b>				
At 1 January	38,600	-	-	-
Arising during the period	-	38,600	-	-
At 30 June	<b>38,600</b>	<b>38,600</b>	-	-

"Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisitions, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months".

All bank balances and money market placements are assessed as stage 1 credit risk at each reporting date as they are held with reputable financial institutions and in most cases secured by way of Government securities. The identified ECL on cash and cash equivalent for the Company is considered immaterial and has not been recognised

	Group		Company	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
<b>16 Investment in financial assets</b>				
Financial assets measured at amortised cost - (note 16.1)	59,186,188	106,063,725	36,091,100	37,005,545
Financial assets at Fair value through other comprehensive income - (note 16.2)	13,497,173	15,749,935	1,557,141	1,435,441
Financial assets at Fair value through profit or loss - (note 16.3)	8,909,003	23,335,181	1,559,468	2,015,040
	<b>81,592,364</b>	<b>145,148,841</b>	<b>39,207,709</b>	<b>40,456,026</b>
Current	22,611,430	1,020,773	4,401,757	4,401,757
Non-Current	58,980,935	144,128,068	34,805,952	36,054,269
	<b>81,592,364</b>	<b>145,148,841</b>	<b>39,207,709</b>	<b>40,456,026</b>
<b>16.1 Financial assets measured at amortized cost</b>				
Investment in long term placement	41,513	38,367,501	-	-
Loans to customer	24,763,261	24,303,516	24,089,293	23,965,573
Treasury bills	2,254,850	1,020,773	-	-
Federal government bonds	5,353,763	7,649,038	-	-
State government bonds	17,985,584	27,489,331	11,686,963	12,304,979
Corporate bonds	11,138,233	8,689,018	1,365,703	1,465,703
	<b>61,537,204</b>	<b>107,519,178</b>	<b>37,141,959</b>	<b>37,736,255</b>
Loss allowance on financial assets at amortized costs (note 16.1a)	(2,351,016)	(1,455,453)	(1,050,859)	(730,710)
	<b>59,186,188</b>	<b>106,063,725</b>	<b>36,091,100</b>	<b>37,005,545</b>
<b>16.1a Loss allowance on financial assets at amortized costs</b>				
At 1 January	1,494,053	1,254,836	730,710	579,129
<b>Charge during the year:</b>				
(Writeback)/allowance on loan to customers	-	-	-	-
Loss allowance on other financial assets	856,963	474,738	320,150	151,581
	<b>2,351,016</b>	<b>1,729,574</b>	<b>1,050,859</b>	<b>730,710</b>

FGN bonds measured at amortized cost are assessed to have low credit risk at each reporting date based on their respective external credit ratings. As such, the Group assumes that the credit risk on these financial instruments have not increased significantly since initial recognition as permitted by IFRS 9 and recognises 12 month ECL for these assets. There was additional impairment of N856.96m on financial assets and no writeback or impairments on loans to customers during the period ended 30 June 2021.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
For the period ended 30 June 2021

	Group		Company	
	30 June 2021 =N=' 000	31 December 2020 =N=' 000	30 June 2021 =N=' 000	31 December 2020 =N=' 000
<b>16.2 Financial assets measure at fair value through other comprehensive income (FVTOCI)</b>				
Treasury bills	-	-	-	-
Bonds	-	3,354,111	-	-
Equity- quoted	851,281	2,002,636	-	-
Equity- unquoted	8,828,662	7,133,329	-	-
Mutual funds	4,035,061	4,118,791	1,487,210	1,364,264
	13,715,004	16,608,867	1,487,210	1,364,264
Fair value adjustments (16.2a)	(217,831)	(858,932)	69,931	71,177
	<b>13,497,173</b>	<b>15,749,935</b>	<b>1,557,141</b>	<b>1,435,441</b>

The Group has made an irrevocable election to classify certain unquoted equity investment at FVOCI. This election is used for equity investments that are not traded but are held for strategic or longer term investment purposes. The dividend income recognised on FVOCI equity instruments was N 35.4 million. (2019: N 786 million).

The Group has designated mutual funds, quoted and unquoted equity instruments at FVOCI. The ECL on FVTOCI debt instruments is not deemed material for adjustment.

<b>16.2a Changes in fair value reserve</b>				
At 1 January	(858,932)	(1,666,507)	71,177	53,791
Arising during the year	641,101	807,575	(1,246)	17,386
At 30 June	<b>(217,831)</b>	<b>(858,932)</b>	<b>69,931</b>	<b>71,177</b>
<b>16.3 Financial asset measured at fair Value Through Profit or Loss (FVTPL)</b>				
Quoted equity investment	2,775,624	3,473,414	995,651	1,435,712
Mutua Funds	972,738	13,870,847	600,495	-
Equity- Unquoted	5,210,140	6,012,087	-	600,495
	<b>8,958,502</b>	<b>23,356,348</b>	<b>1,596,146</b>	<b>2,036,207</b>
Fair value adjustment (note 16.3a)	(49,500)	(21,167)	(36,678)	(21,167)
	<b>8,909,003</b>	<b>23,335,181</b>	<b>1,559,468</b>	<b>2,015,040</b>
<b>16.3a Changes in fair value reserve</b>				
At 1 January	21,167	-	21,167	-
Arising during the year	28,333	21,167	15,512	21,167
At 30 June	<b>49,500</b>	<b>21,167</b>	<b>36,678</b>	<b>21,167</b>

	Group		Company	
	30 June 2021 =N=' 000	31 December 2020 =N=' 000	30 June 2021 =N=' 000	31 December 2020 =N=' 000
<b>17 Trade receivables &amp; other receivables</b>				
Trade debtors	1,042,503	1,166,357	177,573	177,573
Prepayments	374,246	127,124	109,639	47,198
Accrued income	2,264,706	1,168,504	1,655,695	1,151,882
Other receivables	3,062,651	1,781,983	2,431,870	1,997,089
WHT Receivable	2,206,491	2,157,127	1,883,767	1,503,086
Deposit for investment	23,387,336	23,387,336	23,387,336	23,387,336
	<b>32,337,933</b>	<b>29,788,431</b>	<b>29,645,880</b>	<b>28,264,164</b>
Loss allowance on trade receivables (note 17.1)	(1,340,640)	(1,315,688)	(812,105)	(787,255)
	<b>30,997,294</b>	<b>28,472,742</b>	<b>28,833,774</b>	<b>27,476,909</b>
<b>17.1 Loss allowance on trade receivables</b>				
At 1 January	1,315,688	925,825	787,255	537,079
Arising during the year	24,951	389,864	24,850	250,176
At 30 June	<b>1,340,640</b>	<b>1,315,688</b>	<b>812,105</b>	<b>787,255</b>
Current	5,030,147	2,801,155	3,453,959	2,539,288
Non-Current	25,967,146	25,671,587	25,379,816	24,937,620
	<b>30,997,294</b>	<b>28,472,742</b>	<b>28,833,774</b>	<b>27,476,909</b>

The Group applies the simplified approach and recognises lifetime ECL for trade receivables using a provision matrix. The provision matrix is based on the historical observed default rates, adjusted for forward looking estimates. At each reporting date, the historical observed default rates are updated. More information on ECL is disclosed in note 2.11b

<b>18 Dividend receivable from Subsidiaries</b>				
At 1 January	-	-	3,670,000	1,711,111
Arising during the year	-	-	(0)	3,670,000
Receipt during the year	-	-	(3,655,764)	(1,711,111)
	-	-	<b>14,236</b>	<b>3,670,000</b>
Current	-	-	<b>14,236</b>	<b>3,670,000</b>
Non-Current	-	-	-	-
	-	-	<b>14,236</b>	<b>3,670,000</b>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021

19	Right of use assets	Group =N=' 000	Company =N=' 000
	<b>Cost</b>		
	At 1 January 2021	354,375	354,375
	Addition	-	-
	<b>As at 30 June 2021</b>	<b>354,375</b>	<b>354,375</b>
	<b>Depreciation</b>		
	At 1 January 2021	70,681	70,681
	Addition	54,851	54,851
	Disposal	-	-
	As at 30 June 2021	125,531	125,531
	<b>Carrying amounts</b>		
	As at 30 June 2021	<b>228,844</b>	<b>228,844</b>
	At 31 December 2020	<b>283,694</b>	<b>283,694</b>
			-
19.1	Right of use assets	Group =N=' 000	Company =N=' 000
	<b>Cost</b>		
	At 1 January 2020	-	-
	Addition	354,375	354,375
	<b>At 31 December 2020</b>	<b>354,375</b>	<b>354,375</b>
	<b>Depreciation</b>		
	At 1 January 2020	-	-
	Addition	70,681	70,681
	<b>At 31 December 2020</b>	<b>70,681</b>	<b>70,681</b>
	<b>Carrying amounts</b>		
	At 31 December 2020	<b>283,694</b>	<b>283,694</b>
	At 1 January 2020	-	-

Right of use asset relate to lease rentals on the head office occupied by the Group. The lease agreement covers a period of five (5) years.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021

20	Intangible assets	Group =N=' 000	Company =N=' 000
	<b>Cost</b>		
	At 1 January 2021	119,692	109,593
	Addition	27,284	27,284
	<b>As at 30 June 2021</b>	<b>146,975</b>	<b>136,876</b>
	<b>Amortization</b>		
	At 1 January 2021	77,677	70,561
	Addition	6,804	5,795
	<b>As at 30 June 2021</b>	<b>84,481</b>	<b>76,355</b>
	<b>Carrying amounts</b>		
	<b>As at 30 June 2021</b>	<b>62,494</b>	<b>60,521</b>
	At 31 December 2020	<b>42,015</b>	<b>39,032</b>
20.1	Intangible assets	Group =N=' 000	Company =N=' 000
	<b>Cost</b>		
	At 1 January 2020	107,511	97,412
	Addition	12,180	12,180
	<b>At 31 December 2020</b>	<b>119,692</b>	<b>109,593</b>
	<b>Amortization</b>		
	At 1 January 2020	61,721	58,645
	Addition	13,936	11,916
	<b>At 31 December 2020</b>	<b>75,656</b>	<b>70,561</b>
	<b>Carrying amounts</b>		
	At 31 December 2020	<b>44,035</b>	<b>39,032</b>
	At 31 December 2019	<b>45,791</b>	<b>38,768</b>



**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021****21 Investment in subsidiaries**

	<b>Date of Investment</b>	<b>Holding</b>	<b>Value</b>	<b>Country</b>
United Capital Securities Limited	2006	100%	100,000	Nigeria
United Capital Assets Management Limited	2013	100%	500,000	Nigeria
United Capital Trustees Limited	2013	100%	300,000	Nigeria
UC Plus	2019	100%	1,000	Ghana
			<b>901,000</b>	

**21.1 Other information on subsidiaries**

- (i) United Capital Securities Limited is a dealing member of the Nigerian Stock Exchange (NSE) and registered by the Securities & Exchange Commission (SEC) as a Broker/Dealer. It is also a registered dealing member of NASD OTC Plc and FMDQ OTC Plc. This enables the Company to deal in over-the-counter Equity and Fixed Income Securities. The Company provides services such as securities dealing, receiving agents to new issues, stockbrokers to primary issues, designated adviser to SME's and equity portfolio management services.
- (ii) United Capital Assets Management Limited is registered and licensed by the Securities and Exchange Commission of Nigeria (SEC) to act as investment advisers, funds and portfolio managers.
- (iii) United Capital Trustees Limited is a leading provider of Trust services such as debenture trust, bond trusteeship to corporate and sub-sovereign issuers of public debt instruments and trustees to collective investment schemes.
- (iv) UC Plus is a consumer lending company established by United Capital Plc with the sole objective of enhancing financial inclusion and providing pay day loans to working class individuals and SMEs. UC Plus was licensed by the Lagos State Government in 2019 but yet to fully commence operations.

**21.2 Non-controlling interest of subsidiaries**

The Group does not have any non-wholly owned subsidiaries that have material non-controlling interest.

**21.3 Significant restrictions**

The Group does not have significant restrictions on its ability to access or use the assets and settle the liabilities of any member of the Group other than those resulting from the subsidiaries' supervisory frameworks. Disclosures on liquidity, capital adequacy and credit risk were disclosed in the enterprise risk management.

**22 Investment in Associates**

	<b>Date of Investment</b>	<b>Holding</b>	<b>Country</b>	<b>30 June 2021 =N=' 000</b>	<b>31 December 2020 =N=' 000</b>
Heirs Insurance Limited	2020	25%	Nigeria	2,500,000	2,500,000
Heirs Life Assurance Limited	2020	25%	Nigeria	2,000,000	2,000,000
				<b>4,500,000</b>	<b>4,500,000</b>

**22.1 Other information on Associates**

- (i) **Heirs Insurance Limited** was formerly registered as a General Insurance Company by the Nigeria Insurance Commission (NAICOM) in September 2020. The Company is expected to fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.
- (ii) **Heirs Life Assurance Limited** was formerly registered as a Life Assurance Company by the Nigeria Insurance Commission (NAICOM) in September 2020. The Company is expected to fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021

23 (i) Property, plant and equipment Group	Leasehold Improvements =N=' 000	Furniture, fittings & equipment =N=' 000	Motor vehicles =N=' 000	Computer equipment =N=' 000	Total =N=' 000
<b>Cost</b>					
At 1 January 2021	-	122,012	684,035	214,340	1,020,386
Additions	-	46,710	8,000	11,570	66,280
Disposals	-	(46,710)	-	-	(46,710)
<b>As at 30 June 2021</b>	<b>-</b>	<b>122,012</b>	<b>692,035</b>	<b>225,910</b>	<b>1,039,956</b>
<b>Depreciation</b>					
At 1 January 2021	-	40,509	478,365	153,103	671,977
Additions	-	13,748	61,329	10,563	85,640
Disposals	40,645	525	(525)	-	40,644
<b>As at 30 June 2021</b>	<b>40,645</b>	<b>54,782</b>	<b>539,168</b>	<b>163,666</b>	<b>798,261</b>
<b>Carrying amounts</b>					
As at 30 June 2021	<b>(40,645)</b>	<b>67,230</b>	<b>152,866</b>	<b>62,244</b>	<b>241,695</b>
At 31 December 2020	<b>-</b>	<b>81,503</b>	<b>205,670</b>	<b>61,237</b>	<b>348,410</b>

**Property, plant and equipment  
Company**

Cost	Leasehold Improvements	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
At 1 January 2021	258,059	80,841	446,837	137,074	922,810
Additions	-	46,710	-	11,570	58,280
Disposals	-	(46,710)	-	-	(46,710)
<b>As at 30 June 2021</b>	<b>258,059</b>	<b>80,841</b>	<b>446,837</b>	<b>148,644</b>	<b>934,380</b>
<b>Depreciation</b>					
At 1 January 2021	-	16,314	293,943	84,450	394,708
Additions	-	8,353	47,434	8,562	64,349
Disposals	40,645	(221)	220	-	40,645
<b>As at 30 June 2021</b>	<b>40,645</b>	<b>24,446</b>	<b>341,597</b>	<b>93,013</b>	<b>499,702</b>
<b>Carrying amounts</b>					
As at 30 June 2021	<b>217,413</b>	<b>56,394</b>	<b>105,240</b>	<b>55,632</b>	<b>434,678</b>
At 31 December 2020	<b>258,059</b>	<b>64,527</b>	<b>152,894</b>	<b>52,624</b>	<b>528,102</b>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

23.1 (i) Property, plant and equipment Group	Leasehold Improvements =N=' 000	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
<b>Cost</b>					
At 1 January 2020	-	109,979	622,530	192,897	925,406
Additions	258,059	70,114	61,505	21,442	411,120
Disposals	-	(58,080)	-	-	(58,080)
At 31 December 2020	258,059	122,013	684,035	214,339	1,278,445
<b>Depreciation</b>					
At 1 January 2020	-	78,563	355,428	134,297	568,287
Additions	40,645	20,578	122,191	18,806	202,220
Disposals	-	(57,887)	-	-	(57,887)
At 31 December 2020	40,645	41,254	477,619	153,103	712,621
<b>Carrying amounts</b>					
At 31 December 2020	<b>217,413</b>	<b>80,759</b>	<b>206,416</b>	<b>61,236</b>	<b>565,824</b>
At 31 December 2019	<b>-</b>	<b>31,416</b>	<b>267,102</b>	<b>58,600</b>	<b>357,119</b>
<b>(ii) Company</b>					
	Leasehold Improvements	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
<b>Cost</b>					
At 1 January 2020	-	72,421	393,287	118,079	583,787
Additions	258,059	55,129	53,550	18,995	385,733
Disposals	-	(46,710)	-	-	(46,710)
At 31 December 2020	258,059	80,841	446,837	137,074	922,810
<b>Depreciation</b>					
At 1 January 2020	-	46,897	196,998	70,509	314,404
Additions	40,645	16,127	96,945	13,942	167,659
Disposals	-	(46,710)	-	-	(46,710)
At 31 December 2020	40,645	16,314	293,943	84,450	435,353
<b>Carrying amounts</b>					
At 31 December 2020	<b>217,413</b>	<b>64,527</b>	<b>152,894</b>	<b>52,623</b>	<b>487,457</b>
At 31 December 2019	<b>-</b>	<b>25,525</b>	<b>196,289</b>	<b>47,570</b>	<b>269,384</b>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

	Group		Company	
	30 June 2021 =N=' 000	31 December 2020 =N=' 000	30 June 2021 =N=' 000	31 December 2020 =N=' 000
<b>24 Deferred tax - (Asset)</b>				
Deferred tax assets:				
– Deferred tax asset to be recovered after more than 12 months	314,736	448,775	-	134,039
Charge for the period	0	(134,039)	-	(134,039)
	<u>314,736</u>	<u>314,736</u>	<u>-</u>	<u>-</u>
<b>The break down of deferred tax assets are as follows:</b>				
Property and equipment	67,916	33,507	-	-
Exchange difference	55,048	-	-	-
Losses	83,094	222,085	-	-
Provisions	108,678	4,593	-	-
	<u>314,736</u>	<u>260,184</u>	<u>-</u>	<u>-</u>
<b>Deferred tax liabilities:</b>				
– Deferred tax liability to be recovered after more than 12 months	126,974	1,250,018	113,701	186,906
(Writeback)/Charge for the period	-	(1,123,044)	-	(73,205)
<b>Total</b>	<u>126,974</u>	<u>126,974</u>	<u>113,701</u>	<u>113,701</u>
<b>The break down of deferred tax liabilities are as follows:</b>				
Property and equipment	97,299	230,151	92,650	223,844
Exchange difference	71,868	421,891	24,161	119,481
Losses	(39,083)	-	-	-
FVTOCI	(3,110)	-	(3,110)	-
	<u>126,974</u>	<u>652,042</u>	<u>113,701</u>	<u>343,325</u>
<b>Parent - Deferred tax liabilities</b>		<b>Recognised</b>	<b>Recognised</b>	
	<b>1 January 2020</b>	<b>in P&amp;L</b>	<b>in OCI</b>	<b>31 December 2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property and equipment	223,844	(131,194)	-	92,650
Exchange difference	119,481	(95,320)	-	24,161
Losses	-	-	-	-
FVTOCI	-	-	(3,110)	(3,110)
	<u>343,325</u>	<u>(226,514)</u>	<u>(3,110)</u>	<u>113,701</u>
<b>Group - Deferred tax liabilities</b>		<b>Recognised</b>	<b>Recognised</b>	
	<b>1 January 2020</b>	<b>in P&amp;L</b>	<b>in OCI</b>	<b>31 December 2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property and equipment	230,151	(132,852)	-	97,299
Exchange difference	421,891	(350,023)	-	71,868
Losses	-	(39,083)	-	(39,083)
FVTOCI	-	-	(3,110)	(3,110)
	<u>652,042</u>	<u>(521,958)</u>	<u>(3,110)</u>	<u>126,974</u>
<b>Group - Deferred tax asset</b>		<b>Recognised</b>	<b>Recognised</b>	
	<b>1 January 2020</b>	<b>in P&amp;L</b>	<b>in OCI</b>	<b>31 December 2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property and equipment	33,507	34,410	-	67,916
Exchange difference	-	55,048	-	55,048
Losses	222,085	(138,991)	-	83,094
Provisions	4,593	104,085	-	108,678
	<u>260,184</u>	<u>54,552</u>	<u>-</u>	<u>314,736</u>

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group has not recognised deferred tax assets of about N3.6b arising from tax losses during the year under review as it considers the probability of recovering these losses to be low. This is because the tax exempt status of income realised on Nigerian government securities is one of the major drivers for the negative taxable profit within the Group, which is the largest contributor to the deferred tax asset, through tax losses, in the Group. The uncertainty surrounding the extension or termination of the tax exempt status at the end of 2021 has made management conclude that not all tax losses carried forward should be recorded as deferred tax assets.

	Group		Company	
	30 June 2021 =N=' 000	31 December 2020 =N=' 000	30 June 2021 =N=' 000	31 December 2020 =N=' 000
<b>25 Managed Funds</b>				
Short term investments	160,987,860	69,710,519	-	-
Trust funds	27,653,792	29,727,644	-	-
Sinking Funds	22,107,971	13,840,778	-	-
Payable on trust accounts	1,475,327	2,740,136	-	-
	<b>212,224,951</b>	<b>116,019,077</b>	<b>-</b>	<b>-</b>
Current	198,802,216	89,860,886	-	-
Non-Current	13,422,735	26,158,191	-	-
	<b>212,224,951</b>	<b>116,019,077</b>	<b>-</b>	<b>-</b>

Sinking Funds are funds managed by Trustees on behalf of bond issuers. The funds are invested in fixed income instruments for liquidity purposes in order to meet bondholders obligations as they become due.

<b>26 Borrowed funds</b>				
Borrowing from banks	49,174,284	48,766,235	48,643,250	48,537,103
Issued debt - Bonds	8,240,678	9,018,131	8,240,678	9,018,130
Commercial Papers	17,477,224	14,877,279	17,477,224	14,877,279
	<b>74,892,186</b>	<b>72,661,645</b>	<b>74,361,152</b>	<b>72,432,512</b>
Current	17,575,765	-	17,575,765	-
Non-Current	57,316,422	48,766,235	56,785,388	48,537,103
	<b>74,892,186</b>	<b>48,766,235</b>	<b>74,361,152</b>	<b>48,537,103</b>

**Borrowing from bank** - Loans from commercial bank represent different facilities with interest rates indexed to money market conditions for a period of ten (10) years maturing in 2030. The loans are collateralised by negative pledge.

**Issued debt (Bond)** - In 2020, the company successfully issued its 1st bond of series 1, N10b out of its N30b bond issuance programme. The debt is an unsecured, amortizing subordinated 5 year bond instrument. The Group has not had any defaulted in payment of principal and interest.

**Commercial papers** - In 2020, the Company issued series 1, 2 and 3 CPs. Series 1 and 2 CP matured and was paid down during the year. The Company currently carries in its books Series 3 and 4 CP with a face value of N17.5b maturing August 2021 and September 2021 respectively.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021

	Group		Company	
	30 June 2021 =N=' 000	31 December 2020 =N=' 000	30 June 2021 =N=' 000	31 December 2020 =N=' 000
<b>27 Other liabilities</b>				
Bank overdraft	-	3,804	-	-
Creditors and accruals	1,043,977	1,633,739	497,845	85,831
Customers deposit	2,942,662	2,222,054	-	-
Other current liabilities	3,301,128	3,003,711	1,670,417	2,176,083
Dividend payable	0	820,000	-	-
	<b>7,287,767</b>	<b>7,683,308</b>	<b>2,168,262</b>	<b>2,261,913</b>
Current	7,287,767	7,683,308	2,168,262	2,261,913
Non-Current	-	-	-	-
	<b>7,287,767</b>	<b>7,683,308</b>	<b>2,168,262</b>	<b>2,261,913</b>
<b>28 Current tax liabilities</b>				
At 1 January	1,830,812	1,569,827	1,012,778	729,230
Charge for the period	598,449	354,217	99,724	73,089
Tax paid	(280,718)	(93,232)	(87,534)	210,460
<b>Closing Balance</b>	<b>2,148,543</b>	<b>1,830,812</b>	<b>1,024,968</b>	<b>1,012,778</b>
The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act as amended, while Education Tax is based on Education Tax Act. We also have tax charged on information technology levy and police trust fund based on Police trust fund Act.				
<b>29 Share capital</b>				
The share capital comprises:				
(i) Authorised - 6,000,000,000 Ordinary shares of N0.5 each	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
(ii) Issued and fully paid - 6,000,000 Ordinary shares of N0.5 each	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>30 Share Premium</b>				
Share premium balance	<b>683,611</b>	<b>683,611</b>	<b>683,611</b>	<b>683,611</b>
<b>31 Retained earnings</b>				
At 1 January	21,601,800	16,790,622	10,434,895	7,847,830
Transfer from profit or loss account	3,141,758	7,811,178	523,552	5,587,065
Dividend paid during the period	(4,200,000)	(3,000,000)	(4,200,000)	(3,000,000)
	<b>20,543,558</b>	<b>21,601,800</b>	<b>6,758,447</b>	<b>10,434,895</b>
<b>32 Fair Value Reserves</b>				
At 1 January	(858,932)	(483,314)	71,177	103,942
<b>Arising during the period:</b>				
Fair valuation on items that will not be subsequently reclassified to profit or loss (Note 29.1)	241,100	(229,635)	-	(19,532)
Fair valuation on items that will be subsequently reclassified to profit or loss (Note 29.2)	(55,147)	(145,983)	(1,246)	(13,233)
	<b>(672,979)</b>	<b>(858,932)</b>	<b>69,931</b>	<b>71,177</b>
<b>32.1 Fair valuation on items that will not be subsequently reclassified to profit or loss</b>				
Net fair value gain/(loss) on investments in quoted equity instruments measured at FVTOCI	241,100	(229,635)	-	(19,532)
	<b>241,100</b>	<b>(229,635)</b>	<b>-</b>	<b>(19,532)</b>
<b>32.2 Fair valuation on items that may be subsequently reclassified to profit or loss</b>				
Net fair value gain/(loss) on investments in debt instruments measured at FVTOCI	-	-	-	-
Net fair value gain/(loss) on investments in other financial instruments measured at FVTOCI	(55,147)	(145,983)	(1,246)	(13,233)

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<u>(55,147)</u>	<u>(145,983)</u>	<u>(1,246)</u>	<u>(13,233)</u>
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**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021****33 Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures as well as key management personnel.

**33.1 Identity of related parties**

United Capital Asset Management Limited  
United Capital Trustees Limited  
United Capital Securities Limited  
UC Plus  
Heirs Insurance Limited  
Heirs Life Assurance Limited

Relationship	%
Subsidiary	100
Subsidiary	100
Subsidiary	100
Subsidiary	100
Associate	25
Associate	25

**33.2 Key management personnel**

Key management personnel constitutes those individuals who have the authority and the responsibility for planning, directing and controlling the activities of United Capital Plc, directly or indirectly, including any director (whether executive or non-executive). The individuals who comprise the key management personnel are the Board of Directors as well as certain key management and officers.

**33.3 Other information on key management personnel****Emoluments:**

Chairman  
Other Directors

Fees  
Other emoluments

The total number of Directors were:

	Group		Company	
	30 June 2021 =N='000	31 December 2020 =N='000	30 June 2021 =N='000	31 December 2020 =N='000
Chairman	7,308	7,308	1,750	1,750
Other Directors	35,409	21,532	9,908	25,790
	<b>42,717</b>	<b>28,840</b>	<b>11,658</b>	<b>27,540</b>
Fees	20,300	5,500	5,500	5,500
Other emoluments	22,417	23,340	6,158	22,040
	<b>42,717</b>	<b>28,840</b>	<b>11,658</b>	<b>27,540</b>
	9	7	9	7

**33.4** The number of persons employed (excluding directors) in the company during the period was as follows:

	94	99	10	11
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**33.5** The table below shows the number of employees of the company that earned over N1,000,000.00 in the period and which fell within the bands stated below:

N2,000,000 - N5,999,999  
N6,000,000 - N7,999,999  
N8,000,000 - N9,999,999  
N10,000,000 and above

	30 June 2021	31 December 2020	30 June 2021	31 December 2020
N2,000,000 - N5,999,999	57	59	4	4
N6,000,000 - N7,999,999	12	13	2	3
N8,000,000 - N9,999,999	10	10	2	1
N10,000,000 and above	15	17	2	3
	<b>94</b>	<b>99</b>	<b>10</b>	<b>11</b>

**33.6 Transactions with related companies**

The following are the transactions and balances arising from dealings with subsidiaries of United Capital Group during the period.

Relationship	30 June 2021	31 December 2020
<b>Account receivables</b>		
United Capital Asset Management Limited	426,924	927,229
United Capital Trustees Limited	-	-
United Capital Securities Limited	358,586	439,543
UC Plus	462,616	250,228
	<b>1,248,126</b>	<b>1,617,000</b>
<b>Account payable</b>		
United Capital Trustees Limited	-	68,022
United Capital Asset Management Limited	2,500,000	2,676,052
	<b>2,500,000</b>	<b>2,744,074</b>
<b>Interest expense</b>		
United Capital Trustees Limited	33,566	151,793
United Capital Asset Management Limited	122,355	538,165
	<b>155,921</b>	<b>689,958</b>
<b>Fee Income</b>		
United Capital Asset Management Limited	-	-
	<b>-</b>	<b>-</b>



**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021**34 Principal subsidiaries**

The financial statements of the Group include the operation of the following subsidiaries:

Company	Place of Incorporation	Primary Business Operation	% Held
United Capital Asset Management Limited	Nigeria	Portfolio Management	100%
United Capital Trustees Limited	Nigeria	Trusteeship	100%
United Capital Securities Limited	Nigeria	Securities Trading	100%
UC Plus Advance	Nigeria	Consumer Finance	100%

**35 Events after reporting period**

There are no material issues after the reporting period.

**36 Contingent liabilities**

The Group had no contingent liabilities during the period and no provision was made in financial statements during the period under review.

**37 Capital/financial commitments**

The directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into account in the preparation of the financial statements. There are no commitments for capital expenditure authorised by the Directors which has not been provided for in the financial statements as at 31 December 2020.

**38 Contraventions**

The Group recorded no contraventions during the period under review and as such no fine was paid (2019: NIL)

**39 Securities Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) United Capital Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the policy during the period.

**40 Impact of COVID 19**

Since early 2020, the Coronavirus disease (COVID-19) outbreak across China and beyond has caused significant disruption to the society, impacting the business operations, employees and customers. It is an evolving situation that the Group is monitoring closely, and any impact will depend on future developments. The Group is unable to reliably estimate the future impact of covid-19, however, we are constantly monitoring and adapting to the current realities. During the lockdown of the country due to the virus, the Group was able to minimize the impact on operations by triggering the Business Continuity Plan; part of which is working remotely as well as reaching out to customers through our online platforms (InvestNow) and as a result of this, transactions are being executed successfully.

As the pandemic begins to wane and administration of vaccine begins to receive acceptability, the economy is starting to open up and business as started seeing some traction, United Capital has continued to leverage on Technology to drive business performance to further improve on the record achieved in 2020.

Going into Q1 2021 there seemed to be a mixed outlook as the number of Covid cases continue to spike, consumer income continues to dwindle, speculations of another round of lockdown looming; on the other hand, confidence is growing on the back of the number of vaccines that are being subjected to clinical test with the hope that the globe will find a response to the covid virus. We however saw improved performance in our number in Q1.

The story in Q2 has been an improvement over Q1 performance as we begin to open our business more to physical engagements whilst we continued to leverage on Technology to reach our clients who have become a lot more comfortable with our InvestNow platform.

As a Group, we continue to remain nimble and focused as we tapped into the opportunities this pandemic presented whilst we increased our risk management focus to ensure we are not significantly impacted by all the hazards that Covid-19 still presents in 2021.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021**41 Free Floating Compliance Report****(A) Free Float Computation - Shareholding Pattern**

Hypothetical Case on Free Float Computation

Company Name:

Board Listed:

Year End:

Reporting Period:

Share Price at end of reporting period:

Shareholding Structure/Free Float Status

**Description**

	<b>30-Jun-21</b>		<b>30-Jun-20</b>	
	<b>units</b>	<b>Percentage</b>	<b>Unit</b>	<b>Percentage</b>
Issued Share Capital	6,000,000,000	100%	6,000,000,000	100%
Substantial Shareholdings (5% and above)				
WEST COAST EQUITY LIMITED	1,560,000,000	26%	1,560,000,000	26%
Total Substantial Shareholdings	1,560,000,000	26%	1,560,000,000	26%
<b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interests</b>				
Mr. Chika Mordi (Direct)	12,363	0.00%	12,363	0.00%
Adim Jibunoh	-	-	-	-
Emmanuel Nhorom (Indirect- Representing Vine Foods Ltd)	29,443,336	0.49%	22,056,460	0.37%
Sonny Iroche	-	-	-	-
Stephen Nwadiuko (Direct)	427,600	0.01%	427,600	0.01%
Peter Ashade (Direct)	10,000,000	0.17%	215,456	0.00%
Sunny Anene (Direct)	6,000,000	0.10%	1,084,426	0.02%
Titus Oladipupo Fatokun	-	-	-	-
Hajiya Sutura Aisha Bello	-	-	-	-
Total Directors' Shareholdings	45,883,299	0.76%	23,793,305	0.40%
Other Influential Shareholdings				
SOUTH SAHARA PROPERTY LIMITED	266,783,636	4.45%	266,783,636	4.45%
POSHVILLE INVESTMENTS LIMITED	164,228,949	2.74%	164,228,949	2.74%
STH LIMITED	161,585,363	2.69%	161,585,363	2.69%
OCEAN DATE LTD	146,453,238	2.44%	146,453,238	2.44%
Total Other Influential Shareholdings	739,051,186	12.32%	739,051,186	12.32%
<b>Free Float in Units and Percentage</b>	<b>3,655,065,515</b>	<b>60.92%</b>	<b>3,677,155,509</b>	<b>61.29%</b>
<b>Free Float in Value</b>	<b>N 22,661,406,193.00</b>		<b>N 9,376,746,547.95</b>	

**(B) Declaration:**

United Capital Plc with a free float percentage of 60.92% as at 30 June 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

**VALUE ADDED STATEMENT**  
For the period ended 30 June 2021

	<b>Group</b>				<b>Company</b>			
	<b>2021</b>		<b>2020</b>		<b>2021</b>		<b>2020</b>	
	<b>=N=' 000</b>	<b>%</b>	<b>=N=' 000</b>	<b>%</b>	<b>=N=' 000</b>	<b>%</b>	<b>=N=' 000</b>	<b>%</b>
Gross earnings	6,853,729		4,446,675		1,489,464		1,091,814	
Operating expenses	(1,374,733)		(921,196)		(259,982)		(204,841)	
<b>VALUE ADDED</b>	<b><u>5,478,995</u></b>	<b>100%</b>	<b><u>3,525,479</u></b>	<b>100%</b>	<b><u>1,229,482</u></b>	<b>100%</b>	<b><u>886,973</u></b>	<b>100%</b>
<b>Applied as follows:</b>								
<b>To pay employees:</b>								
Salaries and other benefits	709,579	13%	671,215	19%	136,213	11%	178,605	20%
<b>To pay Government:</b>								
Taxes	598,449	11%	354,217	10%	99,724	8%	73,089	8%
<b>Retained for future replacement of assets and expansion of business:</b>								
- Deferred tax	(0)	0%	-	0%	-	0%	-	0%
- Depreciation	85,640	2%	104,484	3%	64,349	5%	94,960	11%
- Amortization	61,655	1%	7,528	0.2%	60,645	5%	5,023	0.6%
- Impairment loss	881,914	16%	474,738	13%	345,000	28%	151,581	17%
- Profit for the period	3,141,758	57%	1,913,297	54%	523,552	43%	383,715	43%
	<b><u>5,478,995</u></b>	<b>100%</b>	<b><u>3,525,479</u></b>	<b>100%</b>	<b><u>1,229,482</u></b>	<b>100%</b>	<b><u>886,973</u></b>	<b>100%</b>

Value added represents the additional wealth which the company has been able to create on its own and employees' efforts. The statement shows the allocation of that wealth between the employees, government and that retained by the company for the future creation of more wealth.