United Capital

UNITED CAPITAL PLC

UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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DIRECTORS:

Chika Mordi	Chairman (Non Executive Director)
Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
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
Hajiya Sutura Aisha Bello	Independent Non-Executive Director (Resigned 31st January 2023)
Leke Ogunlewe	Non-Executive Director

EXECUTIVE MANAGEMENT:

Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
Gbadebo Adenrele	Managing Director, United Capital Investment Banking
Bawo Oritshajafor	Managing Director, United Capital Securities Limited
Odiri Oginni	Managing Director, United Capital Asset Management Limited
Buky Ikeotuonye	Managing Director, United Capital Trustees Limited
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:
PricewaterhouseCoopers Nigeria
5B Water Corporation Road
Landmark Towers, Victoria Island
Lagos, Nigeria

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 31 March 2023, 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 31 March 2023 have been authorised for issue and were approved by the Board of Directors on 13 April 2023.

On behalf of the Directors of the Group

Chika Mordi	**Peter Ashade**
Chairman	*Group Chief Executive Officer*
FRC/2014/IODN/00000006667	FRC/2013/NBA/00000002719

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 2021. 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.

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.

	March 2023	December 2022
Tier 1 capital	**N'000**	**N'000**
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	22,754,740	29,313,563
Total qualifying for Tier 1 capital	**26,438,351**	**32,997,174**
Tier 2 capital		
Fair value reserve	268,276	(9,884)
Other borrowings	97,959,259	100,454,344
Total qualifying for Tier 2 capital	**98,227,534**	**100,444,460**
Total regulatory capital	**124,665,886**	**133,441,635**

(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 Assessement

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 theses. 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 AND SEPARATE STATEMENT OF PROFIT OR LOSS

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 31 March 2023

	Notes	Group 31 March 2023 =N=' 000	Group 31 March 2022 =N=' 000	Company 31 March 2023 =N=' 000	Company 31 March 2022 =N=' 000
Gross Earnings		**5,344,033**	**4,212,263**	**1,079,124**	**773,031**
Investment income	4	2,721,303	1,640,575	645,686	131,990
Fee and commission income	5	1,823,405	1,747,037	323,296	581,797
Net trading income	6	396,007	159,788	-	-
Net operating income		**4,940,715**	**3,547,400**	**968,982**	**713,786**
Other income	7	70,439	517,458	7,481	170
Dividend income from subsidiaries		-	-	-	-
Net (loss)/gain on financial assets at fair value through profit or loss	8	332,879	147,405	102,660	59,075
Total Revenue		**5,344,033**	**4,212,263**	**1,079,124**	**773,031**
Personnel expenses	9	(589,614)	(546,701)	(147,657)	(107,179)
Other operating expenses	10	(1,575,800)	(924,858)	(297,741)	(186,657)
Depreciation of properties and equipment	11	(51,664)	(49,239)	(43,048)	(40,601)
Amortisation of intangible & right of use assets	11	(38,675)	(26,030)	(37,874)	(24,925)
Impairment for credit losses	12	(407,618)	(97,379)	(71,176)	21,983
Total Expenses		**(2,663,370)**	**(1,644,207)**	**(597,496)**	**(337,378)**
Operating profit before income tax		**2,680,663**	**2,568,056**	**481,629**	**435,652**
Share of accumulated profit/(loss) of associates	22	136,393	119,885	-	-
Profit before income tax		**2,817,056**	**2,687,941**	**481,629**	**435,652**
Taxation	13	(375,879)	(379,204)	(57,795)	(69,704)
Profit for the period		**2,441,177**	**2,308,738**	**423,833**	**365,948**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss					
Fair value gain on investments in equity instruments measured at FVTOCI (net of tax)	32.1	324,377	(721,981)	-	(38,918)
Items that may be reclassified subsequently to profit or loss					
Fair value gain/(loss) on investments in debt instruments measured at FVTOCI (net of tax)	32.2	(46,218)	715,652	(0)	-
Other comprehensive income/(loss) for the period, net of taxes		**278,159**	**(6,329)**	**(0)**	**(38,918)**
Total comprehensive income for the period		**2,719,336**	**2,302,409**	**423,833**	**327,030**
Profit for the period attributable to:					
Equity holders of the Company		**2,441,177**	**2,308,738**	**423,833**	**365,948**
Total comprehensive income attributable to:					
Equity holders of the Company		**2,719,336**	**2,302,409**	**423,833**	**327,030**
Earnings per share-basic (kobo)	14	163	154	28	24
Earnings per share-diluted (kobo)	14	163	154	28	24

The accompaning notes form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 March 2023

	Notes	Group		Company	
		31 March 2023 =N=' 000	31 December 2022 =N=' 000	31 March 2023 =N=' 000	31 December 2022 =N=' 000
ASSETS					
Cash and cash equivalents	15	182,672,733	149,867,038	20,556,084	22,907,336
Investment securities	16	480,527,790	386,544,095	85,386,367	85,387,058
Trade and other receivables	17	57,663,943	58,943,090	48,587,357	47,812,682
Dividend receivable from subsidiaries	18	-	-	33,588	7,218,000
Right of use assets	19	118,449	141,944	118,449	141,944
Intangible assets	20	165,022	179,301	156,139	169,617
Investments in subsidiaries	21	-	-	901,000	901,000
Investments in associates	22	4,751,087	4,614,694	4,500,000	4,500,000
Property and equipment	23	416,367	386,555	321,660	343,876
Deferred tax assets	24.1	1,238,493	1,238,493	-	-
TOTAL ASSETS		**727,553,883**	**601,915,211**	**160,560,644**	**169,381,513**
LIABILITIES					
Managed funds	25	443,764,735	413,698,697	-	-
Borrowed funds	26	97,959,259	100,454,344	97,015,618	100,849,650
Other liabilities	27	152,621,701	48,649,198	51,203,168	47,671,636
Current tax liabilities	28	5,668,526	5,292,648	1,959,854	1,902,059
Deferred tax liabilities	24.2	833,034	833,034	787,448	787,448
TOTAL LIABILITIES		**700,847,256**	**568,927,921**	**150,966,089**	**151,210,793**
SHAREHOLDERS FUND					
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	22,754,740	29,313,563	4,729,775	13,305,941
Fair value reserves	32	268,276	(9,884)	1,181,169	1,181,169
TOTAL SHAREHOLDERS FUND		**26,706,627**	**32,987,290**	**9,594,555**	**18,170,721**
TOTAL LIABILITIES AND SHAREHOLDERS FUND		**727,553,882**	**601,915,211**	**160,560,644**	**169,381,513**

The accompaning notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 13th April 2023 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 AND SEPARATE STATEMENT OF CHANGES IN EQUITY

AS AT 31 March 2023

2023

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 2023	**3,000,000**	**29,313,563**	**683,611**	**(9,884)**	**32,987,290**
Transfer from profit or loss account	-	2,441,177	-	-	2,441,177
Net change in fair value on equity instruments at FVTOCI	-	-	-	324,377	324,377
Net change in fair value on debt instruments at FVTOCI	-	-	-	(46,218)	(46,218)
Total comprehensive income	**-**	**2,441,177**	**-**	**278,160**	**2,719,336**
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
AS AT 31 March 2023	**3,000,000**	**22,754,740**	**683,611**	**268,275**	**26,706,626**

Company

	Share capital =N=' 000	Retained earnings =N=' 000	Share premium =N=' 000	Fair value reserves =N=' 000	Shareholders' funds =N=' 000
At 1 January 2022	**3,000,000**	**13,305,941**	**683,611**	**1,181,169**	**18,170,721**
Transfer from profit or loss account	-	423,833	-	-	423,833
Net change in fair value on debt instruments at FVTOCI	-	-	-	-	-
Total comprehensive income	**-**	**423,833**	**-**	**(0)**	**423,833**
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
AS AT 31 March 2023	**3,000,000**	**4,729,774**	**683,611**	**1,181,169**	**9,594,554**

2022

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 2022	3,000,000	28,660,538	683,611	(3,555)	32,340,595
Transfer from profit or loss account	-	9,653,025	-	-	9,653,025
Net change in fair value on equity instruments at FVTOCI	-	-	-	(721,981)	(721,981)
Net change in fair value on debt instruments at FVTOCI	-	-	-	715,652	715,652
Total comprehensive income	**-**	**9,653,025**	**-**	**(6,330)**	**9,646,695**
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
At 31 December 2022	**3,000,000**	**29,313,563**	**683,611**	**(9,884)**	**32,987,290**

Company

	Share capital =N=' 000	Retained earnings =N=' 000	Share premium =N=' 000	Fair value reserves =N=' 000	Shareholders' funds =N=' 000
At 1 January 2022	3,000,000	12,958,286	683,611	1,220,086	17,861,983
Transfer from profit or loss account	-	9,347,655	-	-	9,347,655
Net change in fair value on equity instruments at FVTOCI	-	-	-	(38,918)	(38,918)
Net change in fair value on debt instruments at FVTOCI	-	-	-	-	(0)
Total comprehensive income	**-**	**9,347,655**	**-**	**(38,918)**	**9,308,738**
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
At 31 December 2022	**3,000,000**	**13,305,941**	**683,611**	**1,181,169**	**18,170,721**

The accompaning notes form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

AS AT 31 March 2023

		Group		Company	
		31 March 2023 N' 000	**31 December 2022 N' 000**	**31 March 2023 N' 000**	**31 December 2022 N' 000**
Profit before tax		2,680,663	13,179,281	481,629	11,405,916
Adjustments for;					
Amortisation of Intangibles	11	15,179	37,130	14,378	33,144
Depreciation of property and equipment	11	51,664	197,595	43,048	166,868
Depreciation of right of use	11	23,496	70,875	23,496	70,875
Foreign exchange revaluation	7	(51,038)	(1,883,105)	(7,478)	(487,472)
Loss/(gain) on disposal of property and equipment	7	-	4	-	4
Net interest income	4	(2,094,304)	(12,803,600)	(612,098)	(3,011,103)
Dividend income	4	(626,999)	(1,016,070)	(33,588)	(7,337,116)
Fair value changes on financial instruments at fair value through profit or loss	8	(332,880)	4,020	(102,660)	(43,155)
Impairment charge on other financial assets	12	407,617	6,172,694	71,176	607,707
		73,398	**3,958,824**	**(122,099)**	**1,405,668**
Changes in working capital					
Trade receivables		(1,214,905)	(28,539,414)	(774,675)	(17,880,974)
Managed funds		30,066,038	86,449,673	-	-
Other liabilities		103,972,503	34,470,349	3,329,738	42,535,207
Cash generated from/(used in) operations		**132,897,034**	**96,339,433**	**2,432,964**	**26,059,902**
Interest received		13,052,865	52,890,397	2,127,716	8,897,951
Interest paid		(10,331,562)	(39,070,727)	(1,482,030)	(5,767,732)
Income tax paid		-	(533,130)	-	(100,819)
Net cash generated by operating activities		**135,618,337**	**109,625,973**	**3,078,651**	**29,089,301**
Cash flows from investing activities					
Purchase of investment securities		(158,092,847)	(78,430,720)	(352,996)	(40,384,454)
Proceeds from investment securities		64,842,687	57,574,866	316,565	15,765,345
Purchase of property and equipment	23	(80,887)	(110,868)	(19,677)	(95,129)
Purchase of intangible assets	20	(900)	(137,835)	(900)	(134,610)
Proceeds from property and equipment		-	491	-	491
Dividends received	4 & 18	626,999	1,016,070	7,218,000	4,947,616
Net cash (used in) investing activities		**(92,704,948)**	**(20,087,996)**	**7,160,992**	**(19,900,742)**
Cash flows from financing activities					
Dividend paid to owners of equity capital		(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Proceeds from borrowings		-	36,026,042	-	36,026,042
Repayment of borrowings		(3,747,107)	(18,990,389)	(3,747,107)	(18,990,389)
Net cash generated/(used) in financing activities		**(12,747,107)**	**8,035,653**	**(12,747,107)**	**8,035,653**
Net increase/(decrease) in cash and cash equivalents		30,166,281	97,573,629	(2,507,465)	17,224,211
Effect of foreign exchange changes on cash		1,877,952	(1,513,322)	243,139	(1,360,817)
Cash and cash equivalents at beginning of year		149,675,694	53,615,387	22,811,246	6,947,852
Cash and cash equivalents at end of period		**181,719,927**	**149,675,694**	**20,546,920**	**22,811,246**

The accompaning notes form an integral part of these financial statements.

1 Company information

These financial statements are the consolidated and separate financial statements of United Capital Plc, a Company incorporated in Nigeria and its subsidiaries (hereafter referred to as 'the Group').

United Capital Plc (previously called UBA Capital Plc) was incorporated and domiciled in Nigeria, as a Public liability company, on 3 August, 2012, to act as the ultimate holding company for the United Capital Group. The Company was listed on the Nigerian Stock exchange on 17 January, 2013. The Company changed its name to United Capital Plc following the approval of the resolution by shareholders on the 16th December, 2014.

The principal activities of the Group are mainly the provision of investment banking services, portfolio management services, securities trading and trusteeship.

2 Summary of significant accounting policies

The principal accounting policies adopted by the Group in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Going concern

These financial statements have been prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is approprate for the Group due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Group is carried out by the Group to ensure that there are no going concern threats to the operation of the Group.

2.2 Basis of preparation and measurement

The Group's consolidated and separate financial statements for the period ended 31 March 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as issued by the IASB. Additional information required by national regulations is included where appropriate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise its judgement in the process of applying the Group’s accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the Group’s financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the notes to the financial statements.

2.2.1 Basis of measurement

The Group's consolidated and separate financial statements for the period ended 31 Marc 2023 have been prepared on the historical cost basis except for the following item in the statement of financial position.

- Financial instruments at fair value through profit or loss are measured at fair value
- Financial instrument at amortised cost are measured at amortised cost
- Financial instruments at fair value through other comprehensive income are measure at fair value through equity

The Group applies accural accounting for recognition of its income and expenses.

The financial statements are presented and rounded to the nearest thousands of Naira.

2.2.2 Statement of Compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria.

The consolidated and separate financial statements comply with the requirement of the International Financial Reporting Standard, Companies and Allied Matters Act, Investment and Securities Act, the Financial Reporting Council Act, to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

2.2.2 Use of estimates and judgement

The preparation of the consolidated and separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these consolidated and separate annual financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

2.2.3 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the note below;

2.2.4 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 31 March 2023 is included in the following notes.

Impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

Determination of the fair value of financial instruments with significant unobservable inputs. (note 3.7)

Recognition of deferred tax assets: - availability of future taxable profit against which carry-forward tax losses can be used (see note 24) as well as the likelihood and uncertainities of the extension of the tax exempt status of income on Government securities which we have assumed to be highly likely.

The Group applies accrual accounting for recognition of its income and expenses.

The consolidated and separate financial statements have been prepared on the basis that the Group and Company will continue to operate as a going concern.

2.3 Changes in accounting policies

Except as decribed below, the Group has consistently applied the accounting policies as set out in note 2.3.1 to all periods presented in these annual financial statements.

2.3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements

In the current period, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022.

New or amended standards	Summary of the requirements	Impact on financial statements
Reference to the Conceptual Framework: Amendments to IFRS 3	The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.	This amendment does not have an impact on the Group's Financial statement.
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	The amendment seeks to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022.	This amendment had no significant impact on the Group's financial statements.
The changes in Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	The amendment specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual periods beginning on or after 1 January 2022.	This amendment had no significant impact on the Group's financial statements.

2.3.2 Standards issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for the reporting period ended 31 March 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New or amended standards	Summary of the requirements	Possible impact on financial
Classification of Liabilities as Current or Noncurrent (Amendments to IAS 1)	This amendment seeks to clarify the requirements for classifying liabilities as current or non-current. Including the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, Management expectations about events after the balance sheet date, and the situations that are considered settlement of a liability. The amendments will be applied retrospectively. This standard becomes effective 1st January 2023 and early adoption is permitted.	This standard is not expected to have significant impact on the financial statements. The Group has opted not to early adopt.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	This standard is Effective for annual periods beginning on or after 1 January 2023. In determining the tax base of assets and liabilities, the amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. Also, in respect of changes to the initial recognition exception under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.	The impact of this standard on the Group's financial statements is currently under assessment.
Definition of Accounting Estimates (Amendments to IAS 8)	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The effective date of this amendment is from periods beginning on or after 1 January 2023	This standard is not expected to have significant impact on the financial statements. The Group has opted not to early adopt.
Amendment to IAS 1	This amendment relates to classification of Liabilities as Current or Non-current which will provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the balance sheet date. The amendment only affect the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendment will - clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the balance sheet date, - clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	This standard is not expected to have significant impact on the financial statements. The Group has opted not to early adopt.
IFRS 17 - Insurance Contracts	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. It also requires similar principles for reinsurance contracts held and issued investment contracts with discretionary participation features. The standard brings a greater degree of comparability and transparency about an insurer's financial health and the profitablity of new and in-force insurance business. IFRS 17 introduces a general measurement model that measures groups of insurance contracts based on fulfilment cash flows (comprising probability-weighted current estimates of future cash flows and an explicit entity-specific adjustment for risk) and a contractual service margin. The premium allocation approach (PAA) is a simplified measurement model that may be applied when certain conditions are fulfilled. Under the PAA approach, the liability for remaining coverage will be initially recognised as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows. The general measurement model has specific modifications applicable to accounting for reinsurance contracts, direct participating contracts and investment contracts with discretionary participation features.	This standard does not impact the Group as it is not into an insurance business. However, the Company recently participated in the set up of a startup insurance company where it owns a 25% equity stake. The investment would be treated as investment in associates and will not be consolidated.

All other amendment had no significant impact on the Group.

2.4 Consolidation

The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company's reporting date. The consolidation principles are unchanged as against the previous year.

2.4.1 *Subsidiaries*

The consolidated and separate financial statements incorporates the financial statements of the Company and all its subsidiaries where it is determined that there is a capacity to control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvment with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Control is assessed on a continuous basis.

All the facts of a particular situation are considered when determining whether control exists. Control is usually present when an entity has:
• power over more than one-half of the voting rights of the other entity;
• power to govern the financial and operating policies of the other entity;
• power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
• power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

a. Separate financial statements

Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually for impairment indicators and, where an indicator of impairment exists, are impaired to the higher of the investment's fair value less costs to sell and value in use.

b. Consolidated financial statements

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Consistent accounting policies are used throughout the Group for the purposes of consolidation.

i. Acquisition

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred is measured as the sum of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. The consideration includes any asset, liability or equity resulting from a contingent consideration arrangement. The obligation to pay contingent consideration is classified as either a liability or equity based on the terms of the arrangement. The right to a return of previously transferred consideration is classified as an asset. Transaction costs are recognised within profit or loss as and when they are incurred. Where the initial accounting is incomplete by the end of the reporting year in which the business combination occurs (but no later than 12 months since the acquisition date), the Group reports provisional amounts.

Where applicable, the Group adjusts retrospectively the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the provisional amounts. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI. The excess (shortage) of the sum of the consideration transferred (including contingent consideration), the value of NCI recognised and the acquisition date fair value of any previously held equity interest in the subsidiary over the fair value of identifiable net assets acquired is recorded as goodwill in the statement of financial position (gain on bargain purchase, which is recognised directly in profit or loss).

When a business combination occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss.

Increases in the Group's interest in a subsidiary, when the Group already has control, are accounted for as transactions with equity holders of the Group. The difference between the purchase consideration and the Group's proportionate share of the subsidiary's additional net asset value acquired is accounted for directly in equity.

ii. Loss of Control

The Group could lose control of a subsidiary through the disposal of the subsidiary. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received (including the fair value of any retained interest in the underlying investee) and the carrying amount of the assets and liabilities and any non-controlling interest. Any gains or losses in OCI that relate to the subsidiary are reclassified to profit or loss at the time of the disposal.

iii. Partial Disposal

Where the Group partially disposes a subsidiary which gives rise to a reduction in the Group's ownership interest in an investee that is not a disposal (i.e. a reduction in the group's interest in a subsidiary whilst retaining control). Decreases in the Group's interest in a subsidiary, where the Group retains control, are accounted for as transactions with equity holders of the Group. Gains or losses on the partial disposal of the Group's interest in a subsidiary are computed as the difference between the sales consideration and the Group's proportionate share of the investee's net asset value disposed of, and are accounted for directly in equity.

iv Initial measurement of Non-Controlling Interest (NCI)

The Group elects on each acquisition to initially measure NCI on the acquisition date at either fair value or at the NCI's proportionate share of the investees' identifiable net assets.

2.4.2 *Associates*

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over these policies. Significant influence is generally demonstrated by the Group holding in excess of 20%, but less than 50%, of the voting rights.

The Group's share of results of the associate entity is included in the consolidated income statement. Investments in associates are carried in the statement of financial position at cost plus the Group's share of post-acquisition changes in the net assets of the associate. Investments in associates are reviewed for any indication of impairment at least at each reporting date. The carrying amount of the investment is tested for impairment, where there is an indication that the investment may be impaired.

When the Group's share of losses or other reductions in equity in an associate equals or exceeds the recorded interest, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity.

The Group's share of the results of associates is based on financial statements made up to a date not earlier than three months before the balance sheet date, adjusted to conform with the accounting policies of the Group. Unrealised gains and losses on transactions are eliminated to the extent of the Group's interest in the investee. Losses may provide evidence of impairment of the asset transferred in which case appropriate allowance is made for impairment.

In the separate financial statements of the Company, investments in associates are initially recognised at cost and subsequently adjusted for by the post-acquisition changes in the investor's share of net assets of the investees. The Group uses the equity method in accounting for investments in associates.

2.5 Common control transactions

A business combination involving entities or businesses under common control is excluded from the scope of IFRS 3: Business Combinations. The exemption is applicable where the combining entities or businesses are controlled by the same party both before and after the combination. Where such transactions occur, the Group, in accordance with IAS 8, uses its judgement in developing and applying an accounting policy that is relevant and reliable. In making this judgement, the Directors consider the requirements of IFRS dealing with similar and related issues and the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the framework. The Directors also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS Framework or any other IFRS or interpretation.

The Group incorporates the results of the acquired businesses only from the date on which the business combination occurs.

2.6 Foreign currency translation

(a) ***Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Naira, which is the Group's presentation and functional currency.

(b) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

Monetary items denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial position date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in profit or loss within other income.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition;non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial instruments held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments measured at fair value through other comprehensive income are included in the fair value reserve in other comprehensive income. Non-monetary items that are measured under the historical cost basis are not retranslated.

2.7 Revenue recognition

(a) ***Investment income***

Interest income for all interest-bearing financial instruments are recognised within 'investment income' in the income statement using the effective interest on the gross carrying amount of the financial assets. However, when a financial asset is classified as Stage 3 impaired, interest income is calculated on the impaired value (gross carrying value less specific impairment) based on the original effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms of the financial instrument but excluding future credit losses.

(b) Fees and commission income

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised over time based on the applicable service contracts. The same principle is applied to the recognition of income from wealth management, financial planning and custody services that are continuously provided over an extended period of time.

The Group recognises fees and commission from management of mutual funds over time on a monthly basis as fees are accrued as a percentage of net asset value (NAV). Arranger and issuing house services fees are recognised over time as milestones of performance obligations are delivered to clients. Other fees and commision income are recognise at point in time when performance obligation on contracts are delivered to clients as brokerage fees and commission.

(c) Dividend income

Dividends are recognised in the income statement as "Dividend income" under investment income when the entity's right to receive payment is established

2.8 Income taxation

(a) *Current income tax*

Income tax is calculated on the basis of the applicable tax laws in Nigeria and is recognised as an expense or credit for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on equity instruments for which the entity has elected to present gains and losses in other comprehensive income).

(b) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The tax effects of carry-forwards of unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of shares outstanding during the period.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair values and are readily convertable to known amount of cash. Cash and cash equivalents includes balances and placements with banks and other short term investments including bank overdrafts. Bank overdrafts are shown seperately as current liabilities in the statement of financial position.

2.11 Financial assets & liabilities

a) Classification and subsequent measurement

For the purpose of measuring a financial asset after initial recognition, the Group classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. For debt financial assets, the classification is based on the results of the Group's business model test and the contractual cashflow characteristics of the financial assets. At initial recognition, all assets are measured at fair value plus transaction costs that are incremental and directly attributable to the acquisition of the financial assets in the case of financial asset not at fair value through profit or loss.

i. Financial assets at fair value through profit or loss

Debt instruments at fair value through profit or loss are financial assets held for trading and those designated by the Group as at fair value through profit or loss upon initial recognition. Financial assets classified as fair value through profit or loss are those that have been acquired principally for the purpose of selling in the short term or repurchasing in the near term, or held as part of a portfolio that is managed together for short-term profit.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net gains/(losses) on financial assets classified as fair value through profit or loss'. Interest income and expense and dividend income on financial assets fair valued through profit or loss are included in 'Interest income, interest expense and dividend income', respectively and reported under investment income.

ii. Amortised Cost

Except for debt financial assets that are designated at initial recognition as at fair value through profit or loss, a debt financial asset is measured at amortised cost only if both of the following conditions are met:

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the business model test) and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition.

iii. Fair Value through other comprehensive income (FVTOCI)

Except for debt financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

a. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and

b The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduces exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default.

All equity financial assets are measured at fair value through profit or loss, however, equity financial assets which are not held for trading may be irrevocably elected (on an asset-by-asset basis) to be measured at fair value through OCI.

b) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

For financial assets that are debt instruments, trade receivables, Loan and advances to customers, Other receivables, and money market placements; The Group measures expected credit losses and recognizes interest income on risk assets based on the following stages:

Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the Group recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.

Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Group measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the effective interest rate (EIR) multiplied by the gross carrying amount. Exposures which are overdue for more than 30days are considered to have significantly increased in credit risk.

Stage 3: A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. For debt instruments that have observable evidence of impairment. Exposure which are overdue for more than 90 days are considered to be in default.

Default

The Group's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:

• significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower)
• a breach of contract, such as default or delinquency in interest and/or principal payments
• disappearance of active market due to financial difficulties
• it becomes probable that the borrower will enter bankruptcy or other financial reorganisation
• where the Group, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Group would not otherwise consider.

Exposures which are overdue for more than 90 days are also considered to be in default.

The Group's process to assess changes in credit risk is multi-factor and has three main elements;

I. Quantitative element - A quantitative comparison of PD at the reporting date and PD at initial recognition

II. Qualitative elements

III. Backstop indicators

For individually significant exposures such as corporate and commercial risk assets, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector (to the extent such information has not been already reflected in the rating process).

For other exposures, significant increases in credit risk is made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information and factors which are expected to have significant impact on the portfolio or individual counterparty exposures. For this purpose, the Group categorieses its exposures on the basis of shared credit risk characteristics.

Applicable forward looking macroeconomic information used in the impairment model includes;
a. GDP information
b. Inflation rate
c. exchange rates
d. Oil price fluctuation

The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

Based on advice from the Group research team and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios and scenario weightings. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities where the Group operates, supranational organisations such as the International Monetary Fund, and selected private-sector and academic forecasters. The base case represents a most-likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

Significant increase in credit risk (SICR)

The Group's decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded.

Following this assessment, the Group measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative and qualitative factors. Using its expert credit judgement and where possible relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Company has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition. The number of days past due is determined by counting the number of days since the date the full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews

i) Assets carried at amortised cost

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

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether or not disposal is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets are reflected and directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to banks, loans and advances to customers and investment securities are classified in 'Impairment writeback /(charge) for credit losses'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

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.

ii) Assets classified as fair value through other comprehensive income

The Group can choose to make an irrevocable election at initial recognition for investments in equity instruments that do not meet the definition of held for trading, which would otherwise be measured at fair value through profit or loss, to present changes in fair value in other comprehensive income.

Reclassification of amounts recognised in other comprehensive income and accumulated in equity to profit or loss is not done. This applies throughout the life of the instrument and also at derecognition; such investments will not be subject to the impairment requirements.

Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognised in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

a. the Group's right to receive payment of the dividend is established;

b. it is probable that the economic benefits associated with the dividend will flow to the Group; and

c. the amount of the dividend can be measured reliably.

For debt instruments measured at FVTOCI, changes in fair value is recognised in other comprehensive income, except for: interest calculated using the effective interest rate method, foreign exchange gains or losses and; impairment gains or losses until the financial asset is derecognised or reclassified.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Also, when a debt instrument asset is measured at fair value through other comprehensive income, the amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if the financial asset had been measured at amortised cost.

c) Reclassification of financial assets

Reclassification of financial assets is determined by the Group's senior management, and is done as a result of external or internal changes which are significant to the Group's operations and demonstrable to external parties.

Reclassification of debt instruments occurs when the Group changes its business model for managing financial assets.

Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

d) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Group has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability

In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. Any cummulative gain/loss recognised in OCI in respect of equity investments designated at FVOCI is not recognised in profit or loss on derecognition of such assets.

e) Modification of financial assets and liabilities

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value and recalculates a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

If the terms are not substantially different for financial assets or financial liabilities, the group recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new carrying gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or gains and losses on financial instruments within non-interest revenue (for all other modifications).

f) Write off

Financial assets are written off when there is no reasonable expectation of recovery. Financial assets which are written off may still be subject to enforcement activities.

2.12 Financial liabilities

Classification and subsequent measurement

The Group's holding in financial liabilities represents mainly 'borrowings', 'managed funds' and 'other liabilities'. These are all classified as financial liabilities measured at amortised cost. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

2.13 Property and Equipment

All property and equipment used by the Group is measured at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to other operating expenses within the income statement during the financial period in which they are incurred.

Depreciation of other assets is calculated using the straight-line method to allocate their cost net of their residual values over their estimated useful lives, as follows:

Asset Class	Useful lives
Motor vehicles	4 years
Furniture, fittings & equipment	5 years
Computer equipment	5 years
Building	40 years
Leasehold improvements	over shorter of the useful life of item or lease period

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property and equipment are kept under review on an annual basis to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Group takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

When reviewing residual values, the Group estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

Construction cost and improvements in respect of offices is carried at cost as capital work in progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment.

Payments in advance for items of property and equipment are included as Prepayments in "Trade and other receivables" and upon delivery are reclassified as additions in the appropriate category of property and equipment.

Property and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.

2.14 Intangible assets

(a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group, are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;

- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.
- Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognised as intangible assets are amortised on the straight-line basis over 5 years and are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when the carrying amount exceeds its recoverable amount.

(b) **Impairment of tangible and intangible assets**

At each reporting date, or more frequently where events or changes in circumstances dictate, tangible and intangible assets, are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount: the higher of the asset's or the cash-generating unit's net selling price and its value in use. Net selling price is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets.

Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis.

The carrying values of tangible and intangible assets are written down by the amount of any impairment and this loss is recognised in the income statement in the period in which it occurs. A previously recognised impairment loss relating to a tangible or intangible asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the tangible or intangible asset's recoverable amount. The carrying amount of the tangible or intangible asset will only be increased up to the amount that it would have been had the original impairment not been recognised. For the purpose of conducting impairment reviews, cash-generating units are the lowest level at which the Directors monitor the return on investment on assets.

2.15 Leased assets

For any new contracts entered into on or after 1 January 2019, United Capital Plc considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the United Capital Limited ('United Capital') assesses whether the contract meets three key evaluations which are whether:

· the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to United Capital.
· United Capital has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
· United Capital has the right to direct the use of the identified asset throughout the period of use. United Capital assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

(a) Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that members of the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group has elected not to separate lease and non-lease components.
There were no lease liability during the period.

(b) Right of use assets

Right-of-use assets are initially measured at cost, comprising of the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. This depreciation is recognised as part of operating expenses.

(c) Short term leases and leases of low-value-assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N5,000,000.00 (Five million naira only) when new, and depends on the nature of the asset. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

(d) Extension and termination options - Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:
- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Group.

(d) Termination of leases:
On derecognition of the right-of-use asset and lease liability, any difference is recognised as a derecognition gain or loss together with termination or cancelation costs in profit or loss. Payments made under these leases, net of any incentives received from the lessor, are recognised in operating expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating expenses in the period in which termination takes place.

(e) Lease Modification:
When the Group modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Group accounts for these modifications as a separate new lease. All other lease modifications that are not accounted for as a separate lease are accounted for in terms of IFRS 9, unless the classification of the lease would have been accounted for as an operating lease had the modification been in effect at inception of the lease. These lease modifications are accounted for as a separate new lease from the effective date of the modification and the net investment in the lease becomes the carrying amount of the underlying asset.

(f) Reassessment of lease terms and lease modifications that are not accounted for as a separate lease:
When the Group reassesses the terms of any lease (i.e. it re-assesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero any further reduction in the measurement of the lease liability, is recognised in profit or loss.

2.16 Investment Properties
Investment properties are properties held to earn rentals and/or capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.17 Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Group as fair value through profit or loss or through other comprehensive income or those for which the Group may not recover substantially all of its initial investment, other than because of credit deterioration.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Transaction costs that are integral to the effective rate are capitalised to the value of the receivables and amortised through interest income using the effective interest rate method. The Group’s trade and other receivables include prepayments, WHT receivables, accrued income, other receivables, trade debtors as well as deposits for investments.

Provisions and Contingent Liabilities

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

Issued debt and equity securities

Issued financial instruments or their components are classified as liabilities where the contractual arrangement results in the Group having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavourable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares. Issued financial instruments, or their components, are classified as equity where they meet the definition of equity and confer on the holder a residual interest in the assets of the company. The components of issued financial instruments that contain both liability and equity elements are accounted for separately with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component.

Share capital

Ordinary shares are classified as share capital.

(a) ***Share issue costs***

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(b) ***Dividend on ordinary shares***

Dividend on ordinary shares are recognised in equity in the period in which they are approved by the company's shareholders.

Dividend for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

Dividend proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

Employee benefits

Defined contribution plan

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

The Company operates a contributory pension plan in line with the Pension Reform Act 2014. Employees and the Company contribute 8% and 10% respectively of each of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2014.

Short term obligation
Short-term benefits consist of wages and salaries, accumulated leave payments, 13th month, profit share, bonuses and any non-monetary benefits such as medical allowances that are expected to be wholly settled within twelve (12) months after the end of the period in which the employee rendered the related service.

A liability is recognised for the amount to be paid for accumulated leave days, long services awards and under short-term cash bonus plans, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Fiduciary activities

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions.

Related party transactions
Transactions with related parties are conducted and recorded at arms' length and disclosed in accordance with IAS 24 "Related party disclosures".

3 Financial Risk Management

3.1 Introduction and Overview
Three Lines of Defence model

The Group adopts the 3 lines of defence model. Reporting lines reinforce the segregation of duties and independence within the model:

	Functions	Responsibilities
1st Line of Defence	Business Line and Legal Entity Management	As the point of contact, they have primary responsibility for risk management. The process of assessing, measuring and controlling risks is ongoing and integrated in the day-to-day activities of the business through business and risk frameworks set by the second line of defence.
2nd Line of Defence	Consists of specialist roles: Finance function; Risk Management function; Legal function; the governance and assurance functions (excluding Internal Audit)	The second line of defence functions are responsible for setting frameworks within the parameters set by the Board; and report to the Board Governance Committees. They implement the Group's risk management framework and policies, approve risk within specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defence.
3rd Line of Defence	Internal Audit	They set the internal audit framework and provide an independent assessment of the adequacy and effectiveness of the overall risk management framework and risk governance structures, and reports to the board through the Audit & Governance committee.

3.2 Risk Categories
The risk types that the Group is exposed to within its business operations are defined below. The definitions are consistent with the Group's risk culture and language

3.21 Credit Risk
Credit risk is the risk of loss from obligor or counterparty default on financial or contractual obligations. Credit risk comprises counterparty risk, settlement risk and concentration risk. These risk types are defined as follows:

Counterparty risk: The risk of credit loss to the Group as a result of the failure by a counterparty to meet its financial and/or contractual obligations to the Group as they fall due. This risk type has three components:

i. **Primary credit risk**: The exposure at default arising from lending and related investment product activities (including their underwriting).

ii. **Pre-settlement credit risk**: The exposure at default arising from unsettled forward and derivative transactions. This risk arises from the default of the counterparty to the transaction and is measured as the cost of replacing the transaction at current market rates.

iii. **Issuer risk**: The exposure at default arising from traded credit and equity products (including the primary market issue underwriting of these products).
Settlement risk: Settlement is the exchange of two payments or the exchange of an asset for a payment. Settlement risk represents the risk of loss to the Group from settling a transaction where value is exchanged, but where the Group may not receive all or part of the counter value.

Credit concentration risk: The risk of loss to the Group as a result of excessive build-up of exposure to, among others, a single counterparty or counterparty segment, an industry, a market, a product, a financial instrument or type of security, a country or geography, or a maturity. This concentration typically exists where a number of counterparties are engaged in similar activities and have similar characteristics, which could result in their ability to meet contractual obligations being similarly affected by changes in economic or other conditions

3.22 Country Risk
The Group defines country risk to include cross-border risk. Country risk is the risk of loss arising where political or economic conditions or events in a particular country inhibit the ability of counterparties resident in that country to meet their financial obligations. Country risk events may include sovereign defaults, banking or currency crises, social instability and governmental policy changes or interventions such as expropriation, nationalization and asset confiscation. Transfer and convertibility risk (such as exchange controls and foreign debt moratoria) represent an important element of cross-border country risk.

3.23 Liquidity Risk

Liquidity risk arises when the Group, despite being solvent, is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due, and/or can only do so on materially disadvantageous terms. This may arise when counterparties who provide the Group with funding withdraw or do not roll over that funding, or as a result of a general disruption in asset markets that renders normally liquid assets illiquid

Liquidity risk encompasses both funding liquidity risk and asset liquidity risk:

i. Funding liquidity risk (also referred to as cash-flow risk) is defined as the risk that a financial institution will be unable to raise the cash necessary to roll over its debt; to fulfil the cash, margin, or collateral requirements of counterparties; or to meet capital withdrawals.

Financial Risk Management

ii. Asset liquidity risk (also referred to as market or trading liquidity risk) results from a large position size forcing transactions to influence the price of securities. This is managed by establishing position limits on assets (especially assets that are not heavily traded).

3.24 Market Risk

Market risk is the exposure to an adverse change in the market value, earnings (actual or effective) or future cash flows of a portfolio of financial instruments (including commodities) caused by adverse movements in market variables such as equity, bond and commodity prices; currency exchange and interest rates; credit spreads; recovery rates and correlations; as well as implied volatilities in these variables.

3.25 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes business risk, information and legal risk; but excludes reputational risk.

Business risk: is the risk of loss, due to operating revenues not covering operating costs and is usually caused by:

· inflexible cost structures;

· market-driven pressures, such as decreased demand, increased competition or cost increases;

· group-specific causes, such as a poor choice of strategy, reputational damage or the decision to absorb costs or losses to preserve reputation.

It includes strategic risk, which is the risk that the Group's future business plans and strategies may be inadequate to prevent financial loss or protect the Group's competitive position and shareholder value.

3.26 Reputational Risk

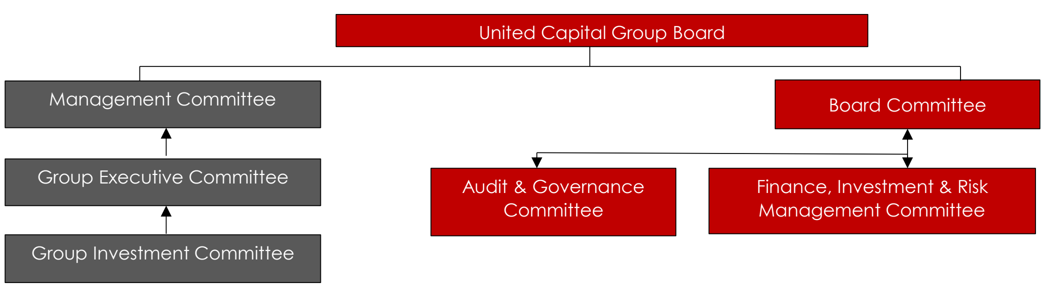
Reputational risk results from damage to the Group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

3.3 Risk Management Framework

3.31 Governance Structure

Strong independent oversight is in place at all levels throughout the Group. The risk governance structure is based on the principle that each line of business is responsible for managing the risks inherent in its business, albeit with appropriate corporate oversight. In support of this framework, business risk policies are approved to guide each line of business for decisions regarding the business' risk strategy, policies as appropriate and controls.

Risk management reports independently of the lines of business to provide oversight of Group-wide risk management and controls, and is viewed as a partner in achieving appropriate business risk and reward objectives. Risk Management coordinates and communicates with each line of business through the Group executive committee and business line governance committees. The chief risk officer (Head, Risk Management) is a member of the business line governance committees (which also has the business line chief executive officer as a member).



3.32 Risk Governance Process

The Group has established a practical risk governance process that relies on both individual responsibility and collective oversight, supported by comprehensive and independent reporting. This approach balances strong corporate oversight at Group level with participation by the senior executives of the Group in all significant risk matters. This also supports the effectiveness of the three lines of defense system as business line managers are kept abreast of inherent and emerging risks related to their respective business lines.

The governance committees are a key component of the risk management framework. They have clearly defined mandates and authorities, which are reviewed regularly. Board committees meet at least quarterly to review business strategies and ongoing achievement of risk and business objectives. This is achieved by means of formal reporting by respective business and governance units within the Group; as well as interviews/testimonials from key senior business and support executives.

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Management committees meet at least monthly to review the business environment, execute strategy revalidation, and are focused on measuring, monitoring and managing risk. The Group Investment Committee is charged with the asset/liability management, as well as ongoing capital and liquidity risk management of the Group and individual business entities; as well as the review and risk analysis of investment and/or new product/business proposals from business units (either due to the type of product/investment or the size/risk profile of the transaction). All approvals are executed in line with clearly defined authority levels (e.g. new business product/service lines must be approved by the Board on recommendation of the Finance, Investments and Risk Management committee).

Business line governance committees are constituted in line with the nature and risk of specific business activities. Business (line) risk framework/policies defined by the Group Risk Management function may prescribe the establishment of a business line governance committee to guide the strategy/operation of specific business lines (for instance: proprietary trading activities). Business line governance committees typically have membership from independent research, risk management, internal control and business line managers. These committees typically meet weekly (or as otherwise defined in specific business risk policy). Business risk frameworks define the risk appetite for the specific business lines amidst capital allocated for the business operation. In aggregate, the Group seeks to maintain a low-moderate risk appetite.

The board establishes and maintains oversight of the Group's risk appetite by:

i. Providing strategic leadership and guidance;

ii. Reviewing and approving annual budgets and forecasts, under both normal and stressed conditions, for the Group and each business unit; and

iii. Regularly reviewing and monitoring the Group's risk performance through quarterly board reports.

The Group's ERM framework stipulates the following terms which have specific meaning within the Group and guide risk management considerations:

i. Residual risk: the leftover risk exposure after implementation of mitigation efforts and controls

ii. Risk appetite: the amount or type of residual risk that the Group is prepared to accept to deliver on its financial/business objectives. It reflects the capacity to sustain losses and continue to meet obligations as they fall due, under both normal and a range of stress conditions.

iii. Risk tolerance: the maximum amount or type of risk the Group is prepared to tolerate above stipulated risk appetite levels for short periods of time (based on the understanding that management action is taken to get back within risk appetite).

iv. Risk capacity: the maximum amount of risk the Group is able to support within its available financial resources

v. Risk profile: the amount or type of risk the Group holds at a specific point in time

vi. Risk tendency: is defined as a forward-looking view of the anticipated change in the Group's risk profile as a result of portfolio effects and/or changes in economic conditions. Changes in economic conditions may either be in the form of formally approved macroeconomic stress scenarios or ad-hoc stress scenarios models

The Group runs a Group Shared Service operations process supported by an Enterprise Resource Platform system. Risk Management is supported by risk technology and operations functions that are responsible for building the information technology infrastructure used to monitor and manage risk Group-wide and at respective business line and entity levels. Risk Management has oversight of all risk types (excluding Legal risk which is managed by the Legal and Compliance; and Reputational risk which is under the oversight of the Group Chief Operating Officer)

3.4 Credit Risk Management

Credit risk is the risk of loss from obligor or counterparty default on financial or contractual obligations. The Group may be exposed to credit risk arising primarily from trading activities (including debt securities), settlement balances with market counterparties, fair value through other comprehensive income (FVTOCI) and reverse repurchase lending agreements. Other sources include wholesale credit to large corporate and institutional clients (on a restrictive basis)

Credit risk management is overseen by the group risk management function and implemented within the lines of business; with oversight by the management and board committees. The Group's credit risk management governance consists of the following objectives:

- Establish a robust risk policy and control framework
- Maintain a strong culture of responsible investing
- Identify, assess and measure credit risk across the Group, from the level of individual securities and counterparties; up to aggregate portfolio holdings
- Define, implement and continually re-evaluate business risk appetite under actual and scenario conditions
- Monitoring and managing credit risk across individual exposures and all portfolio segments
- Assigning and ensuring adherence to agreed controls
- Ensure there is independent, expert analysis of credit risks; and their mitigation

Financial Risk Management

3.41 Risk Identification and Measurement

The Group is exposed to credit risk through its capital and money market activities and advisory services businesses. Risk Management works in partnership with the business segments in identifying and aggregating exposures across all lines of business.

The Group dedicates considerable resources to gaining a clear and accurate understanding of credit risk across the business and ensuring that its balance sheet correctly reflects the value of the assets in accordance with IFRS.

To measure credit risk, the Group employs several methodologies for estimating the likelihood of obligor or counterparty default. In the year under review, credit risk exposure was quantified on the basis of both adjusted exposure and absolute exposure. External credit ratings are considered in evaluating probability of default. The enterprise risk management framework recognizes credit ratings from Basel recognized External Credit Assessment Institutions (ECAI) and Agusto & Co. Ltd. External ratings are often internally adjusted for prudence. The Group regularly validates the performance of ratings and their predictive power with regard to default events.

Primary credit risk arising from debt exposure is measured in accordance with the accounting value for outstanding exposure, including applicable accrued interest and gross of any specific credit impairments, and a measure of the expectation of additional exposure which may arise at default. Debt portfolios are structured to have an investment grade profile.

Wholesale credit risk exposure, where it exists, is monitored regularly at an aggregate portfolio, industry and individual counterparty basis with established concentration limits that are reviewed and revised, as deemed appropriate by Group investment committee, at least on an annual basis. Industry and counterparty limits, as measured in terms of exposure and economic credit risk capital, are subject to stress-based loss constraints. Management of the Group's wholesale credit risk exposure is accomplished through a number of means including: stringent loan underwriting and credit approval process; as well as collateral and other risk-reduction techniques. Wholesale credit exposure are at a minimum reviewed and approved at the level of the Group investment committee

Pre-settlement risk is measured on a potential future exposure basis, taking into account implicitly the liquidity and explicitly the volatility of the reference asset or price of the instrument or product and the tenor of the exposure. Instruments that give rise to issuer credit risk are measured as primary credit risk

Settlement risk is measured on a notional basis, assuming that the counter value will not be received. The daily settlement profile for the counterparty concerned is the aggregate of all settlements due by the counterparty on that date, either on a gross or net basis, depending on whether the underlying transaction agreements include netting or not.

3.42 Maximum exposure to credit risk

	Group		Company	
	2023	**2022**	**2023**	**2022**
	N'000	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	182,672,733	149,867,038	20,556,084	22,907,336
Financial assets:				
Amortised cost	327,842,130	167,662,848	75,160,464	75,477,029
Fair value through OCI (FVOCI)	7,694,177	12,197,077	5,129,552	-
Trade and other receivables	17,596,354	18,925,448	5,450,108	5,945,053
	535,805,396	**348,652,411**	**106,296,208**	**104,329,418**

Balances included in Trade and other receivables above are those subject to credit risks. Items not subject to credit risk, which include prepayment, deposit for shares and WHT receivable have been excluded.

Financial Risk Management

3.43 Credit risk analysis as at 31 March, 2023

Group

	AAA to A-	BBB+ to B-	CCC+ to CCC-	Not rated	Gross amount
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	-	149,867,038	32,805,695	-	182,672,733
Financial assets:					
Amortised cost	**(4,353,043)**	**101,916,966**	**191,225,107**	**39,053,100**	**327,842,130**
Long term placements	-	-	106,299,380	-	106,299,380
Loans to customers	-	-	-	39,053,100	39,053,100
Commercial paper	-	-	17,214,176	-	17,214,176
Treasury bills	(4,582,357)	11,930,948	-	-	7,348,592
Federal government bonds	(938,126)	1,881,353	15,256,775	-	16,200,002
State government bonds	1,167,440	-	25,631,029	-	26,798,469
Corporate bonds	(0)	88,104,665	26,823,747	-	114,928,412
Fair value through OCI (FVOCI)	**(4,502,900)**	**12,197,077**	**-**	**-**	**7,694,177**
Bonds	(5,076,346)	5,076,346	-	-	-
Mutual funds	573,446	7,120,731			7,694,177
Trade and other receivables	**-**	**-**	**-**	**17,596,354**	**17,596,354**
Total	**(8,855,943)**	**263,981,081**	**224,030,803**	**56,649,454**	**535,805,395**

Company

	AAA to A-	BBB+ to B-	CCC+ to CCC-	Not rated	Gross amount
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	-	22,907,336	(2,351,252)	-	20,556,084
Financial assets:					
Amortised cost	**(297,794)**	**477,685**	**38,945,236**	**36,035,337**	**75,160,464**
Long term placements	-		27,109,902	-	27,109,902
Loans to customers	-			36,035,337	36,035,337
Treasury bills	-	-	-	-	-
Federal government bonds	0	477,685	-	-	477,685
State government bonds	1,167,440	-	10,370,100	-	11,537,540
Corporate bonds	(1,465,234)	-	1,465,234	-	-
Fair value through OCI (FVOCI)	**176,781**	**4,952,770**	**-**	**-**	**5,129,552**
Mutual funds	176,781	4,952,770	-	-	5,129,552
Trade and other receivables	**-**	**-**	-	5,450,108	5,450,108
Total	**(121,012)**	**28,337,790**	**36,593,984**	**41,485,445**	**106,296,208**

Credit risk analysis as at 31 December, 2022

Group	AAA to A-	BBB+ to B-	CCC+ to CCC-	Not rated	Gross amount
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	96,205,190	53,661,848	-	-	149,867,038
Financial assets:					
Amortised cost	**56,793,223**	**105,496,962**	**(2,043,070)**	**7,415,732**	**167,662,847**
Long term placements	-	81,594,785	-	(25,701,443)	55,893,343
Loans to customers	-	-	-	33,117,175	33,117,175
Treasury bills	11,930,948	-	-	-	11,930,948
Federal government bonds	17,138,128	-	-	-	17,138,128
State government bonds	12,572,777	12,229,800	(2,043,070)	-	22,759,507
Corporate bonds	15,151,370	11,672,377	-	-	26,823,747
Fair value through OCI (FVOCI)	**12,197,077**	**-**	**-**	**-**	**12,197,077**
Bonds	5,076,346	-	-	-	5,076,346
Mutual funds	7,120,731	-	-	-	7,120,731
Trade and other receivables	**-**	**-**	**-**	**18,925,448**	**18,925,448**
Total	**165,195,490**	**159,158,810**	**(2,043,070)**	**26,341,180**	**348,652,410**

Financial Risk Management

Company

	AAA to A-	BBB+ to B-	CCC+ to CCC-	Not rated	Gross amount
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	15,955,923	-	6,947,852	-	22,903,775
Financial assets:					
Amortised cost	**12,313,018**	**11,461,200**	**-**	**51,702,810**	**75,477,029**
Long term placements	-	11,461,200	-	15,596,297	27,057,497
Loans to customers	-	-	-	36,106,513	36,106,513
State government bonds	10,370,100	-	-	-	10,370,100
Corporate bonds	1,465,234	-	-	-	1,465,234
Mutual funds	-	-	-	-	-
Fair value through OCI (FVOCI)	**-**	**-**	**-**	**-**	**-**
Trade and other receivables	**-**		**-**	**5,945,053**	**5,945,053**
Total	**28,268,941**	**11,461,200**	**6,947,852**	**57,647,863**	**104,325,856**

Geographical sectors

2023

	Group		Company	
	Nigeria	Other Countries	Nigeria	Other Countries
	N'000	N'000	N'000	N'000
Cash and cash equivalents (excluding cash in hand)	182,672,733	-	20,556,084	-
Financial assets:				
Amortised cost	327,842,130	-	75,160,464	-
Fair value through OCI (FVOCI)	7,694,177	-	5,129,552	-
Trade and other receivables	17,596,354	-	5,450,108	-
	535,805,396	**-**	**106,296,208**	**-**

2022

	Group		Company	
	Nigeria	Other Countries	Nigeria	Other Countries
	N'000	N'000	N'000	N'000
Cash and cash equivalents	149,867,038	-	22,907,336	-
Financial assets:				
Amortised cost	167,662,848	-	75,477,029	-
Fair value through OCI (FVOCI)	12,197,077	-	-	-
Trade and other receivables	18,925,448	-	5,945,053	-
	348,652,410	**-**	**104,329,418**	**-**

Credit Quality

Some financial assets are past due and impaired during the year with N7.46b (2022: N7.46b) impairment on amortised cost financial assets and N1.55b for trade receivables (2022: N1.55b).

3.44 Risk Monitoring and Management

The Group employs the use of internal exposure limits to its counterparties. Money market counterparties are selected on using a set of criteria that includes an investment grade credit rating and a systemic risk relevance based on a benchmark hurdle rate. Exposure limits are assigned on the basis of the counterparty assessment based on these selection criteria.

The Group has developed policies and practices that are designed to preserve the independence and integrity of the approval and business decision-making process to ensure credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels.

The framework establishes credit approval authorities, concentration limits, risk-rating methodologies, and portfolio review parameters. The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries, geographies and countries.

Impairment allowances are recognized for financial reporting purposes only for losses that have been incurred at the date of the consolidated statement of financial position based on objective evidence of impairment.

Financial Risk Management

3.45 Risk reporting

To enable monitoring of credit risk and effective decision making, aggregate credit exposure, credit quality forecasts, concentration levels and risk profile changes are reported regularly to the management committees; and board committee at least quarterly. Stress testing is important in measuring and managing credit risk in the Group's business portfolios. The process assesses the potential impact of alternative economic and business scenarios on estimated credit losses for the Group. In conjunction with independent research, the risk management function considers economic scenarios (and parameters underlying those scenarios) which may lead to credit migration, changes in counterparty liquidity and/or solvency states and the potential losses from credit exposures. During the period under review, credit exposures are considered on the basis of absolute loss exposure impact.

3.5 Country Risk Management

Country risk is the risk that a political, economic or sovereign event or action alters the value or terms of contractual obligations of obligors, counterparties and issuers related to a country.

The Financial Investment and Risk Management (F.I.R.M) committee is responsible for the management of country risk across the Group. The F.I.RM committee delegates the functional oversight of country risk management to the Group executive committee. The Group risk management function maintains oversight of country risk exposures and reports to the Group executive committee monthly and the F.I.RM committee on a quarterly basis.

Risk Identification and Measurement
The Group country risk governance standards incorporate the use of external ratings from qualifying External Credit Assessment Institutions (ECAIs). Country risk exposure management is based on country, sovereign and business environment risk assessment. Exposure in countries qualifying as medium and high risk countries is subject to increased analysis and monitoring.

Country exposures are generally measured by considering the Group's risk to an immediate default of the counterparty or obligor, with zero recovery. Where required, the group seeks to incorporate country risk mitigation via methods like co-financing with multilateral institutions; political and commercial risk insurance; transaction structures to mitigate transferability and convertibility risk (such as collateral, collection and margining deposits outside the jurisdiction in question)

Risk Monitoring and Control
Group risk management in conjunction with independent research employs the use of surveillance tools for early identification of potential country risk concerns. Country ratings and exposures are actively monitored and reported on a regular basis based on an assessment of potential risk of loss associated with a significant sovereign, political, social, or economic crisis

3.5 Liquidity Risk Management

Liquidity risk management is intended to ensure that the Group has the appropriate amount, composition and tenor of funding and liquidity to support its assets.

The primary objectives of effective liquidity management are to ensure that the Group's legal entities are able to operate in support of client needs and meet contractual and contingent obligations under both normal and stressed market conditions; as well as to maintain debt ratings that enable the Group to optimize its funding mix and liquidity sources at minimal cost.

United Capital manages liquidity and funding using a centralized Treasury approach in order to actively manage liquidity for the Group as a whole, monitor exposure and identify constraints on the transfer of liquidity within the Group; and maintain the appropriate amount of surplus liquidity as part of the Group's overall balance sheet management strategy.

Financial Risk Management

Risk Identification and Measurement

In the context of the Group's liquidity management, Treasury is responsible for:

- Measuring, managing, monitoring and reporting the Firm's current and projected liquidity sources and uses;
- Managing funding mix and deployment of excess short term cash

In addition, in conjunction with the Group risk management function, Treasury is also responsible for:

- Understanding the liquidity characteristics of the Firm's assets and liabilities;
- Defining and monitoring Group-wide and legal entity liquidity strategies and contingency funding plans;
- Liquidity stress testing under a variety of adverse scenarios;
- Defining and addressing the impact of regulatory changes on funding and liquidity.

The Group adopts a three pronged approach to its liquidity risk management process which aligns strategies to liquidity risk categories. The Group recognizes three categories of liquidity risk - short-term, structural, and contingent liquidity risk. These three liquidity risk management categories are governed by a comprehensive internal governance framework to identify, measure and manage exposure to liquidity risk

Treasury, in conjunction with the Group risk management, is responsible for business activities governing the implementation of the Group's liquidity management process:

Category	Activities
Short term liquidity risk management	●Monitor daily cash flow requirements ●Manage intra-day liquidity positions ●Monitor repo and bank funding shortage levels ●Manage short term cash flows ●Manage daily foreign currency liquidity ●Provide guidance on fund taking rates in conformity with longer term and contingent liquidity requirements (as informed by the management committees)
Structural liquidity risk management	●Identify and manage medium to long term liquidity mismatches ●Ensure a structurally sound balance sheet ●Manage long term cash flows ●Determine and apply behavioural profiling to investor portfolios (in ●Preserve a diversified funding base ●Assess foreign currency liquidity exposures ●Establish liquidity risk appetite
Contingency liquidity risk management	●Establish and maintain contingency funding plans ●Monitor and manage early warning liquidity indicators ●Ensure regular liquidity stress tests and scenario analysis ●Establish liquidity buffer levels in conformity with anticipated stress events ●Convene liquidity crisis management committees (as required) ●Ensure diversification of liquidity buffer portfolios

Risk Monitoring and Control

Monitoring and reporting entails cash flow measurement and forecasting for the next day, week, biweekly, month, quarter, half-year and yearly as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected receivable date of the financial assets.

Foreign currency liquidity risk management

The Group maintains active monitoring and management of foreign currency assets and liabilities using suitable indicators to consistently track changes in market liquidity and/or exchange rates. In general, uncovered or unmatched or un-hedged FX positions is restricted.

Funding

The Group is funded primarily by a well-diversified mix of retail, corporate and public sector funds. This funding base ensures stability and low funding cost with minimal reliance on more expensive tenured deposit and loan markets. The Group places considerable importance on the Sinking fund portfolio and other managed funds from both Trusteeship and wealth management business.

Financial Risk Management

The Group employs a diversified funding strategy to fund its balance sheet which incorporates a coordinated approach to accessing capital and loan markets (where necessary). Funding markets are evaluated on an ongoing basis to ensure appropriate Group funding strategies are executed depending on the market, competitive and regulatory environment.

Concentration risk limits are used within the Group to ensure that funding diversification is maintained across products, sectors, geography and counterparties.

Non-derivative financial liabilities and assets held for managing liquidity risk

Presented in the table below are the cash flows payable by the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the consolidated statement of financial position. The amounts disclosed in the table below, are the contractual undiscounted cash flow and the assets held for managing liquidity risk.

Group – 31 March, 2023	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	22,721,153	159,951,580	-	-	-	-	182,672,733
Bond	-	-	15,342,567	121,721,505	2,031,874	13,453,441	152,549,387
Treasury bills	-	-	4,356,235	2,992,357	-	-	7,348,592
Mutual funds	40,321,720	1,299,234	5,765,234	39,354,125	15,636,730	28,931,037	131,308,080
Quoted equities		-	-	-	-	13,546,297	13,546,297
Unquoted equities		-	-	-	-	12,331,282	12,331,282
Trade and other receivables	-	-	(188,525)	6,514,944	-	40,285,112	46,611,530
Loans and receivables	-	-	-	-	106,299,380	44,430,595	150,729,976
Total	**63,042,873**	**161,250,814**	**25,275,511**	**170,582,930**	**123,967,984**	**152,977,765**	**697,097,877**
Liabilities							
Borrowings	-	-	3,160,905	5,176,693	-	89,621,661	97,959,259
Managed funds	13,893,215	148,555,138	14,345,142	110,216,361	140,332,145	16,422,735	443,764,736
Other Liabilities	147,026,763	-	5,594,938	-	-	-	152,621,701
Total	**160,919,978**	**148,555,138**	**23,100,985**	**115,393,054**	**140,332,145**	**106,044,396**	**694,345,696**
Assets	63,042,873	161,250,814	25,275,511	170,582,930	123,967,984	152,977,765	697,097,877
Liabilities	160,919,978	148,555,138	23,100,985	115,393,054	140,332,145	106,044,396	694,345,696
Liquidity gap	**(97,877,105)**	**12,695,676**	**2,174,526**	**55,189,875**	**(16,364,161)**	**46,933,369**	**2,752,181**

Company – 31 March, 2023	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	2,359,575	18,196,509	-	-	-	-	20,556,084
Long-term investments	-	5,558,458	21,551,444	-			27,109,902
Bond	-	-	-	-	2,031,874	9,983,350	12,015,224
Treasury bills	-	-	-	-	-	-	-
Mutual funds	-	-	-	5,129,552	-	-	5,129,552
Quoted equities	2,237,300	-	-	-	-	-	2,237,300
Trade and other receivables	-	-	1,482,922	4,385,652	-	39,754,128	45,622,703
Dividend receivable	-	33,588	-	-	-	-	33,588
Loans and receivables	-	-	-	3,187,772	9,563,317	24,722,900	37,473,989
Total	**4,596,874**	**23,788,555**	**23,034,366**	**12,702,976**	**11,595,191**	**74,460,379**	**150,178,342**
Liabilities							
Borrowings	1,882,177	7,716,114	3,160,905	5,176,693	27,771,310	51,308,419	97,015,618
Other liabilities	-	51,203,168	-	-	-	-	51,203,168
Total	**1,882,177**	**58,919,282**	**3,160,905**	**5,176,693**	**27,771,310**	**51,308,419**	**148,218,786**
Assets	4,596,874	23,788,555	23,034,366	12,702,976	11,595,191	74,460,379	150,178,342
Liabilities	1,882,177	58,919,282	3,160,905	5,176,693	27,771,310	51,308,419	148,218,786
Liquidity gap	**2,714,697**	**(35,130,727)**	**19,873,461**	**7,526,283**	**(16,176,119)**	**23,151,960**	**1,959,556**

Financial Risk Management

Group – 31 December, 2022	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	10,336,588	139,530,450	-	-	-	-	149,867,038
Bond	-	3,500,000	17,466,781	19,156,600	33,314	6,785,840	46,942,536
Treasury bills	-	-	3,453,813	8,477,135	-	-	11,930,948
Mutual funds	25,321,720	1,299,234	5,765,234	94,354,125	15,636,730	(17,384,601)	124,992,442
Quoted equities						6,565,673	6,565,673
Unquoted equities						46,496,769	46,496,769
Trade and other receivables	-	-	889,527	16,700,775	-	40,285,112	57,875,415
Loans and receivables	-	-	-	-	83,394,077	30,592,996	113,987,074
Total	**35,658,308**	**144,329,684**	**27,575,356**	**138,688,636**	**99,064,121**	**113,341,789**	**558,657,894**
Liabilities							
Borrowings	-	-	1,000,818	18,088,112	-	60,602,186	79,691,116
Managed funds	3,893,215	50,008,721	14,345,142	171,247,066	40,332,145	47,422,735	327,249,024
Other liabilities	35,459,322	7,594,938	5,594,938	-	-	-	48,649,198
Total	**39,352,537**	**57,603,659**	**20,940,898**	**189,335,179**	**40,332,145**	**108,024,921**	**455,589,338**
Assets	35,658,308	144,329,684	27,575,356	138,688,636	99,064,121	113,341,789	558,657,894
Liabilities	39,352,537	57,603,659	20,940,898	189,335,179	40,332,145	108,024,921	455,589,338
Liquidity gap	**(3,694,229)**	**86,726,025**	**6,634,458**	**(50,646,543)**	**58,731,976**	**5,316,869**	**103,068,556**

Company – 31 December, 2022

	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	85,372	6,866,041	-	-	-	-	6,951,413
Bond	-	-	-	14,401,757	33,314	1,315,749	15,750,820
Mutual funds	-	-	-	2,176,409	-	-	2,176,409
Quoted equities	2,091,484	-	-	-	-	-	2,091,484
Unquoted equities	-	-	-	-	-	4,500,000	4,500,000
Trade and other receivables	-	-	985,050	2,238,207	-	25,142,732	28,365,989
Dividend receivable	-	7,218,000	-	-	-	-	7,218,000
Loans and receivables	-	-	-	-	11,461,200	37,473,989	48,935,190
Total	**2,176,855**	**14,084,041**	**985,050**	**18,816,373**	**11,494,515**	**68,432,470**	**115,989,305**
Liabilities							
Borrowings	-	-	1,000,818	18,088,112	-	64,628,978	83,717,908
Other liabilities	-	47,671,636	-	-	-	-	47,671,636
Total	**-**	**47,671,636**	**1,000,818**	**18,088,112**	**-**	**64,628,978**	**131,389,544**
Assets	2,176,855	14,084,041	985,050	18,816,373	11,494,515	68,432,470	115,989,305
Liabilities	-	47,671,636	1,000,818	18,088,112	-	64,628,978	131,389,544
Liquidity gap	**2,176,855**	**(33,587,594)**	**(15,768)**	**728,261**	**11,494,515**	**3,803,492**	**(15,400,239)**

Stress Testing

Liquidity stress tests are intended to ensure sufficient liquidity for the Group under adverse scenarios. Stress tests are considered in the formulation of the Group's funding plan and assessment of its liquidity position. Liquidity outflow assumptions are modelled across a range of time horizons and market and idiosyncratic stress.

Liquidity stress tests assume all of the Group's contractual obligations, as well as estimates of potential non-contractual and contingent outflows are met and also take into consideration varying levels of access to unsecured and secured funding markets.

Financial Risk Management

Credit Ratings

The cost and availability of financing are influenced by the Group's credit ratings. Reductions in these ratings could have an adverse effect on the Group's access to liquidity sources, increase the cost of funds, trigger additional collateral or funding requirements and decrease the number of investors and counterparties willing to lend to the Group. Accordingly, the Group places due emphasis on maintaining and improving its credit rating.

Credit ratings are dependent on multiple factors including the sovereign rating, capital adequacy levels, quality of earnings, credit exposure, our risk management framework and funding diversification. The Group's F.I.RM committee ensures proper monitoring of these parameters and their possible impact on our credit rating as part of the Group's liquidity risk management and contingency planning considerations.

3.6 Market Risk Management

Market risk is the exposure to an adverse change in the market value of portfolios and financial instruments caused by a change in their market prices

The Group's exposure to market risks is categorized as follows:

· Market risk in trading activities: trading activities which may comprise market making, arbitrage and proprietary trading. These activities are primarily carried out within the Group's securities trading business

· Interest rate risk on the balance sheet: this refers to risks inherent in the different re-pricing characteristics of balance sheet assets and liabilities. These may include re-pricing risk, basis risk, yield curve risk, and optionality risk.

· Equity investments on the balance sheet: this refers to risks resulting from price changes in listed and unlisted equity investments carried on the group's balance sheet. These investments are typically classified as fair value through other comprehensive income (FVTOCI).

· Foreign currency risk: The Group may be exposed to foreign currency risk as a result of foreign-denominated cash exposures and accruals.

In managing market risks, the Group risk management function works in close partnership with the lines of business, including Treasury, to identify and monitor market risks throughout the Group. The Group's market risk management practices seek to control risk, facilitate efficient risk/return decisions, reduce volatility in operating performance, and provide transparency of the Group's market risk profile to executive management and the board of directors. This involves:

- Independent measurement, monitoring and control of business line and Group wide market risk in accordance to approved risk limits

- Qualitative risk assessments and stress tests

Risk Identification and Measurement

The risk management function articulates market risk management framework and specific business (line) risk frameworks that guide each line of business in the management of the market risks within its unit. The risk management function also responsible for independent oversight of each line of business to ensure that all material market risks are appropriately identified, measured, monitored and managed in accordance with framework guidelines approved.

The Group risk management function uses various metrics, both statistical and non-statistical, to measure and manage market risks including: value-at-risk; stop-loss triggers; stress tests; back-testing; and specific business unit portfolio and product controls.

Value-at-risk, a statistical risk measure, is used to measure the potential loss from adverse market moves under normal market conditions. Historical VaR simulation is used specifically for market risk under normal conditions. Where adopted historical VaR is be based un-weighted historical data for the previous 12 months, a holding period of one day and a 99% confidence level. Daily VaR estimates are converted to a ten-day holding period. Expected shortfall is quantified to counteract the limitations of VaR.

Stop-loss triggers are used to protect the profitability of trading desks, and refer to cumulative or daily trading losses that prompt a review or close-out of positions in trading portfolios.

Specific business unit portfolio and product controls are market risk controls applied to specific business units. These may include permissible instruments, concentration of exposures, gap limits, maximum tenor, stop loss triggers, price validation and balance sheet substantiation. In addition, only approved products that can be independently priced and properly processed are permitted to be traded.

In recognition of the unpredictability of markets, stress testing is adopted to provide an indication of the potential losses that could occur under extreme market conditions and where longer holding periods may be required to exit positions.

Financial Risk Management

Stress tests carried out by the Group include individual market risk factor testing, combination of market risk factor testing, combination of market factors per trading desk and combinations of trading desks. The testing considers both historical market events and hypothetical forward-looking scenarios. A consistent stress-testing methodology is applied to trading and non-trading books. Stress scenarios are regularly updated to reflect changes in risk profile and economic events.

Interest rate risks in trading and non-trading portfolios are quantified using both earnings- and valuation-based measurement techniques. This is monitored at least on a monthly basis by the Group investment committee.

Interest rate sensitivity analysis as at 31 March, 2023

Group	**Value as at 2023 N'000**	**1% higher N'000**	**1% lower N'000**
Financial asset FVTOCI	-	-	-
	-	**-**	**-**

Interest rate sensitivity analysis as at 31 December, 2022

Group	**Value as at 2022 N'000**	**1% higher N'000**	**1% lower N'000**
Financial asset FVTOCI	5,076,346	5,127,109	5,025,583
	5,076,346	**5,127,109**	**5,025,583**

Foreign currency risk exposure may arise as a result of foreign-denominated cash exposures, foreign-denominated accruals, and foreign-denominated debt. The finance/treasury function maintains oversight of aggregate foreign currency risk exposure, taking into account naturally offsetting risk positions and managing the Group's residual risk. In general, the Group's policy is not to ordinarily hold significant open FX exposures on the balance sheet. The risk management function conducts foreign currency sensitivity tests to monitor potential impact from rate movements in the FX markets. The table below shows the impact on the Group's and Company's profit before tax if foreign exchange rates on financial instruments held at amortised cost or at fair value had increased by 5 percent (5%), with all other variables held constant.

Foreign currency sensitivity analysis

	Group		**Company**	
	31 March 2023 =N=' 000	**31 December 2023 =N=' 000**	**31 March 2023 =N=' 000**	**31 December 2022 =N=' 000**
Assets	852,014	689,890	758,687	614,322
Liabilities	699,484	566,384	699,484	566,384
Impact on profit	152,530	123,506	59,203	47,938

The Group's market risk management process ensures disciplined risk-taking within a framework of well-defined risk appetite that enables the group to boost shareholders value while maintaining competitive advantage through effective utilization of risk capital.

3.7 Equity risk

The Group holds investments in listed and unlisted securities. Listed equity securities (quoted on the Nigerian Stock Exchange) is exposed to movement based on the general movement of the all share index and movement in prices of specific securities held by the Group.

Sensitivity analysis assuming a 5% increase/decrease in value of equities.

	Group		**Company**	
	31 December 2023 =N=' 000	**31 December 2022 =N=' 000**	**31 December 2023 =N=' 000**	**31 December 2022 =N=' 000**
Investment securities at FVTPL	2,073,701	1,927,885	981,492	878,831
Investment securities at FVOCI	12,688,332	12,665,456	1,255,808	1,232,932
Impact on Profit for the period				
Favourable change @ 5% increase in prices	103,685	96,394	49,075	43,942
Unfavourable change @ 5% reduction in prices	(103,685)	(96,394)	(49,075)	(43,942)
Impact on Other Comprehensive Income				
Favourable change @ 5% increase in prices	634,417	633,273	62,790	61,647
Unfavourable change @ 5% reduction in prices	(634,417)	(633,273)	(62,790)	(61,647)

Financial Risk Management

Risk Monitoring and Control
Market risk is controlled primarily through a series of limits set in the context of the market environment and business strategy. In setting limits, the Group takes into consideration factors such as market volatility, asset liquidity and accommodation of client business and management experience.

Limits may also be allocated within the lines of business, as well at portfolio level. Limits are established by risk management. Limits are reviewed regularly and updated as appropriate, with any changes approved by appropriate governance committees and risk management.

3.7.1 Fair value estimation
a) Financial instruments measured at fair value
IFRS 7 requires disclosures for all financial instruments measured at fair value.
The table below analyses financial instruments carried at fair value, by valuation method.
The different levels have been defined as follows:
- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Group 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	**N'000**	**N'000**	**N'000**	**N'000**
Bonds	-	-	-	-
Equity- quoted	14,359,550	-	-	14,359,550
Equity- unquoted	-	7,018,029	-	7,018,029
Mutual funds	131,308,080	-	-	131,308,080
	145,667,630	**7,018,029**	**-**	**152,685,659**

Company 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Financial assets measured at fair value				
Bonds	-	-	-	-
Equity- quoted	3,418,468	-	-	3,418,468
Equity- unquoted	-	-	-	-
Mutual funds	6,807,435	-		6,807,435
	10,225,903	**-**	**-**	**10,225,903**

Group 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	**N'000**	**N'000**	**N'000**	**N'000**
Bonds	72,730,768	-	-	72,730,768
Equity- quoted	14,140,008	-	-	14,140,008
Equity- unquoted	-	7,018,029	-	7,018,029
Mutual funds	124,992,442	-	-	124,992,442
	211,863,218	**7,018,029**	**-**	**218,881,246**

Company 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	**N'000**	**N'000**	**N'000**	**N'000**
Bonds	-	-	-	-
Equity- quoted	3,315,807	-	-	3,315,807
Mutual funds	0	6,594,222	-	6,594,222
	3,315,807	**6,594,222**	**-**	**9,910,030**

Financial instruments in level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily NSE equity investments, treasury bills and bonds classified as trading securities or financial asset through OCI.

Financial instruments in level 2
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:
a) Quoted market prices or dealer quotes for similar instruments;

b) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;

c) Other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity , are used to determine fair value for the remaining financial instrument.

Financial Risk Management

Financial instruments in level 3
Inputs for the asset or liability in this fair value hierarchy are not based on observable market data (unobservable inputs). This level includes equity investments with significant unobservable components.

Description of valuation methodology and inputs:
The steps involved in estimating the fair value of the company's unquoted equity investments are as follows:

Step 1: The most appropriate valuation methodology was selected to value each of the unquoted equity investment.

Step 2: Comparative multiples were sourced from S & P Capital IQ based on available comparable companies in Sub- Saharan Africa and Emerging Asia and an average multiple was computed.

Step 3: The enterprise value was derived by multiplying the average multiple to the relevant financial metric.

Step 4: Equity value of the firm was derived by deducting the value of the debt of the company and adding the closing cash balance.

Step 5: A lack of marketability discount of 14.9% was applied to the equity value.

Step 6: The equity value was derived by multiplying the company's equity value by Roger Miller equity stake.

Step 7: The latest transaction price was adopted to estimate the fair value of unquoted equity investment in Brozi Leisures Limited.

There was no transfer of securities between levels in 2023 (2022: nil).

Information about the fair value measurements using significant unobservable Inputs (Level 3) are given below:

31 March 2023

Description	Fair value at 31 Dec. 2023	Valuation technique	Unobservable input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'million
FSDH (Naira - million)	2,351	DDM	-Discounted factor -Cashflow estimate	1%	24
AFC ('Naira - million)	4,665	DDM	-Discounted factor -Cashflow estimate	1%	46.65

31 December 2022

Description	Fair value at 31 Dec. 2022	Valuation technique	Unobservable input	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
FSDH (Naira - million)	2,351	DDM	EV/ EBITDA Methodology	40%	1%	24
AFC ('Naira - million)	4,665	DDM	-Discounted factor -Cashflow estimate		1%	85

The change in valuation disclosed in the table shows the direction an increase or decrease in the respective input variables would have on the valuation result. For equity securities, increase in the EBITDA multiple would lead to an increase in estimated value. However, an increase in the discount for lack of marketability would lead to a decrease in value.

The valuation of FSDH unquoted equity was based on the recent sales price of the shares. A 5% increase/(decrease) in the share price of the equities at the reporting date would have increased/(decreased) the profit before tax by N128million

Financial Risk Management

(b) Financial instruments not measured at fair value

Group	**At 31 March 2023**		**At 31 December 2022**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets	**N'000**	**N'000**	**N'000**	**N'000**
Cash and bank	182,672,733	182,672,733	149,867,038	149,867,038
Investment securities at amortised cost	333,219,626	331,431,473	175,126,779	167,673,987
Trade and other receivables*	55,116,635	55,116,635	56,733,019	56,733,019
	571,008,994	**569,220,841**	**381,726,836**	**374,274,043**
Financial liabilities				
Trade and other payables*	152,621,701	152,621,701	51,203,168	51,203,168
Managed funds*	443,764,735	443,764,735	413,698,697	413,698,697
Borrowings	97,959,259	97,959,259	100,454,344	100,454,344
	694,345,695	**694,345,695**	**565,356,209**	**565,356,209**

Company	**At 31 March 2023**		**At 31 December 2022**	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	20,556,084	20,556,084	22,907,336	22,907,336
Investment securities at amortised cost	76,599,116	74,810,963	76,844,505	75,056,352
Trade and other receivables	48,587,357	46,844,170	56,149,474	46,090,018
	145,742,557	**142,211,217**	**155,901,314**	**144,053,706**
Financial liabilities				
Trade and other payables	48,587,357	48,587,357	47,812,682	47,812,682
Borrowings	97,015,618	97,015,618	100,849,651	100,511,035
	145,602,975	**145,602,975**	**148,662,333**	**148,323,717**

*The carrying values of these assets and liabilities approximates their fair values.

Cash and bank balances have been designated as level 2 while loans, managed funds, long term placements as well as trade and other payables have been designated as level 3 within the fair value hierachy. State and corporate bonds are designated as level 1 within the fair value hierarchy.

		Group		Company	
		31 March 2023 =N=' 000	31 March 2022 =N=' 000	31 March 2023 =N=' 000	31 March 2022 =N=' 000
4	**Net investment income**				
	Interest from placements and bonds	634,946	1,451,812	476,959	1,338,369
	Income from loans	2,149,307	198,732	1,625,875	-
	Dividend income from securities investments	626,999	260,474	33,588	-
	Profit on disposal of investment	-	68,182	-	-
	Income from managed Funds	9,641,614	6,430,150	(8,705)	-
		13,052,865	8,409,350	2,127,716	1,338,369
	Interest expense on managed funds and other borrowings	(10,331,562)	(6,768,775)	(1,482,030)	(1,206,380)
		2,721,303	**1,640,575**	**645,686**	**131,990**
	Investment income from items measured at amortised cost	2,373,262	1,451,724	612,740	99,044
	Investment income from items carried at fair value through OCI	348,040	188,851	32,946	32,946
		2,721,303	**1,640,575**	**645,686**	**131,990**
5	**Fees and commssion income**				
	Financial advisory fees	323,296	581,797	323,296	581,797
	Managent fees and commissions	1,500,109	1,165,240	-	-
		1,823,405	**1,747,037**	**323,296**	**581,797**
	Fees recognised at point in time	767,467	799,622	323,296	581,797
	Fees recognised over time	1,055,938	947,415	-	-
		1,823,405	**1,747,037**	**323,296**	**581,797**

Managemnt fees and commission income include brokrage fee of N444m, Management fee of N799m and trustees feess of N156m which are recognised at point in time. Management fees and transaction sign-on fees which are recognised at point in time the mandate is consumated. Management fee accrues monthly as a percentage of the net asset value (NAV) at each point in time.

		Group 31 March 2023	Group 31 March 2022	Company 31 March 2023	Company 31 March 2022
6	**Net Trading Income.**				
	Net trading income includes gains and losses arising both on the purchase and sale of financial instruments at FVTPL	**396,007**	**159,788**	**-**	**-**
7	**Other income**				
	Exchange gains/(loss)	51,038	491,323	7,478	-
	Interest on staff loans	666	430	-	-
	Gain on Disposal of PPE	-	34	-	34
	Other income	18,735	25,672	4	136
		70,439	**517,458**	**7,481**	**170**

Other income includes income from trade (N3.7m) realised by the Wealth Management desk.

		Group 31 March 2023	Group 31 March 2022	Company 31 March 2023	Company 31 March 2022
8	**Net (loss)/gain from financial assets at fair valued through profit or loss**				
	Net gain/(loss) on equity instruments at FVTPL	332,879	147,405	102,660	59,075
		332,879	**147,405**	**102,660**	**59,075**
9	**Personnel expenses**				
	Staff cost	570,884	541,890	142,516	105,461
	Contributions to defined contribution plans	18,730	4,811	5,141	1,718
		589,614	**546,701**	**147,657**	**107,179**

		Group		Company	
		31 March 2023 =N=' 000	31 March 2022 =N=' 000	31 March 2023 =N=' 000	31 March 2022 =N=' 000
10	**Other operating expenses**				
	Premises and equipment costs	26,441	18,001	110	543
	Auditors remuneration	16,595	9,125	4,863	2,956
	Professional fees	84,827	120,797	53,435	54,122
	Travel and accommodation	1,173	8,631	753	7,177
	Rent and rates (See note a)	21,512	16,223	1,738	5,213
	AGM/Dividend processing expenses	33,544	-	22,120	-
	Donations	41,014	55,340	11,220	1,000
	Subscription	2,229	1,808	1,511	1,151
	Insurance	3,248	3,019	462	1,153
	Statutory expenses	10,054	2,472	-	-
	General administrative expenses	1,004,586	544,798	183,436	90,591
	Advertisement and branding	106,769	2,531	-	-
	Share register fee	35,581	-	7,115	-
	Directors fees and other allowances	23,903	1	4,780	-
	Printing and stationeries	417	1,036	147	199
	Office running expenses	18,089	83,186	-	-
	Business entertainment	2,269	3,320	2,269	1,334
	Business development	129,754	-	-	-
	IT license and maintenance fee	75	33,040	75	-
	Training and conference	10,014	312	-	-
	bad debt	3,706	21,218	3,706	21,218
		1,575,800	**924,858**	**297,741**	**186,657**

The Group incurred a non-audit fees paid to the Auditors. The service rendered was for data analytics project and the Group paid N20m.

a This represent payment for short tem and low value leases

		Group 31 March 2023	Group 31 March 2022	Company 31 March 2023	Company 31 March 2022
11	**Depreciation & amortisation**				
11.1	Depreciation of property and equipments (note 23)	51,664	49,239	43,048	40,601
11.2	**Amortisation**				
	Amortisation of intangible assets (note 20)	15,179	8,554	14,378	7,449
	Amortisation of right of use assets (note 19)	23,496	17,476	23,496	17,476
		38,675	**26,030**	**37,874**	**24,925**
12	**Impairment charge/(writeback) for credit losses**				
	Loss allowance on cash and cash equivalents (note 15a)	-	-	-	-
	write back on financial assets at amortised cost (note 16.1a)	(2,163,778)	(37,725)	-	(21,983)
	Loss allowance on financial assets at amortised cost (note 16.1a)	77,343	134,068	71,176	-
	Loss allowance on trade receivables (note17.1)	2,494,053	1,036	(0)	-
		407,618	**97,379**	**71,176**	**(21,983)**
12a	**Impairment Categorisation**				
	Stage 1	(2,506,957)	97,379	(53,391)	(21,983)
	Stage 2	-	-	-	-
	Stage 3	2,914,575	-	124,567	-
		407,618	**97,379**	**71,176**	**(21,983)**

The stage 3 impairment have been approved by the Board and the impaiments relating to financial assets that are deemed to be bad and doubtful of recovery

		Group 31 March 2023	Group 31 March 2022	Company 31 March 2023	Company 31 March 2022
13	**Income tax expense**				
	Recognised in the profit or loss				
	Income tax	281,909	308,103	43,347	56,635
	Education tax	62,646	47,400	9,633	8,713
	Information technology tax	31,323	23,700	4,816	4,357
	Police trust fund levy	-	-	-	-
		375,879	**379,204**	**57,795**	**69,704**
	Deferred tax	-	-	-	-
		375,879	**379,204**	**57,795**	**69,704**

		Group 31 March 2023	%	Group 31 March 2022	%	Company 31 March 2023	%	Company 31 March 2022
13.1	**Effective tax reconciliation**							
	The income tax expense for the period can be reconciled to the accounting profit as follows:							
	Profit before tax from continuing operations	**2,680,663**		**2,568,056**		**481,629**		**435,652**
	Income tax expense calculated at 30% of PBT	804,199	30%	770,417	30%	144,489	30%	130,696
	Effect of Income that is exempt from taxation	(2,237,937)	-83%	(1,101,174)	-43%	(574,817)	-22%	(268,795)
	Effect of expenses that are not deductible in determining taxable profit	1,608,725	60%	256,616	10%	250,772	10%	106,270
	Effect of investment allowance	(1,286)	0%	17	0%	(1,183)	0%	(1,357)
	Effect of tax adjustment	70,106	3%	328,048	13%	113,692	4%	99,006
	Adjustment recognised due to difference in tax rates	(276,951)	-10%	48,832	2%	9,529	0%	3,885
	Education tax at 2.5% of assessable profits	409,022	15%	76,448	3%	115,313	4%	-
		375,879	14%	**379,203**	15%	**57,795**	2%	**69,705**
	Addjustment recognised in the current period relating to the deferred tax of prior periods	-	0%	-	0%	-	0%	-
		375,879	14%	**379,203**	15%	**57,795**	2%	**69,705**
	Recognised in other comprehensive income							
	defered tax recognised in other comprehensive income	2,810		(64)		(0)		(393)
		2,810		**(64)**		**(0)**		**(393)**

		Group		Company	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
14	**Earnings per share**	=N=' 000	=N=' 000	=N=' 000	=N=' 000
	Basic earnings per share				
	Basic earnings attributable to shareholders (N'000)	2,441,177	2,308,738	423,833	365,948
	Weighted number of ordinary shares in issue for basic ('000)	6,000,000	6,000,000	6,000,000	6,000,000
	Weighted number of ordinary shares in issue on conversion of dilutive shares ('000)	6,000,000	6,000,000	6,000,000	6,000,000
	Basic earnings per share (kobo)	**163**	**154**	**28**	**24**
	Diluted earnings per share (kobo)	**163**	**154**	**28**	**24**

There are no dilutive instruments in issue as at the reporting date. Consequently, basic and diluted EPS are same.

15	**Cash and cash equivalents**				
	Cash and balances with banks	22,721,153	10,336,588	2,359,575	2,501,903
	Money market placements	159,951,580	139,530,450	18,196,509	20,405,433
		182,672,733	149,867,038	20,556,084	22,907,336
	Impairment charge	-	-	-	-
		182,672,733	**149,867,038**	**20,556,084**	**22,907,336**
	Current	182,672,733	149,867,038	20,556,084	22,907,336
	Non-Current	-	-	-	-
		182,672,733	**149,867,038**	**20,556,084**	**22,907,336**
15a	**Impairment adjustments on Cash**				
	At 1 January	-	-	-	-
	Arising during the year	-	-	-	-
	Closing Balance	**-**	**-**	**-**	**-**

"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	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
15b	**Cash and cash equivalent for cashflow purposes**	=N=' 000	=N=' 000	=N=' 000	=N=' 000
	Cash and cash equivalent	182,672,733	149,867,038	20,556,084	22,907,336
	Bank overdraft	(952,805)	(191,344)	(9,164)	(96,089)
	Closing Balance	**181,719,928**	**149,675,694**	**20,546,920**	**22,811,246**
16	**Investment securities**				
	Financial assets measured at amortised cost - (note 16.1)	327,842,130	167,662,848	75,160,464	75,477,029
	Financial assets at Fair value through other comprehensive income - (note 16.2)	19,528,297	24,031,197	6,385,359	6,208,578
	Financial assets at Fair value through profit or loss - (note 16.3)	133,157,362	194,850,049	3,840,544	3,701,452
		480,527,790	**386,544,095**	**85,386,367**	**85,387,058**
	Current	144,412,663	48,996,009	7,366,851	18,669,650
	Non-Current	336,115,126	337,548,086	78,019,516	66,717,409
		480,527,789	**386,544,095**	**85,386,367**	**85,387,059**
16.1	**Financial assets measured at amortised cost**				
	Investment in long term placement	106,299,380	41,604,619	27,109,902	27,057,497
	Commercial papers	17,214,176	21,752,655	-	-
	Loans to customer	44,430,595	33,117,175	37,473,989	37,473,989
	Treasury bills	7,348,592	11,930,948	-	-
	Federal government bonds	16,200,002	17,138,128	477,685	477,685
	State government bonds	26,798,469	22,759,507	11,537,540	10,370,100
	Corporate bonds	114,928,412	26,823,747	-	1,465,234
		333,219,626	**175,126,779**	**76,599,116**	**76,844,505**
	Loss allowance on financial assets at amortised costs (note 16.1a)	(5,377,495)	(7,463,931)	(1,438,652)	(1,367,476)
		327,842,130	**167,662,848**	**75,160,464**	**75,477,029**
16.1a	**Loss allowance on financial assets at amortised costs**				
	At 1 January	7,463,931	7,367,588	1,367,476	1,389,459
	Charge during the period:				
	(Writeback)/allowance on loan to customers	(2,163,778)	(37,725)	-	(21,983)
	Loss allowance on other financial assets	77,343	134,068	71,176	-
		5,377,495	**7,463,931**	**1,438,652**	**1,367,476**
16.1b	**Impairment Stages**				
	Stage 1	3,217,078	7,463,932	763,619	1,367,476
	Stage 2	-	-	-	-
	Stage 3	2,160,418	-	675,033	-
		5,377,495	**7,463,932**	**1,438,652**	**1,367,476**

The specific impairment has been approved by the Board and theses are impaiments relating to financial assets that are deemed to be bad and doubtful of recovery. A total of N2.16b was approved as specific provision for impaiment on these doubtful financial assets.

FGN bonds measured at amortised 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 N6.14b on financial assets during the period under review.

		Group		Company	
		31 March 2023 =N=' 000	31 December 2022 =N=' 000	31 March 2023 =N=' 000	31 December 2022 =N=' 000
16.2	**Financial assets measure at fair value through other comprehensive income (FVTOCI)**				
	Treasury bills	-	-	-	-
	Bonds	-	5,076,346	-	-
	Equity- quoted	11,834,120	11,834,119	1,255,808	1,255,808
	Equity- unquoted	-	-	-	-
	Mutual funds	7,425,902	7,130,615	3,948,383	3,771,601
		19,260,022	24,041,081	5,204,191	5,027,409
	Fair value adjustments (16.2a)	268,275	(9,884)	1,181,169	1,181,169
		19,528,297	**24,031,197**	**6,385,359**	**6,208,578**
16.2a	**Changes in fair value reserve**				
	At 1 January	(9,884)	(858,932)	1,181,169	1,181,169
	Arising during the period	278,159	849,048	(0)	-
	At 31 December	**268,275**	**(9,884)**	**1,181,169**	**1,181,169**
16.3	**Financial asset measured at fair Value Through Profit or Loss (FVTPL)**				
	Quoted equity investment	1,712,177	2,103,674	742,027	742,027
	Mutua Funds	123,882,179	117,861,826	2,859,052	2,822,621
	Wealth management investments	-	67,654,422	-	-
	Equity- Unquoted	7,018,029	7,018,029	-	
		132,612,385	**194,637,951**	**3,601,079**	**3,564,648**
	Fair value adjustment (note 16.3a)	544,978	212,098	239,464	136,804
		133,157,362	**194,850,049**	**3,840,544**	**3,701,452**
16.3a	**Changes in fair value reserve**				
	At 1 January	(212,098)	(157,270)	(136,804)	(136,804)
	Arising during the period	(332,880)	(54,828)	(102,660)	-
	At 31 December	**(544,978)**	**(212,098)**	**(239,464)**	**(136,804)**

		Group		Company	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
17	**Trade receivables & other receivables**	=N=' 000	=N=' 000	=N=' 000	=N=' 000
	Trade debtors	258,699	479,651	178,520	192,503
	Prepayments	1,278,482	440,136	418,466	370,316
	Accrued income	2,317,607	1,745,022	885,936	887,012
	Other receivables	6,514,944	16,700,775	4,385,652	4,865,538
	Due from related parties	-	(1,368,415)	1,191,945	-
	Due from Counter-parties	8,505,104	-	-	-
	WHT Receivable	2,547,308	2,210,072	1,772,709	1,743,187
	Deposit for investment	40,285,112	40,285,112	40,285,112	40,285,112
		61,707,257	**60,492,351**	**49,118,341**	**48,343,666**
	Loss allowance on trade receivables (note 17.1)	(4,043,314)	(1,549,261)	(530,984)	(530,984)
		57,663,943	**58,943,090**	**48,587,357**	**47,812,682**
17.1	**Loss allowance on trade receivables**				
	At 1 January	1,549,261	1,548,226	530,984	530,984
	Provision no longer required	-	-	-	-
	Arising during the period	2,494,053	1,035	(0)	(0)
	At 31 December	**4,043,314**	**1,549,261**	**530,984**	**530,984**
	Current	6,326,418	3,233,709	5,868,574	3,223,257
	Non-Current	51,337,525	55,709,381	42,718,783	44,589,425
		57,663,943	**58,943,090**	**48,587,357**	**47,812,682**

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

		Group		Company	
18	**Dividend receivable from Subsidiaries**				
	At 1 January	-	-	7,218,000	3,670,000
	Arising during the year	-	-	-	-
	Receipt during the year	-	-	(7,184,412)	3,548,000
		-	-	**33,588**	**7,218,000**
	Current	-	-	**33,588**	**7,218,000**
	Non-Current	-	-	-	-
		-	-	**33,588**	**7,218,000**

19	Right of use assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2023	354,375	354,375
	Addition	-	-
	AS AT 31 March 2023	**354,375**	**354,375**
	Depreciation		
	At 1 January 2023	212,431	212,431
	Charge for the period	23,496	23,496
	Disposal	-	-
	AS AT 31 March 2023	**235,926**	**235,926**
	Carrying amounts		
	AS AT 31 March 2023	**118,449**	**118,449**
	At 31 December 2020	**141,944**	**141,944**

19.1	Right of use assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2022	354,375	354,375
	Addition	-	-
	At 31 December 2022	**354,375**	**354,375**
	Depreciation		
	At 1 January 2022	141,556	141,556
	Charge for the period	70,875	70,875
	At 31 December 2022	**212,431**	**212,431**
	Carrying amounts		
	At 31 December 2022	**141,944**	**141,944**
	At 1 January 2022	**212,819**	**212,819**

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.

		Group =N=' 000	Company =N=' 000
20	**Intangible assets**		
	Cost		
	At 1 January 2023	315,103	289,479
	Addition	900	900
	AS AT 31 March 2023	**316,003**	**290,379**
	Amortisation		
	At 1 January 2023	135,802	119,862
	Charge for the period	15,179	14,378
	AS AT 31 March 2023	**150,981**	**134,240**
	Carrying amounts		
	AS AT 31 March 2023	**165,022**	**156,139**
	At 31 December 2022	**179,301**	**169,617**

		Group =N=' 000	Company =N=' 000
20.1	**Intangible assets**		
	Cost		
	At 1 January 2022	177,268	154,869
	Addition	137,835	134,610
	At 31 December 2022	**315,103**	**289,479**
	Amortisation		
	At 1 January 2022	98,672	86,718
	Charge for the period	37,130	33,144
	At 31 December 2022	**135,802**	**119,862**
	Carrying amounts		
	At 31 December 2022	**179,301**	**169,617**
	At 31 December 2021	**78,596**	**68,151**

21 Investment in subsidiaries

	Date of Investment	Holding	Value	Country
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 Advance Limited	2019	100%	1,000	Nigeria
United Capital Management Limited	2020	100%	1,000	Ghana
			901,000	

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 Advance Limited 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 Advance Limited was licensed by the Lagos State Government in 2019 but and commence operations in 2020.

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

	Date of Investment	Holding	Country	31 March 2023 =N=' 000	31 December 2022 =N=' 000
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
				4,500,000	**4,500,000**

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 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 fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.

22.2 Investment in associates	**Group**		**Company**	
	31 March 2023 N' 000	**31 December 2022 N' 000**	**31 March 2023 N' 000**	**31 December 2022 N' 000**
Heirs Insurance Limited	2,592,987	2,552,557	2,500,000	2,500,000
Heirs Life Assurance Limited	2,163,289	2,067,328	2,000,000	2,000,000
	4,756,277	4,619,885	4,500,000	4,500,000

(a) Nature of investment in associates	**Place of business/country of incorporation**	**% of ownership interest**	**Nature of relationship**	**Measurement method**
Investment in Heirs Insurance Limited	Nigeria	25%	Investee	Equity method
Investment in Heirs Life Assurance Limited	Nigeria	25%	Investee	Equity method

This represents holding in the ordinary share capital of Heirs Insurance Limited and Heirs Life Assurance Limited respectively, companies

incorporated and operating in Nigeria (2020: 25%). The holding became an associate at commencement of the investee businesses in 2020.

(b) Summarised financial information for associates

Below are the summarised financial information for investment in associates accounted for using the equity method.

(i) Summarised balance sheet

	Heirs Insurance Limited 31 March 2023 N' 000	**Heirs Life Assurance Limited 31 March 2023 N' 000**	**Heirs Insurance Limited 31 December 2022 N' 000**	**Heirs Life Assurance Limited 31 December 2022 N' 000**
Assets				
Cash and Cash Equivalents	702,686	1,383,931	4,522,006	838,251
Financial Assets	7,811,174	18,583,777	3,212,322	15,921,766
Receivables and prepayments	5,359,306	417,686	1,605,258	356,368
Right-of-use asset	698,654	657,354	662,710	681,423
Property and equipment	283,677	250,721	205,904	245,727
Intangible asset	320,039	324,733	213,890	283,811
Statutory deposit	1,000,000	800,000	1,000,000	800,000
Total assets	16,175,536	22,418,202	11,422,090	19,127,346
Liabilities				
Financial liabilities	5,563,563	12,384,468	1,312,067	10,888,451
Other liabilities	732,075	190,408	700,427	208,409
Total liabilities	6,295,638	12,574,876	2,012,494	11,096,860
Total equity	9,879,898	9,843,326	9,409,596	8,030,486

(i) Summarised statement of profit or loss and other comprehensive income	**Heirs Insurance Limited 31 March 2023 N' 000**	**Heirs Life Assurance Limited 31 March 2023 N' 000**	**Heirs Insurance Limited 31 March 2022 N' 000**	**Heirs Life Assurance Limited 31 March 2022 N' 000**
Underwritng profit/(loss)	570,613	870,109	247,397	503,871
Investment income	203,917	531,875	280,568	214,745
	774,530	1,401,984	527,964	718,616
Operating expense	(574,872)	(928,102)	(268,425)	(386,133)
Profit/(loss) before tax	199,658	473,882	259,539	332,484
Income tax	(37,935)	(90,038)	(49,312)	(63,172)
Profit/(loss) after tax	161,723	383,844	210,227	269,312
Adjustment to associates' prior year loss after tax	-	-	-	-
Total income	161,723	383,844	210,227	269,312

(c) Movement in investment in associate Group	**31 March 2023 N' 000**	**31 March 2022 N' 000**
Balance at 1 January	4,614,694	4,494,809
Share of current period profit/(loss)	136,393	119,885
Balance at end of period	4,751,087	4,614,694

23 (i) Property and equipment
Group

	Leasehold Improvements =N=' 000	Furniture, fittings & equipment =N=' 000	Motor vehicles =N=' 000	Computer equipment =N=' 000	Total =N=' 000
Cost					
At 1 January 2022	258,059	181,599	755,319	305,511	1,500,487
Additions	-	8,172	60,000	12,715	80,887
Disposals	-	-	-	962	962
AS AT 31 March 2023	**258,059**	**189,770**	**815,320**	**319,188**	**1,582,337**
Depreciation					
At 1 January 2022	149,201	99,893	657,276	207,564	1,113,933
Charge for the year	18,093	5,987	18,959	8,626	51,664
Disposals	-	-	521	(147)	373
AS AT 31 March 2023	**167,293**	**105,880**	**676,755**	**216,043**	**1,165,971**
Carrying amounts					
AS AT 31 March 2023	**90,765**	**83,890**	**138,565**	**103,145**	**416,367**
At 31 December 2021	**108,858**	**81,705**	**98,044**	**97,947**	**386,553**

Property and equipment
Company

	Leasehold Improvements	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
Cost					
At 1 January 2022	258,059	140,006	497,837	221,018	1,116,920
Addition	-	8,172	-	11,505	19,677
Disposals	-	-	-	962	962
AS AT 31 March 2023	**258,059**	**148,178**	**497,837**	**233,484**	**1,137,558**
Depreciation					
At 1 January 2022	149,201	67,021	425,201	131,620	773,043
Charged for the year	18,093	4,980	12,108	7,867	43,048
Disposals	-	-	-	(193)	(193)
AS AT 31 March 2023	**167,293**	**72,001**	**437,309**	**139,295**	**815,898**
Carrying amounts					
AS AT 31 March 2023	**90,765**	**76,177**	**60,529**	**94,190**	**321,660**
At 31 December 2021	**108,858**	**72,985**	**72,636**	**89,398**	**343,877**

All PPE items are non-current

23.1 (i) Property and equipment
Group

	Leasehold Improvements =N=' 000	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost					
At 1 January 2022	258,059	175,040	696,319	262,783	1,392,201
Additions	-	6,558	59,000	41,766	107,324
Disposals	-	-	-	962	962
At 31 December 2022	**258,059**	**181,599**	**755,319**	**305,511**	**1,500,487**
Depreciation					
At 1 January 2022	135,631	94,841	634,516	200,174	1,065,162
Charge for the year	13,569	5,052	22,760	7,858	49,239
Disposals	-	-	-	(467)	(467)
At 31 December 2022	**149,201**	**99,893**	**657,276**	**207,564**	**1,113,934**
Carrying amounts					
At 31 December 2022	**108,858**	**81,705**	**98,044**	**97,947**	**386,555**
At 31 December 2021	**122,427**	**80,199**	**61,803**	**62,610**	**327,039**

(ii) Company

	Leasehold Improvements =N=' 000	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost					
At 1 January 2022	258,059	133,869	446,837	182,064	1,020,828
Additions	-	6,137	51,000	37,992	95,129
Disposals	-	-	-	962	962
At 31 December 2022	**258,059**	**140,006**	**497,837**	**221,018**	**1,116,919**
Depreciation					
At 1 January 2022	135,631	62,888	409,405	124,985	732,910
Charge for the year	13,569	4,133	15,796	7,102	40,601
Disposals	-		-	(467)	(467)
At 31 December 2022	**149,201**	**67,021**	**425,201**	**131,620**	**773,043**
Carrying amounts					
At 31 December 2022	**108,858**	**72,985**	**72,636**	**89,398**	**343,876**
At 31 December 2021	**122,427**	**70,981**	**37,432**	**57,079**	**287,919**

		Group		Company	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
24	**Deferred tax**	=N=' 000	=N=' 000	=N=' 000	=N=' 000
24.1	**Deferred tax assets:**				
	At 1 January	1,238,493	312,755	-	-
	Charge for the period	-	925,738	-	-
		1,238,493	1,238,493	-	-
	The break down of deferred tax assets are as follows:				
	Property and equipment	38,545	38,545	-	-
	Exchange difference	(453,581)	(453,581)	-	-
	Losses	915,402	915,402	-	-
	Fair value adjustments	(156,589)	(156,589)		
	Provisions	894,716	894,716	-	-
		1,238,493	1,238,493	-	-
24.2	**Deferred tax liabilities:**				
	– Deferred tax liability to be recovered after more than 12 months	833,034	126,974	787,448	113,701
	(Writeback)/Charge for the period	-	706,060	-	673,747
	Total	833,034	833,034	787,448	787,448
	The break down of deferred tax liabilities are as follows:				
	Property and equipment	67,274	67,274	62,660	62,660
	Exchange difference	296,447	296,447	296,447	296,447
	Losses	9,499	9,499	-	-
	Fair value adjustments	498,097	498,097	428,341	428,341
	Provisions	(38,283)	(38,283)	-	-
		833,034	833,034	787,448	787,448

Parent - Deferred tax liabilities	1 January 2023	Recognised in P&L	Recognised in OCI	31 Mar 2023
	N'000	N'000	N'000	N'000
Property and equipment	62,660	-	-	62,660
Exchange difference	296,447	-	-	296,447
Losses	-	-	-	-
Fair value adjustments	428,341	-	-	428,341
Provisions	-	-	-	-
	787,448	-	-	787,448

Group - Deferred tax liabilities	1 January 2023	Recognised in P&L	Recognised in OCI	31 Mar 2023
	N'000	N'000	N'000	N'000
Property and equipment	67,274	-	-	67,274
Exchange difference	296,447	-	-	296,447
Losses	9,499	-	-	9,499
Fair value adjustments	498,097	-	-	498,097
Provisions	(38,283)	-	-	(38,283)
	833,034	-	-	833,034

Group - Deferred tax asset	1 January 2023	Recognised in P&L	Recognised in OCI	31 Mar 2023
	N'000	N'000	N'000	N'000
Property and equipment	38,545	-	-	38,545
Exchange difference	(453,581)	-	-	(453,581)
Losses	915,402	-	-	915,402
Fair value adjustments	(156,589)	-	-	(156,589)
Provisions	894,716	-	-	894,716
	1,238,493	-	-	1,238,493

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 period 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	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
25	**Managed Funds**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**
	Short term investments	337,877,475	254,630,284	-	-
	Ucap Prestige	(1,747,126)	63,345,010		
	Trust funds	90,030,804	77,105,539	-	-
	Sinking Funds	16,621,351	16,921,277	-	-
	Payable on trust accounts	982,231	1,696,587	-	-
		443,764,735	**413,698,697**	**-**	**-**
	Current	287,009,856	239,494,144	-	-
	Non-Current	156,754,880	174,204,553	-	-
		443,764,735	**413,698,697**	**-**	**-**

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.

26	**Borrowed funds**				
	Borrowing from banks and other financial institutions	79,260,070	82,260,716	79,260,070	82,751,277
	Bank overdraft	952,805	191,344	9,164	96,089
	Issued debt - Bonds	17,746,384	18,002,284	17,746,384	18,002,284
	Commercial Papers	-	0	-	-
		97,959,259	**100,454,344**	**97,015,618**	**100,849,651**
	Current	6,868,267	36,220,673	5,924,626	36,220,673
	Non-Current	91,090,992	64,233,672	91,090,992	64,628,978
		97,959,259	**100,454,344**	**97,015,618**	**100,849,651**

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 collaterised 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 programe. The debt is an unsecured, amortising subordinated 5 year bond instrument. The Group has not had any defaulted in payment of principal and interest. The Company also issued its series 2 bond of N10b in 2022 which incresed the total outstanding issued bonds to N18b as at 31st December 2022.

Commercial papers - In 2021, the Company issued several series of CPs. Series 5, 6 and 7 matured in H1 2022 and was paid down during the period under review. The Company successfuly paid down Series 8 and 9 CP with a face value of N13.53b which was issued in 2022 with different maturity profiles.

		Group		Company	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
27	**Other liabilities**	=N=' 000	=N=' 000	=N=' 000	=N=' 000
	Creditors and accruals	10,191,263	2,277,519	2,656,529	1,803,656
	Customers deposit	80,065,867	48,395	-	-
	Due to counter-parties	48,546,640	-	48,546,640	-
	Other current liabilities	13,817,931	46,323,283	-	45,867,979
	Dividend payable	-	-	-	-
		152,621,701	**48,649,198**	**51,203,168**	**47,671,636**
	Current	152,621,701	48,649,198	51,203,168	47,671,636
	Non-Current	-	-	-	-
		152,621,701	**48,649,198**	**51,203,168**	**47,671,636**
28	**Current tax liabilities**				
	At 1 January	5,292,648	1,803,211	1,902,059	649,566
	Charge for the period	375,879	4,022,566	57,795	1,353,312
	Tax paid	-	(533,129)		(100,819)
	Closing Balance	**5,668,526**	**5,292,648**	**1,959,854**	**1,902,059**

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.

		Group		Company	
29	**Share capital**	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	The share capital comprises:	=N=' 000	=N=' 000	=N=' 000	=N=' 000
(i)	Authorised - 6,000,000,000 Ordinary shares of N0.5 each	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**
(ii)	Issued and fully paid - 6,000,000 Ordinary shares of N0.5 each	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**
30	**Share Premium**				
	Share premium balance	**683,611**	**683,611**	**683,611**	**683,611**

		Group		Company	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
31	**Retained earnings**				
	At 1 January	29,313,563	28,660,538	13,305,941	12,958,286
	Transfer from profit or loss account	2,441,177	9,653,025	423,833	9,347,655
	Dividend paid during the period (2022: N1.50k, 2021: N0.70k)	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
		22,754,740	**29,313,563**	**4,729,775**	**13,305,941**
32	**Fair Value Reserves**				
	At 1 January	(9,884)	(3,555)	1,181,169	1,220,086
	Arising during the period:				
	Fair valuation on items that will not be subsequently reclassified to profit or loss (note 32.1)	324,377	(721,981)	-	(38,918)
	Fair valuation on items that will be subsequently reclassified to profit or loss (note 32.2)	(46,218)	715,652	(0)	-
		268,276	**(9,884)**	**1,181,169**	**1,181,169**
32.1	**Fair valuation on items that will not be subsequently reclassified to profit or loss**				
	Net fair value (loss)/gain on investments in quoted equity instruments measured at FVTOCI	324,377	(721,981)	-	(38,918)
	Net fair value gain/(loss) on investments in unquoted equity instruments measured at FVTOCI	-	-	-	-
		324,377	**(721,981)**	**-**	**(38,918)**
32.2	**Fair valuation on items that may be subsequently reclassified to profit or loss**				
	Net fair value (loss)/gain on investments in other financial instruments measured at FVTOCI	(46,218)	715,652	(0)	-
		(46,218)	**715,652**	**(0)**	**-**

33 Reconcilaition of profit after tax to net cash from operating activities

Profit before tax	**2,680,663**	**2,568,056**	**481,629**	**435,652**
Adjustments to reconcile net cash provided:				
Depreciation and amortisation	90,339	75,269	80,921	65,525
Foreign exchange revaluation	(51,038)	(1,883,105)	(7,478)	(487,472)
Net interest income	(2,094,304)	(12,803,600)	(612,098)	(3,011,103)
Dividend income	(626,999)	(1,016,070)	(33,588)	(7,337,116)
Fair value changes on financial instruments at fair value through profit or loss	(332,880)	4,020	(102,660)	(43,155)
Gain on disposal of property and equipment	-	4	-	4
Allowance for impairment - financial assets	(2,086,435)	96,343	71,176	(21,983)
Allowance for impairment - other assets	2,494,053	1,036	(0)	-
	73,398	**(12,958,047)**	**(122,099)**	**(10,399,647)**
Net movement in operating assets and liabilities				
Trade receivables and prepayment	(1,214,905)	(28,024,880)	(774,675)	(17,923,085)
Managed funds	30,066,038	86,449,673	-	-
Other liabilities	103,972,503	34,470,349	3,531,533	42,535,207
Net cash from operations	**132,897,035**	**79,937,095**	**2,634,759**	**14,212,476**
Interest received	13,052,865	52,890,397	2,127,716	8,897,951
Interest paid	(10,331,562)	(39,070,727)	(1,482,030)	(5,767,732)
Tax Paid	-	(533,129)	-	(100,819)
Net cash (used in)/provided by operating activities	**135,618,338**	**93,223,635**	**3,280,445**	**17,241,876**

34 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.

34.1

Identity of related parties	**Relationship**	**%**
United Capital Asset Management Limited	Subsidiary	100
United Capital Trustees Limited	Subsidiary	100
United Capital Securities Limited	Subsidiary	100
UC Plus Advance Limited	Subsidiary	100
United Capital Management Limited Ghana	Subsidiary	100
Heirs Insurance Limited	Associate	25
Heirs Life Assurance Limited	Associate	25

34.2 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 executive management.

		Group		Company	
		31 March 2023 =N='000	31 March 2022 =N='000	31 March 2023 =N='000	31 March 2022 =N='000
34.3	**Other information on key management personnel**				
	Emoluments:				
	Chairman	7,725	7,725	1,931	1,931
	Highest paid director	134,525	134,525	33,631	33,631
	Other Directors	706,164	682,262	175,345	170,565
		713,889	**689,987**	**177,276**	**172,497**
	Fees	25,500	25,500	6,375	6,375
	Other emoluments	688,389	664,487	170,901	166,122
		713,889	**689,987**	**177,276**	**172,497**
	The total number of Directors were:	10	11	10	11
34.4	**Transactions with key management personnel**				
	Loan obtained during the year	109,750	100,200	27,438	25,050
	Interest income recognised	16,463	15,030	4,116	3,758
34.5	The number of persons employed (excluding directors) in the company during the period was as follows:	103	94	16	10

34.6 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;

	31 March 2023	31 March 2022	31 March 2023	31 March 2022
N2,000,000 - N5,999,999	60	57	5	4
N6,000,000 - N7,999,999	15	12	2	2
N8,000,000 - N9,999,999	12	10	1	2
N10,000,000 and above	16	15	8	2
	103	94	16	10

34.7 Transactions with related companies

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

	31 March 2023	31 December 2022
Placements		
United Capital Asset Management Limited	663,157	580,826
United Capital Trustees Ltd	4,634,384	1,541,966
UC Plus Advance Ltd	230,437	542,996
	5,527,978	**2,665,788**
Account recievables		
United Capital Asset Management Limited	-	1,348,735
United Capital Securities Limited	14,009	236,822
UC Plus Advance Limited	-	72,862
	14,009	**1,658,419**
Account payable		
United Capital Trustees Limited	54,725	113,799
United Capital Asset Management Limited	-	-
	54,725	**113,799**
Borrowings		
United Capital Asset Management Ltd	9,215,382	4,372,310
United Capital Trustees Limited	3,032,722	-
United Capital Securities Limited	10,000,000	-
	22,248,104	**4,372,310**
Interest expense		
United Capital Trustees Limited	162,256	41,254
United Capital Asset Management Ltd	385,196	262,966
United Capital Securities Limited	161,215	-
	708,668	**304,220**
Interest income		
United Capital Asset Management Ltd	29,556	26,000
United Capital Trustees Ltd	352,036	-
UC Plus Advance Ltd	12,480	3,934
	394,072	**29,934**

35 Operating Segments

Segment information is presented in respect of the Group's geographic segments which represents the primary segment reporting format and is based on the Group's management and reporting structure. The Board of Directors, reviews the Group's performance along these business segments and resources are allocated accordingly.

Geographical segments

The Group operates in the following geographical regions:

-Nigeria: This comprise the Head office in Lagos and regional offices in all geo-political zones

-Ghana: The Group operates in Ghana under the name United Capital Management Limited

Business segments

Investment Banking: This business segment engage in the business of investment banking and provides issuing house, corporate investment advisory services, project finance, debt restructuring, mergers & acquisitions and debt capital markets

Asset Management: The principal activities of this business segment is to carry out the business of fund/portfolio manager and investment adviser.

Wealth Management: The principal activities of this business segment is to carry out wealth management activities that caters to institutions and High Net Worth clients.

Trustees: The principal activity of the Company is the provision of a wide range of quality trusteeship services tailored to meet the varying needs of its customers, such as debenture trust, bond trusteeship, trustees to collective investment scheme, private trusts and security trusts.

Securitires Trading: The principal activity of the Company is the provision of a wide range of quality stockbroking services tailored to meet the varying needs of its customers.

Consumer Finance: The principal activity of this business segment is to carry out consumer lending and engage in financing of micro, small and medium scale enterprises under the license of the Lagos State Government.

35.1 Summarised statement of consolidating segments

	Investment banking	Asset Management	Ucap Investment Wealth Management	Trustees	Securities trading	Consumer finance	Eliminating items	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income statement								
Gross earnings	**1,079,124**	**1,664,892**	**430,183**	**1,109,575**	**834,162**	**226,098**	**-**	**5,344,033**
Personnel expense	(147,657)	(222,117)	(17,520)	(117,006)	(86,933)	(15,900)	17,520	(589,613)
Other operating expense	(378,662)	(488,298)	(126,143)	(362,346)	(174,999)	(135,690)	-	(1,666,140)
Impairment charge/(writeback)	(71,176)	599,509	156,577	(1,086,360)	(6,166)	-	-	(407,617)
Total expense	(597,496)	(110,906)	12,914	(1,565,712)	(268,099)	(151,590)	17,520	(2,663,371)
Operating profit before tax	**481,629**	**1,553,985**	**443,097**	**(456,137)**	**566,063**	**74,508**	**17,520**	**2,680,661**
Share of (loss)/profit of associate	-	-	-	-	-	-	136,393	136,393
Profit before tax	**481,629**	**1,553,985**	**443,097**	**(456,137)**	**566,063**	**74,508**	**153,913**	**2,817,054**
Taxation	(57,795)	(128,876)	(57,603)	(54,736)	(67,928)	(8,941)	-	(375,878)
Profit after tax	**423,833**	**1,425,110**	**385,494**	**(510,873)**	**498,135**	**65,567**	**153,913**	**2,441,177**
Financial position								
Total assets	160,560,644	269,832,883	86,109,126	113,505,215	5,498,520	9,581,372	82,466,122	727,553,883
Total liabilities	150,966,089	262,121,457	85,822,606	109,630,507	2,558,568	8,518,703	81,229,326	700,847,256
Shareholders' fund	9,594,555	7,711,426	286,520	3,874,708	2,939,953	1,062,669	1,236,796	26,706,627

36 Events after reporting period

The Directors are of the opinion that no event or transaction has occurred since the reporting date which would have had a materal effect on the financial statement as at that date.

37 Contingent liabilities

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

38 Capital/financial commitements

The directors are of the opinion that all known liabilities and commitements 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 commitements for capital expenditure authorised by the Directors which has not been provided for in the financial statements as at 31 March 2023.

39 Contraventions

The Group incured no fines during the period under review (2022: NIL).

40 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.

41 Litigation and claims

The Group is involved in cases with claims amounting to N260m (2021: N152m). Directors are of the opinion that the possibility of an outflow of resources embodying economic benefit is remote and as such no provision is required.

42 Impact of COVID 19

Since early 2020, the Coronavirus disease (COVID-19) outbreak across China and beyond caused significant disruption to the society, impacting business operations, employees and customers. It is an evolving situation that the Group monitored closely.

2022 saw significant improvement as there was drastic reduction in incidences of covid-19 reports. businesses continued as normal and there was complete relax in covid-19 restrictions across Nigeria. as a business, we resummed full operations, however, to ensure safty of our people, we continued to maintain covid preventive measures.

The Group has drawn learnings from the experiences since 2020, and we have taken measures to invest more in technology, business automation and Business Continuity Infrastructure.

The Group continue to monitor developments around the world and we continue to communicate and inform our employees, customers, suppliers and other stakeholders on the need to maintain healthy and safety measures in the work place and at homes.

We can confidently report that the Group has not been adversely impacted by the resurgence of the pandemic in China and this is displayed by the impressive performance recorded in Q1 2023 performance. The Group shall continue to ensure all necessary precautions and national as well as global guidelines with respect to Covid-19 are adhered to at all times.

VALUE ADDED STATEMENT
For The Year Ended 31 March 2023

	Group				Company			
	2023 =N=' 000	%	2022 =N=' 000	%	2023 =N=' 000	%	2022 =N=' 000	%
Gross earnings	5,344,033		4,212,263		1,079,124		773,031	
Share of (loss)/profit in associates	136,393		119,885		-		-	
Operating expenses: Local	(1,575,800)		(924,858)		(297,741)		(186,657)	
VALUE ADDED	**3,904,626**	**100%**	**3,407,291**	**100%**	**781,384**	**100%**	**586,374**	**100%**
Applied as follows:								
To pay employees:								
Salaries and other benefits	589,614	15%	546,701	8%	147,657	19%	107,179	6%
To pay Government:								
Taxes	375,879	10%	4,022,566	57%	57,795	7%	1,353,312	72%
Retained for future replacement of assets and expansion of business:								
- Deferred tax	-	0%	-	0%	-	0%	-	0%
- Depreciation	51,664	1%	49,239	1%	43,048	6%	40,601	2%
- Amortisation	38,675	1%	26,030	0.4%	37,874	5%	24,925	1.3%
- Impairment loss	407,618	10%	97,379	1%	71,176	9%	(21,983)	-1%
- Retained profit for the year	2,441,177	63%	2,308,738	33%	423,833	54%	365,948	20%
	3,904,626	100%	**7,050,654**	100%	**781,384**	100%	**1,869,982**	100%

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.

OTHER NATIONAL DISCLOSURES

5 YEAR FINANCIAL SUMMARY - GROUP

	March 2023 =N=' 000	December 2022 =N=' 000	December 2021 =N=' 000	December 2020 =N=' 000	December 2019 =N=' 000
ASSETS					
Cash and cash equivalents	182,672,733	149,867,038	53,661,848	43,420,443	30,132,099
Investment in financial assets	480,527,790	386,544,095	363,647,252	145,148,841	94,142,345
Trade and other receivables	57,663,943	58,943,090	30,919,246	28,472,742	25,528,546
Rights of use assets	118,449	141,944	212,819	283,694	312
Intangible assets	165,022	179,301	78,595	42,015	43,771
Investments in associates	4,751,087	4,614,694	4,293,587	4,500,000	-
Property and equipment	416,367	386,555	471,852	565,824	357,118
Deferred tax assets	1,238,493	1,238,493	312,755	314,736	260,184
TOTAL ASSETS	**727,553,883**	**601,915,211**	**453,597,954**	**222,748,295**	**150,464,374**
LIABILITIES					
Managed Funds	443,764,735	413,698,697	327,249,024	116,019,077	72,379,297
Borrowed funds	97,959,259	100,454,344	79,737,577	72,661,645	50,876,737
Other liabilities	152,621,701	48,649,198	14,178,849	7,683,308	5,400,633
Current tax liabilities	5,668,526	5,292,648	1,803,211	1,830,812	1,569,828
Deferred tax liabilities	833,034	833,034	82,500	126,974	652,041
TOTAL LIABILITIES	**700,847,256**	**568,927,921**	**423,051,161**	**198,321,816**	**130,878,535**
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	22,754,740	29,313,563	28,660,538	21,601,800	16,790,622
Other reserves	268,276	(9,884)	(1,797,356)	(858,932)	(888,394)
SHAREHOLDER'S FUND	**26,706,627**	**32,987,290**	**30,546,793**	**24,426,479**	**19,585,839**
TOTAL LIABILITIES AND EQUITY	**727,553,883**	**601,915,211**	**453,597,954**	**222,748,295**	**150,464,374**

5 YEAR FINANCIAL SUMMARY - COMPANY

	March 2023 =N=' 000	December 2022 =N=' 000	December 2021 =N=' 000	December 2020 =N=' 000	December 2019 =N=' 000
ASSETS					
Cash and cash equivalents	20,556,084	22,907,336	6,951,413	12,196,469	2,401,282
Investment in financial assets	85,386,367	85,387,058	58,599,896	40,456,026	35,071,034
Trade and other receivables	48,587,357	47,812,682	29,889,598	27,476,909	24,558,776
Dividend receivable from subsidiaries	33,588	7,218,000	4,828,500	3,670,000	2,520,000
Rights of use assets	118,449	141,944	212,819	283,694	312
Intangible assets	156,139	169,617	68,151	39,032	38,768
Investments in subsidiaries	901,000	901,000	901,000	901,000	901,000
Investments in associates	4,500,000	4,500,000	4,500,000	4,500,000	-
Property and equipment	321,660	343,876	414,185	487,457	269,384
Deferred tax	-	-	-	-	-
TOTAL ASSETS	**160,560,644**	**169,381,514**	**106,365,562**	**90,010,587**	**65,760,556**
LIABILITIES					
Borrowed funds	97,015,618	100,849,650	83,721,469	72,432,512	50,876,737
Other liabilities	51,203,168	47,671,636	5,136,428	2,261,913	2,213,132
Current tax liabilities	1,959,854	1,902,059	649,566	1,012,778	729,230
Deferred tax liabilities	787,448	787,448	82,500	113,701	343,324
TOTAL LIABILITIES	**150,966,089**	**151,210,793**	**89,589,963**	**75,820,904**	**54,162,423**
EQUITY					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	4,729,775	13,305,941	12,958,286	10,434,895	7,847,830
Other reserves	1,181,169	1,181,169	133,702	71,177	66,692
SHAREHOLDER'S FUND	**9,594,555**	**18,170,721**	**16,775,599**	**14,189,683**	**11,598,133**
TOTAL LIABILITIES AND EQUITY	**160,560,644**	**169,381,514**	**106,365,562**	**90,010,587**	**65,760,555**

5 YEAR FIANCIAL SUMMARY - GROUP

	Q1 2023 =N=' 000	Q1 2022 =N=' 000	FY 2021 =N=' 000	FY 2020 =N=' 000	FY 2019 =N=' 000
Gross earnings	5,344,033	4,212,263	18,065,183	12,873,897	8,591,929
Gross operating expenses	(2,663,370)	(1,644,207)	(5,941,170)	(4,926,227)	(3,642,209)
Operating profit before income tax	**2,680,663**	**2,568,056**	**12,124,013**	**7,947,670**	**4,949,720**
Share of profit/(loss) in associate companies	136,393	119,885	(206,412)	-	-
Profit before income tax	**2,817,056**	**2,687,941**	**11,917,601**	**7,947,670**	**4,949,720**
Taxation	(375,879)	(379,204)	(658,863)	(136,492)	23,699
Profit for the year from continuing operations	**2,441,177**	**2,308,737**	**11,258,738**	**7,811,178**	**4,973,419**
Other comprehensive income/(loss) for the year	278,159	(6,329)	(938,423)	29,462	778,413
Total comprehensive income for the year	**2,719,337**	**2,302,408**	**10,320,315**	**7,840,640**	**5,751,832**
Earnings per share-basic (kobo) - annualised	163	154	188	130	83

5 YEAR FINANCIAL SUMMARY - COMPANY

	Q1 2023 =N=' 000	Q1 2022 =N=' 000	FY 2021 =N=' 000	FY 2020 =N=' 000	FY 2019 =N=' 000
Gross earnings	1,079,124	773,031	8,238,600	7,560,671	4,930,671
Gross operating expenses	(597,496)	(337,378)	(1,447,404)	(1,733,601)	(1,494,323)
Operating profit before income tax	**481,628**	**435,652**	**6,791,196**	**5,827,070**	**3,436,349**
Taxation	(57,795)	(69,704)	(67,805)	(240,006)	(400,275)
Profit for the year from continuing operations	**423,833**	**365,948**	**6,723,392**	**5,587,064**	**3,036,073**
Other comprehensive income/(loss) for the year	(0)	(38,918)	62,525	4,485	12,901
Total comprehensive income for the year	**423,833**	**327,030**	**6,785,917**	**5,591,549**	**3,048,974**
Earnings per share-basic (kobo) - annualised	28	24	112	93	51