

UNITED CAPITAL PLC

**UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

TABLE OF CONTENTS

Corporate Information	3
Statement of Directors' Responsibilities	4
Statement of Corporate Responsibility Over Financial Reporting	5
Legal and Regulatory Risk Management	6
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income	9
Consolidated and Separate Statements of Financial Position	10
Consolidated and Separate Statements of Changes in Equity	11
Consolidated and Separate Statements of Cash Flows	12
Notes to the Consolidated and Separate Financial Statements	13
Value Added Statements	67
Five-Year Financial Summary	68

CORPORATE INFORMATION**DIRECTORS:**

Chika Mordi	Chairman (Non Executive Director)
Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
Ayodeji Adigun	Group Executive Director (Appointed 25th April 2023)
Emmanuel N. Nnorom	Non Executive Director
Dipo Fatokun	Independent Non Executive Director
Leke Ogunlewe	Non-Executive Director
Sam Nwanze	Non-Executive Director (Appointed 24th February 2023)
Chiugo Ndubisi	Non-Executive Director (Appointed 24th February 2023)
Uche Ike	Non-Executive Director (Appointed 13th June 2023)
Sonny Iroche	Independent Non Executive Director (Resigned 30th June 2023)
Sir Stephen Nwadiuko	Independent Non Executive Director (Resigned 30th June 2023)
Mrs. Rose Nat Eshiett	Independent Non Executive Director (Appointed 8th February 2024)

EXECUTIVE MANAGEMENT:

Peter Ashade	Group Chief Executive Officer
Sunny Anene	Deputy Group Chief Executive Officer
Ayodeji Adigun	Group Executive Director/Chief Operating 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
Micheal Abiodun-Thomas	Managing Director, United Capital Trustees Limited (Appointed 2nd January 2024)
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
5B Water Corporation Road
Landmark Towers, Victoria Island
Lagos, Nigeria

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the Group at the end of the period and of its profit or loss. The responsibilities include ensuring that the Group:

- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act 2020;
 - establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
 - prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.
- a** The Directors are responsible for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board, and the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act.
- b** The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit.
- c** The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.
- d** Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.



Chika Mordi*Chairman*

FRC/2014/IODN/00000006667



Peter Ashade*Group Chief Executive Officer*

FRC/2013/ICAN/00000002719

STATEMENT OF CORPORATE RESPONSIBILITY OVER FINANCIAL REPORTING

Pursuant to Section 405 of the Companies and Allied Matters Act, 2020, we confirm that we have reviewed the Audited Financial Statements of UNITED CAPITAL PLC ("The Group ") for the period ended March 31, 2024.

We acknowledge our responsibility for establishing and maintaining internal controls within UNITED CAPITAL PLC and have designed such internal controls to ensure that material information relating to the Group is made known to us by other officers of the Group, particularly during the period in which the Audited Financial Statements were prepared.

We have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date on our audited financial statements, and certify that the Group's internal controls are effective as of that date.

We also confirm that the Group's Auditors and Audit Committee have been informed about the following:

- that there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and has identified for the Group's Auditors any deficiency in internal controls, and
- that there are no fraud that involves management or other employees who have a significant role in the Group's internal control;

During the period, there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

We hereby certify that based on our knowledge, the Financial Statements do not contain any untrue statement of material fact or material omission that may make the Financial Statements misleading and the Financial Statements fairly presents in all material respects the financial condition and results of operations of the Group and Company for the period ended March 31, 2024.

On behalf of the Directors of the Group



Chika Mordi

Chairman

FRC/2014/IODN/00000006667



Peter Ashade

Group Chief Executive Officer

FRC/2013/ICAN/00000002719

LEGAL AND REGULATORY RISK MANAGEMENT

1 Legal and Regulatory Risk Management**(a) Regulatory Provision**

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

Regulatory Capital Risk

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

(b) Legal Risk Assessment

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

LEGAL AND REGULATORY RISK MANAGEMENT**2 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.

LEGAL AND REGULATORY RISK MANAGEMENT

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

3 Reputational Risk

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

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

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

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

4 Capital Management

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

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

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

The Group's capital is divided into two tiers:

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

	2024	2023
	N'000	N'000
Tier 1 capital		
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	24,519,494	31,733,315
Total qualifying for Tier 1 capital	28,203,105	35,416,926
Tier 2 capital		
Fair value reserve	80,180,703	55,296,499
Other borrowings	168,512,674	179,844,249
Total qualifying for Tier 2 capital	248,693,376	235,140,748
Total regulatory capital	276,896,482	270,557,674

For The Period Ended 31 March 2024		Group		Company	
		Notes	3 Months 31 March 2024 =N=' 000	3 Months 31 March 2023 =N=' 000	3 Months 31 March 2024 =N=' 000
Gross Earnings		6,136,337	5,344,033	1,185,703	1,079,125
Investment income	4	1,083,831	2,721,303	425,005	645,687
Fee and commission income	5	2,582,731	1,823,405	428,174	323,296
Net trading income	6	631,970	396,007	-	-
Net operating income		4,298,532	4,940,715	853,179	968,983
Other income	7	1,203,117	70,439	38,798	7,482
Dividend income from subsidiaries	18	-	-	-	-
Net gain/(loss) on financial assets at fair value through profit or loss	8	634,688	332,879	293,726	102,660
Total Revenue		6,136,337	5,344,033	1,185,703	1,079,125
Personnel expenses	9	(930,674)	(589,614)	(227,377)	(147,657)
Other operating expenses	10	(2,120,651)	(1,575,800)	(190,401)	(297,741)
Depreciation of property and equipment	11	(43,881)	(51,664)	(35,164)	(43,048)
Amortisation of intangible & right of use assets	11	(31,680)	(38,675)	(30,764)	(37,874)
Impairment for credit losses	12	867,184	(407,618)	(165,536)	(71,176)
Total Expenses		(2,259,702)	(2,663,370)	(649,242)	(597,495)
Operating profit before income tax		3,876,635	2,680,663	536,461	481,629
Share of accumulated profit of associates	22	213,220	136,393	-	-
Profit before income tax		4,089,855	2,817,056	536,461	481,629
Income tax expense	13	(503,676)	(375,879)	(65,449)	(57,796)
Profit for the period		3,586,179	2,441,177	471,013	423,833
Other comprehensive income, net of income tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Fair value gain on investments in equity instruments measured at FVTOCI (net of tax)	33.1	19,000,957	324,377	12,590,572	-
<i>Items that may be reclassified subsequently to profit or loss</i>					
Fair value gain on investments in debt instruments measured at FVTOCI (net of tax)	33.2	334,561	(46,218)	-	-
Other comprehensive income for the period, net of taxes		19,335,518	278,159	12,590,572	-
Total comprehensive income for the period		22,921,697	2,719,337	13,061,585	423,833
Profit for the period attributable to:					
Equity holders of the Company		3,586,179	2,441,177	471,013	423,833
Total comprehensive income attributable to:					
Equity holders of the Company		22,921,697	2,719,337	13,061,585	423,833
Earnings per share-basic (kobo)	14	239	163	31	28
Earnings per share-diluted (kobo)	14	239	163	31	28

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

Consolidated and Separate Statements of Financial Position

As at 31 March 2024

	Notes	Group		Company	
		31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
ASSETS					
Cash and cash equivalents	15	321,120,060	145,255,523	54,860,000	12,683,441
Investment securities	16	554,208,814	693,984,483	124,547,388	150,008,248
Trade and other receivables	17	91,629,836	85,463,551	85,471,847	83,793,521
Dividend receivable from subsidiaries	18	-	-	6,309,000	6,309,000
Right of use assets	19	162,898	94,692	162,898	94,692
Intangible assets	20	175,300	188,615	139,597	151,997
Investments in subsidiaries	21	-	-	1,101,000	1,101,000
Investments in associates	22	5,519,008	5,305,788	4,500,000	4,500,000
Property and equipment	23	1,247,804	1,253,484	1,159,302	1,168,589
Deferred tax assets	24	402,044	402,044	-	-
TOTAL ASSETS		974,465,763	931,948,180	278,251,032	259,810,488
LIABILITIES					
Managed funds	25	612,857,581	600,106,217	-	-
Borrowed funds	26	175,277,116	200,822,968	173,603,951	199,132,509
Other liabilities	27	65,276,248	27,782,946	54,926,068	15,148,590
Defined benefit obligations	28	365,768	365,768	253,246	253,246
Current tax liabilities	29	3,099,191	2,950,806	1,500,847	1,435,398
Deferred tax liabilities	24	9,206,051	9,206,051	5,122,483	5,122,483
TOTAL LIABILITIES		866,081,955	841,234,755	235,406,595	221,092,226
SHAREHOLDERS FUND					
Share capital	30	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	31	683,611	683,611	683,611	683,611
Retained earnings	32	24,519,494	31,733,315	7,924,367	18,253,353
Fair value reserves	33	80,180,703	55,296,499	31,236,459	16,781,298
TOTAL SHAREHOLDERS FUND		108,383,808	90,713,425	42,844,437	38,718,262
TOTAL LIABILITIES AND SHAREHOLDERS FUND		974,465,763	931,948,180	278,251,032	259,810,488

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

The financial statements were approved by the Board of Directors on 12th April 2024 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 Statements of Changes in Equity

For The Period Ended 31 March 2024

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 2024	3,000,000	31,733,315	683,611	60,845,184	96,262,111
Transfer from profit or loss account	-	3,586,179	-	-	3,586,179
Net change in fair value on equity instruments at FVTOCI	-	-	-	19,000,957	19,000,957
Net change in fair value on debt instruments at FVTOCI	-	-	-	334,561	334,561
Total other comprehensive income	-	-	-	19,335,518	19,335,518
Total comprehensive income	-	3,586,179	-	19,335,518	22,921,697
Transactions with owners in their capacity as owners					
Dividend paid	-	(10,800,000)	-	-	(10,800,000)
As at 31 March 2024	3,000,000	24,519,494	683,611	80,180,702	108,383,808

Company

At 1 January 2024	3,000,000	18,253,352	683,611	18,645,888	40,582,851
Transfer from profit or loss account	-	471,013	-	-	471,013
Net change in fair value on equity instruments at FVTOCI	-	-	-	12,590,572	12,590,572
Total other comprehensive income	-	-	-	12,590,572	12,590,572
Total comprehensive income	-	471,013	-	12,590,572	13,061,585
Transactions with owners in their capacity as owners					
Dividend paid	-	(10,800,000)	-	-	(10,800,000)
As at 31 March 2024	3,000,000	7,924,365	683,611	31,236,460	42,844,436

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 2023	3,000,000	38,292,138	683,611	55,018,340	96,994,089
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 other comprehensive income	-	-	-	278,159	278,159
Total comprehensive income	-	2,441,177	-	278,159	2,719,336
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
At 31 December 2023	3,000,000	31,733,315	683,611	55,296,499	90,713,425

Company

At 1 January 2023	3,000,000	26,829,519	683,611	16,781,298	47,294,429
Transfer from profit or loss account	-	423,833	-	-	423,833
Net change in fair value on equity instruments at FVTOCI	-	-	-	-	-
Net change in fair value on debt instruments at FVTOCI	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income	-	423,833	-	-	423,833
Transactions with owners in their capacity as owners					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
At 31 December 2023	3,000,000	18,253,352	683,611	16,781,298	38,718,262

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

Consolidated and Separate Statements of Cash Flows

Unaudited Consolidated and Separate Financial Statements
31 March 2024

For The Period Ended 31 March 2024

		Group		Company	
		31 March	31 December	31 March	31 December
		2024	2023	2024	2023
		N' 000	N' 000	N' 000	N' 000
Profit before tax		4,089,855	2,817,056	536,461	481,629
Adjustments for:					
Amortisation of Intangibles	11	13,315	59,237	12,400	51,030
Depreciation of property and equipment	11	43,881	311,251	35,164	271,136
Depreciation of right of use	11	18,365	74,281	18,365	74,281
Foreign exchange revaluation	7	(791,611)	(24,211,808)	-	(8,352,373)
Gain on disposal of property and equipment	7	-	(610)	-	(610)
Net interest income	4	(690,087)	(7,542,778)	(314,042)	(3,423,285)
Dividend income	4	(393,744)	(982,011)	(110,484)	(798,062)
Dividend income from subsidiary	18	-	-	(6,309,000)	(6,309,000)
Fair value changes on financial instruments at fair value through profit or loss	8	(334,004)	(905,412)	(47,843)	(508,928)
Impairment charge on other financial assets	12	(867,184)	18,697,784	165,536	1,068,915
		1,088,786	(11,683,008)	(6,013,443)	(17,445,266)
Changes in working capital					
Trade receivables	17	(5,684,014)	(34,488,824)	(1,678,326)	(36,204,503)
Managed funds	25	12,751,364	186,407,520	-	-
Other liabilities	27	37,493,302	(6,379,026)	39,777,478	(15,602,789)
Current service cost		365,768	365,768	253,246	253,246
		46,015,206	134,222,430	32,338,955	(68,999,312)
Cash generated from/(used in) operations					
Interest received	4	15,916,732	76,436,548	1,491,138	21,912,765
Interest paid	4	(14,832,901)	(67,911,760)	(1,066,134)	(17,690,939)
Income tax paid	29	222,204	(2,802,255)	0	(264,840)
		47,321,240	139,944,964	32,763,960	(65,042,327)
Net cash generated by/(used in) operating activities					
Cash flows from investing activities					
Purchase of investment securities		(25,355,189)	(291,277,043)	(13,037,522)	(65,339,232)
Disposal of investment securities		202,695,704	50,983,278	64,817,072	17,111,905
Purchase of property and equipment	23	(38,201)	(1,178,179)	(25,877)	(1,095,849)
Purchase of right of use assets	19	(86,571)	(27,029)	(86,571)	(27,029)
Purchase of intangible assets	20	(1)	(68,551)	(0)	(33,410)
Investment in subsidiary		-	-	-	(200,000)
Proceeds from the sale of property and equipment		-	1,012	(402)	610
Dividends received	4 & 18	393,744	982,011	110,484	8,016,062
		177,609,487	(240,584,501)	51,777,184	(41,566,943)
Net cash used in investing activities					
Cash flows from financing activities					
Dividend paid to owners of equity capital	32	(10,800,000)	(9,000,000)	(10,800,000)	(9,000,000)
Proceeds from borrowings	26	(14,131,141)	109,680,275	(14,131,141)	109,680,275
Repayment of borrowings		(11,031,648)	(11,031,648)	(11,397,416)	(11,397,416)
		(35,962,790)	89,648,627	(36,328,557)	89,282,859
Net cash generated from financing activities					
Net increase/(decrease) in cash and cash equivalents		188,967,935	(10,990,910)	48,212,586	(17,326,410)
Effect of foreign exchange changes on cash		(13,277,617)	5,715,369	(6,227,544)	7,196,004
Cash and cash equivalents at beginning of year	15b	144,400,152	149,675,694	12,680,840	22,811,247
		320,090,470	144,400,152	54,665,883	12,680,840

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

For The Period Ended 31 March 2024**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 material 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 appropriate 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 December 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 December 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 accrual accounting for recognition of its income and expenses.

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

For The Period Ended 31 March 2024**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 December 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 3.7.1)

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 uncertainties of the extension of the tax exempt status of income on Government securities which we have assumed to be highly likely.

Recognition of defined benefit obligation in note 28 also spells out estimates and assumptions relied upon to determine the present values of defined benefit obligations recognised in the financial statements. A sensitivity analysis of these assumptions are also provided in the note to the financial statements.

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 described 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.

For The Period Ended 31 March 2024

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 2023.

New or amended standards	Summary of the requirements	Impact on financial statements
Classification of Liabilities as Current or Noncurrent (Amendments to IAS 1)	<p>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.</p> <p>This standard becomes effective 1st January 2023 and early adoption is permitted.</p>	This standard does not have significant impact on the financial statements.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	<p>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.</p> <p>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.</p>	This standard does not have significant impact on the financial statements.
Definition of Accounting Estimates (Amendments to IAS 8)	<p>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.</p> <p>The effective date of this amendment is from periods beginning on or after 1 January 2023</p>	This standard does not have significant impact on the financial statements.
IFRS 17 - Insurance Contracts	<p>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 profitability of new and in-force insurance business.</p> <p>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.</p>	This standard does not impact the Group as it is not into an insurance business. However, the Group has a 25% equity stake in two Insurance Companies. The investments are treated as investment in associates and will not be consolidated.

All other amendment had no significant impact on the Group.

For The Period Ended 31 March 2024

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 December 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 statements
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. This standard becomes effective 1 January 2024.	The impact of this standard on the financial statements is currently under assessment.
IFRS S2 Climate-related Disclosures	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. This standard becomes effective 1 January 2024.	The impact of this standard on the financial statements is currently under assessment.
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. This amendment becomes effective 1 January 2024.	This amendment is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. This amendment becomes effective 1 January 2024.	This amendment is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. This amendment becomes effective 1 January 2024.	This amendment is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.
Amendment to IAS 21- Lack of exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendment is not expected to have a material impact on the financial statements of the Group as the Group has foreign currency transactions in US Dollars and Euro that are readily exchangeable. This amendment becomes effective January 1 2025.	This amendment is not expected to have significant impact on the financial statements. The Company 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 amendment becomes effective 1 January 2024.	This standard does not have significant impact on the financial statements.

All other amendment had no significant impact on the Company.

For The Period Ended 31 March 2024**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 involvement 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.

For The Period Ended 31 March 2024**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.

For The Period Ended 31 March 2024**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 and separate 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 commission income are recognised at point in time when performance obligation on contracts are delivered to clients as brokerage fees and commission.

For The Period Ended 31 March 2024**(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 convertible 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 separately as current liabilities in the statement of financial position.

For The Period Ended 31 March 2024**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 basic lending arrangement, the financial asset is classified as fair value through profit or loss – default.

For The Period Ended 31 March 2024

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.

For The Period Ended 31 March 2024

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 categorises 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.

For The Period Ended 31 March 2024**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.

For The Period Ended 31 March 2024

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.

For The Period Ended 31 March 2024

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 cumulative 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.

For The Period Ended 31 March 2024**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.

For The Period Ended 31 March 2024**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.

There are no restrictions to the use of property and equipment.

For The Period Ended 31 March 2024**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.

For The Period Ended 31 March 2024**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.

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.

For The Period Ended 31 March 2024

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.

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.

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.

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.

For The Period Ended 31 March 2024**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 cancellation 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.

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.

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.

For The Period Ended 31 March 2024**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.

2.18 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.

2.19 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.

2.20 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.

For The Period Ended 31 March 2024**(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.

2.21 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.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting year are discounted to their present value.

Defined benefit obligation - long service awards

The Group runs an unfunded lumpsum defined benefit plan on long service awards to all staff. The long service award is designed to reward employees who have served for periods converging 5 years and subsequent 5 years following the initial 5 years of service rendered. For the first 5 years the amount payable is 2 monthly salary for pioneer staff and 1.5 monthly salary for non-pioneer staff. Subsequent 5 year is 2.5 monthly salary for all categories of staff.

The calculation of the defined benefit is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is immediately recognized in the income statement. The Group recognizes all actuarial gains or losses and all expenses arising from defined benefit plan immediately in the balance sheet, with a charge or credit to other comprehensive income (OCI) in the years in which they occur. They are not recycled subsequently in the income statement.

Short-term employee benefits

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

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.22 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.

2.23 Related party transactions

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

For The Period Ended 31 March 2024**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
1 st 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.
2 nd 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.
3 rd 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.

For The Period Ended 31 March 2024
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

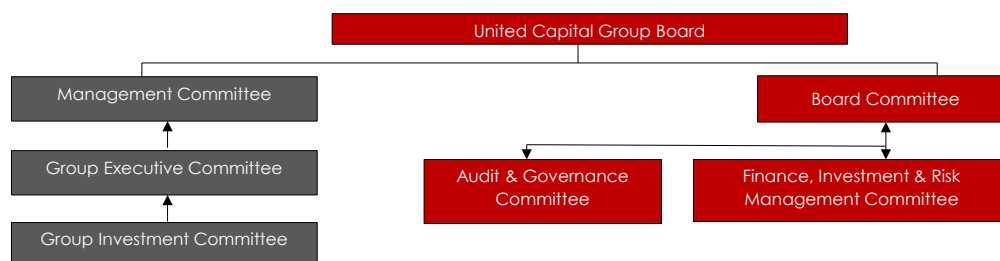
Reputational risk results from damage to the Group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

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.

For The Period Ended 31 March 2024
Financial Risk Management

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

For The Period Ended 31 March 2024
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 Agosto & 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 N'000	2022 N'000	2023 N'000	2022 N'000
Cash and cash equivalents	321,120,060	145,255,523	54,860,000	12,683,441
Financial assets:				
Amortised cost	255,904,065	307,107,805	84,540,123	123,377,070
Fair value through OCI (FVOCI)	9,694,088	78,521,666	8,799,853	23,473,120
Trade and other receivables	13,404,660	16,805,499	5,995,201	4,717,400
	600,122,873	547,690,493	154,195,177	164,251,031

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

For The Period Ended 31 March 2024
Financial Risk Management3.43 Credit risk analysis as at 31 December, 2023
Group

	AAA - A- N'000	BBB+ - B- N'000	CCC+ - C- N'000	Not rated N'000	Carrying amount N'000
Cash and cash equivalents	84,943,226	59,456,927	175,690,317	-	320,090,470
Financial assets:					
Amortised cost	28,128,227	33,973,390	100,451,981	93,350,468	255,904,066
Long term placements	(40,449,416)	-	4,811,598	27,035,627	(8,602,192)
Commercial papers	(4,711,707)	-	7,553,965	-	2,842,258
Loans to customers	0	-	-	66,314,841	66,314,841
Treasury bills	9,373,286	-	2,752,731	-	12,126,017
Federal government bonds	63,884,779	-	30,810,329	-	94,695,108
State government bonds	31,286	-	20,972,512	-	21,003,798
Eurobond	-	-	1,067,558	-	1,067,558
Corporate bonds	-	33,973,390	32,483,288	-	66,456,678
Fair value through OCI (FVOCI)	-	-	9,694,088	-	9,694,088
Treasury bills	-	-	-	-	-
Bonds	-	-	-	-	-
Mutual funds	-	-	9,694,088	-	9,694,088
Trade and other receivables	-	-	-	13,404,660	13,404,660
Total	113,071,453	93,430,317	285,836,386	106,755,128	599,093,284

Company

	AAA - A- N'000	BBB+ - B- N'000	CCC+ - C- N'000	Not rated N'000	Carrying amount N'000
Cash and cash equivalents	9,687,803	2,995,638	42,176,559	-	54,860,000
Financial assets:					
Amortised cost	(40,692,632)	54,642,669	1,067,558	71,382,827	86,400,421
Long term placements	(38,660,223)	39,938,611	-	5,067,986	6,346,374
Commercial papers	-	-	-	-	-
Loans to customers	0	-	-	66,314,841	66,314,841
Treasury bills	-	-	-	-	-
Eurobonds	-	-	1,067,558	-	1,067,558
Federal government bonds	(2,063,695)	2,063,695	-	-	-
State government bonds	31,286	9,153,994	-	-	9,185,280
Corporate bonds	-	3,486,368	-	-	3,486,368
Fair value through OCI (FVOCI)	3,834,541	-	-	4,965,312	8,799,853
Bonds	-	-	-	-	-
Mutual funds	3,834,541	-	-	4,965,312	8,799,853
Trade and other receivables	-	-	-	5,995,201	5,995,201
Total	(27,170,288)	57,638,307	43,244,118	82,343,339	156,055,475

Credit risk analysis as at 31 December, 2022
Group

	AAA - A- N'000	BBB+ - B- N'000	CCC+ - C- N'000	Not rated N'000	Carrying amount N'000
Cash and cash equivalents	(4,611,515)	149,867,038	-	-	145,255,523
Financial assets:					
Amortised cost	138,377,399	13,812,301	128,197,303	25,653,244	306,040,248
Long term placements	48,239,206	-	41,604,619	-	89,843,825
Commercial papers	(14,136,649)	-	21,752,655	-	7,616,006
Loans to customer	24,187,495	-	-	25,653,244	49,840,739
Treasury bills	(9,178,217)	11,930,948	-	-	2,752,731
Federal government bonds	23,393,618	1,881,353	15,256,775	-	40,531,746
State government bonds	(2,111,438)	-	22,759,507	-	20,648,069
Corporate bonds	67,983,384	-	26,823,747	-	94,807,131
Fair value through OCI (FVOCI)	66,324,589	12,197,077	-	-	78,521,665
Bonds	3,145,099	5,076,346	-	-	8,221,445
Mutual Funds	63,179,490	7,120,731	-	-	70,300,221
Trade and other receivables	-	-	-	16,805,499	16,805,499
Total	200,090,472	175,876,416	128,197,303	42,458,744	546,622,935

For The Period Ended 31 March 2024
Financial Risk Management

Company

	AAA - A-	BBB+ - B-	CCC+ - C-	Not rated	Carrying amount
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	(10,223,895)	22,907,336	-	-	12,683,441
Financial assets:					
Amortised cost	28,883,384	477,685	38,892,831	54,055,613	122,309,512
Long term placements	-	-	27,057,497	17,949,099	45,006,597
Loans to customers	28,513,566	-	-	36,106,513	64,620,079
Federal government bonds	1,586,011	477,685	-	-	2,063,695
State government bonds	(1,216,105)	-	10,370,100	-	9,153,994
Corporate bonds	(87)	-	1,465,234	-	1,465,147
Fair value through OCI (FVOCI)	1,055,632	3,771,601	-	-	4,827,234
Bonds	-	-	-	-	-
Mutual funds	1,055,632	3,771,601	-	-	4,827,234
Trade and other receivables	-	-	-	4,717,400	4,717,400
Total	19,715,122	27,156,622	38,892,831	58,773,013	144,537,587

Geographical sectors
2023

Cash and cash equivalents (excluding cash in hand)

Financial assets:

Amortised cost

Fair value through OCI (FVOCI)

Trade and other receivables

	Group		Company	
	Nigeria N'000	Other Countries N'000	Nigeria N'000	Other Countries N'000
Cash and cash equivalents (excluding cash in hand)	321,120,060	-	54,860,000	-
Financial assets:				
Amortised cost	255,904,065	-	86,400,421	-
Fair value through OCI (FVOCI)	9,694,088	-	8,799,853	-
Trade and other receivables	13,404,660	-	5,995,201	-
Total	600,122,873	-	156,055,475	-

2022

Cash and cash equivalents

Financial assets:

Amortised cost

Fair value through OCI (FVOCI)

Trade and other receivables

	Group		Company	
	Nigeria N'000	Other Countries N'000	Nigeria N'000	Other Countries N'000
Cash and cash equivalents	145,255,523	-	12,683,441	-
Financial assets:				
Amortised cost	307,107,805	-	123,377,070	-
Fair value through OCI (FVOCI)	78,521,666	-	23,473,120	-
Trade and other receivables	16,805,499	-	4,717,400	-
Total	547,690,493	-	164,251,031	-

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.

For The Period Ended 31 March 2024
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 Risk and Investment Committee (RIC) is responsible for the management of country risk across the Group. The RIC 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 RIC 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.

For The Period Ended 31 March 2024
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	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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.

For The Period Ended 31 March 2024
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 December, 2023	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and cash equivalents	51,757,088	269,362,972	-	-	-	-	321,120,060
Eurobonds	-	-	22,378,254	129,767,054	-	15,047,210	167,192,518
Federal government bonds	-	-	-	94,695,108	-	-	94,695,108
State government bonds	-	-	-	21,003,798	-	-	21,003,798
Corporate bonds	-	-	-	66,456,678	-	-	66,456,678
Commercial papers	-	-	-	2,842,258	-	-	2,842,258
Mutual funds	-	-	-	127,594,759	9,675,234	30,243,803	167,513,797
Quoted equities	25,630,038	-	-	-	-	2,560,607	28,190,645
Unquoted equities	-	-	-	-	-	107,100,308	107,100,308
Trade and other receivables	-	-	6,888,421	7,381,594	-	72,904,620	87,174,635
Loans and receivables	-	-	-	-	(8,602,192)	66,314,841	57,712,649
Total	77,387,126	269,362,972	29,266,675	449,741,249	1,073,042	294,171,389	1,121,002,454
Liabilities							
Borrowings	-	-	7,427,355	22,297,547	-	145,552,214	175,277,116
Managed funds	11,969,749	129,540,480	4,345,142	397,536,331	14,043,145	55,422,735	612,857,581
Other Liabilities	39,682,829	29,058,378	-	-	-	-	68,741,207
Total	51,652,578	158,598,857	11,772,497	419,833,877	14,043,145	200,974,949	856,875,904
Assets	77,387,126	269,362,972	29,266,675	449,741,249	1,073,042	294,171,389	1,121,002,454
Liabilities	51,652,578	158,598,857	11,772,497	419,833,877	14,043,145	200,974,949	856,875,904
Liquidity gap	25,734,548	110,764,115	17,494,178	29,907,372	(12,970,103)	93,196,440	264,126,550
Cummulative gap	25,734,548	136,498,663	153,992,841	183,900,213	170,930,110	264,126,550	

Company – 31 December, 2023	< 30 days	31 - 90 days	91 - 180 days	181 - 365 days	1-3 years years	> 3 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets							
Cash and cash equivalents	44,966,364	10,411,600	-	-	-	-	55,377,964
Long-term investments	-	-	19,738,988	(18,460,600)	-	5,067,986	6,346,374
Bond	-	-	-	1,094,529	-	11,577,119	12,671,648
Commercial paper	-	-	-	-	-	-	-
Mutual funds	-	-	-	154,040	8,645,813	-	8,799,853
Quoted equities	18,019,976	-	-	-	-	-	18,019,976
Unquoted equities	-	-	-	-	-	-	-
Trade and other receivables	27,709	677	2,224,901	3,721,542	725,057	72,904,620	79,604,505
Dividend receivable	-	6,309,000	-	-	-	-	6,309,000
Loans and receivables	-	-	-	-	-	64,454,543	64,454,543
Total	63,014,049	16,721,277	21,963,889	(13,490,489)	9,370,870	154,004,267	251,583,863
Liabilities							
Borrowings	-	16,237,079	7,427,355	22,297,547	-	127,641,971	173,603,951
Other liabilities	-	54,926,068	-	-	-	-	54,926,068
Total	-	71,163,147	7,427,355	22,297,547	-	127,641,971	228,530,020
Assets	63,014,049	16,721,277	21,963,889	(13,490,489)	9,370,870	154,004,267	251,583,863
Liabilities	-	71,163,147	7,427,355	22,297,547	-	127,641,971	228,530,020
Liquidity gap	63,014,049	(54,441,870)	14,536,535	(35,788,036)	9,370,870	26,362,296	23,053,843
Cummulative gap	63,014,049	8,572,178	23,108,713	(12,679,323)	(3,308,453)	23,053,843	

For The Period Ended 31 March 2024
Financial Risk Management

Group – 31 December, 2022	< 30	31 - 90	91 - 180	181 - 365	1-3 years	> 3	Total
	days	days	days	days	years	years	
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	17,444,761	127,810,762	-	-	-	-	145,255,523
Bond	-	-	15,342,567	116,608,612	2,031,874	13,751,235	147,734,288
Treasury bills	-	-	(4,821,982)	7,574,713	-	-	2,752,731
Mutual funds	40,321,720	1,299,234	5,765,234	39,354,125	15,636,730	64,624,433	167,001,475
Quoted equities	-	-	-	-	-	25,630,038	25,630,038
Unquoted equities	-	-	-	-	-	86,847,154	86,847,154
Trade and other receivables	-	-	(6,083,879)	5,670,511	-	72,904,620	72,491,252
Loans and receivables	-	-	-	-	89,843,825	66,314,841	156,158,666
Total	57,766,481	129,109,996	10,201,939	169,207,962	107,512,429	330,072,321	803,871,129
Liabilities							
Borrowings	-	-	3,160,905	5,176,693	-	192,485,370	200,822,968
Managed funds	13,893,215	148,555,138	14,345,142	266,557,842	140,332,145	16,422,735	600,106,217
Other liabilities	14,593,071	7,594,938	5,594,938	-	-	-	27,782,946
Total	28,486,286	156,150,076	23,100,985	271,734,535	140,332,145	208,908,105	828,712,131
Assets	57,766,481	129,109,996	10,201,939	169,207,962	107,512,429	330,072,321	803,871,129
Liabilities	28,486,286	156,150,076	23,100,985	271,734,535	140,332,145	208,908,105	828,712,131
Liquidity gap	29,280,195	(27,040,080)	(12,899,045)	(102,526,573)	(32,819,716)	121,164,216	(24,841,002)
Cummulative gap	29,280,195	2,240,115	(10,658,930)	(113,185,504)	(146,005,219)	(24,841,003)	

Company – 31 December, 2022

Company – 31 December, 2022	< 30	31 - 90	91 - 180	181 - 365	1-3 years	> 3	Total
	days	days	days	days	years	years	
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	899,832	12,301,573	-	-	-	-	13,201,405
Long term investment	-	5,558,458	39,448,139	-	-	-	45,006,597
Bond	-	-	-	-	2,031,874	10,650,962	12,682,836
Mutual funds	-	-	-	23,473,120	-	-	23,473,120
Quoted equities	2,643,567	-	-	-	-	-	2,643,567
Unquoted equities	-	-	-	-	-	-	-
Trade and other receivables	-	-	1,480,857	3,884,162	-	72,149,972	77,514,991
Dividend receivable	-	6,309,000	-	-	-	-	6,309,000
Loans and receivables	-	-	-	3,187,772	9,563,317	53,563,752	66,314,841
Total	3,543,399	24,169,031	40,928,996	30,545,054	11,595,191	136,364,686	247,146,356
Liabilities							
Borrowings	1,882,177	7,716,114	3,160,905	5,176,693	27,771,310	153,425,310	199,132,509
Other liabilities	-	15,148,590	-	-	-	-	15,148,590
Total	1,882,177	22,864,704	3,160,905	5,176,693	27,771,310	153,425,310	214,281,098
Assets	3,543,399	24,169,031	40,928,996	30,545,054	11,595,191	136,364,686	247,146,356
Liabilities	1,882,177	22,864,704	3,160,905	5,176,693	27,771,310	153,425,310	214,281,098
Liquidity gap	1,661,222	1,304,327	37,768,091	25,368,361	(16,176,119)	(17,060,623)	32,865,258
Cummulative gap	1,661,222	2,965,549	40,733,639	66,102,000	49,925,881	32,865,258	

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.

For The Period Ended 31 March 2024
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.R.M 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 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.

For The Period Ended 31 March 2024
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 December, 2023

Group	Value as at 2023	5% higher	5% lower
	N'000	N'000	N'000
Cash and cash equivalent	269,362,972	13,468,149	(13,468,149)
Financial asset measured at amortised cost	255,904,065	12,795,203	(12,795,203)
Trade and other receivables - deposit for investment	72,904,620	3,645,231	(3,645,231)
	598,171,657	29,908,583	(29,908,583)

Company	Value as at 2023	5% higher	5% lower
	N'000	N'000	N'000
Cash and cash equivalent	10,411,600	520,580	(520,580)
Financial asset measured at amortised cost	84,540,123	4,227,006	(4,227,006)
Trade and other receivables - deposit for investment	72,904,620	3,645,231	(3,645,231)
	167,856,343	8,392,817	(8,392,817)

Interest rate sensitivity analysis as at 31 December, 2022

Group	Value as at 2022	5% higher	5% lower
	N'000	N'000	N'000
Cash and cash equivalent	127,810,762	6,390,538	(6,390,538)
Financial asset measured at amortised cost	307,107,805	15,355,390	(15,355,390)
Trade and other receivables - deposit for investment	72,904,620	3,645,231	(3,645,231)
	72,904,620	3,645,231	(3,645,231)

Company	Value as at 2022	5% higher	5% lower
	N'000	N'000	N'000
Cash and cash equivalent	12,301,573	615,079	(615,079)
Financial asset measured at amortised cost	123,377,070	6,168,853	(6,168,853)
Trade and other receivables - deposit for investment	72,904,620	3,645,231	(3,645,231)
	208,583,262	10,429,163	(10,429,163)

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 15 percent (15%), with all other variables held constant.

Foreign currency sensitivity analysis

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Assets	11,431,020	852,014	9,122,053	758,687
Liabilities	7,799,249	699,484	7,869,197	699,484
Impact on profit	3,631,771	152,530	1,252,856	59,203

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	31 December 2022	31 December 2023	31 December 2022
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Investment securities at FVTPL	3,029,069	1,971,040	1,936,860	1,387,759
Investment securities at FVOCI	27,515,639	12,688,332	16,083,115	1,255,808
Impact on Profit for the period				
Favourable change @ 5% increase in prices	151,453	98,552	96,843	69,388
Unfavourable change @ 5% reduction in prices	(151,453)	(98,552)	(96,843)	(69,388)
Impact on Other Comprehensive Income				
Favourable change @ 5% increase in prices	1,375,782	634,417	804,156	62,790
Unfavourable change @ 5% reduction in prices	(1,375,782)	(634,417)	(804,156)	(62,790)

For The Period Ended 31 March 2024
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 13 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	28,190,645	-	-	28,190,645
Equity- unquoted	-	20,968,091	-	20,968,091
Mutual funds	-	512,322	167,001,475	167,513,797
	28,190,645	21,480,412	167,001,475	216,672,533

Company 2023	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Treasury bills	-	-	-	-
Bonds	-	-	-	-
Equity- quoted	18,019,976	-	-	18,019,976
Mutual funds	-	154,040	8,645,813	8,799,853
	18,019,976	154,040	8,645,813	26,819,828

Group 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Bonds	8,221,445	-	-	8,221,445
Equity- quoted	87,592,733	-	-	87,592,733
Equity- unquoted	-	20,384,459	-	20,384,459
Mutual funds	-	42,009,035	124,992,441	167,001,475
	95,814,178	62,393,494	124,992,441	283,200,112

Company 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	N'000	N'000	N'000	N'000
Equity- quoted	21,289,453	-	-	21,289,453
Mutual funds	-	-	6,594,222	6,594,222
	21,289,453	-	6,594,222	27,883,675

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.

For The Period Ended 31 March 2024
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 December 2023

Description	Fair value at 31 Dec. 2023	Valuation technique	Unobservable input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
FSDH (Naira - million)	5,402	DDM	-Discounted factor -Cashflow estimate	1%	54
AFC ('USD - million)	12,592	DDM	-Discounted factor -Cashflow estimate	1%	125.92

31 December 2022

Description	Fair value at 31 Dec. 2022	Valuation technique	Unobservable input	Reasonable possible shift +/- (absolute value)	Change in valuation +/- N'000
FSDH (Naira - million)	2,351	Justified P/BV	-Discounted factor -Cashflow estimate	1%	24
AFC ('USD - million)	4,665	DDM	-Discounted factor -Cashflow estimate	1%	46.65

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 1% increase/(decrease) in the share price of the equities at the reporting date would have increased/(decreased) the profit before tax by N270million

For The Period Ended 31 March 2024
Financial Risk Management**(b) Financial instruments not measured at fair value
Group**

	At 31 December 2023		At 31 December 2022	
	Carrying value N'000	Fair value N'000	Carrying value N'000	Fair value N'000
Financial assets				
Cash and cash equivalent	321,120,060	321,120,060	145,255,523	145,255,523
Investment securities at amortised cost	270,867,130	269,078,977	323,581,907	312,783,584
Trade and other receivables*	86,654,374	86,654,374	80,996,356	80,996,356
	678,641,565	676,853,412	549,833,786	539,035,463
Financial liabilities				
Other liabilities	91,629,836	91,629,836	75,169,658	75,169,658
Managed funds*	612,857,581	612,857,581	600,106,217	600,106,217
Borrowings	175,277,116	175,277,116	200,822,968	200,822,968
	879,764,533	879,764,533	876,098,843	876,098,843
Company				
Financial assets				
Cash and cash equivalents	54,860,000	54,860,000	12,683,441	12,683,441
Investment securities at amortised cost	86,400,421	84,612,268	125,071,832	123,283,679
Trade and other receivables	85,471,847	81,697,689	72,076,019	80,238,942
	226,732,268	221,169,957	209,831,292	216,206,062
Financial liabilities				
Other liabilities	85,471,847	85,471,847	83,793,521	83,793,521
Borrowings	173,603,951	173,603,951	199,132,509	199,132,509
	259,075,798	259,075,798	282,926,029	282,926,030

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

Cash and cash equivalent 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 hierarchy. State and corporate bonds are designated as level 1 within the fair value hierarchy.

For The Period Ended 31 March 2024

	Group		Company	
	31 March 2024 =N= '000	31 March 2023 =N= '000	31 March 2024 =N= '000	31 March 2023 =N= '000
4 Net investment income				
Interest from placements and bonds	4,828,617	634,946	621,239	476,959
Income from loans	35,536	1,625,875	35,536	1,625,875
Dividend income from securities investments	393,744	1,150,430	110,484	33,588
Profit on disposal of investment				-
Income from managed Funds	10,658,836	9,641,614	723,879	(8,705)
	<u>15,916,732</u>	<u>13,052,865</u>	<u>1,491,138</u>	<u>2,127,716</u>
Interest expense on managed funds and other borrowings	(14,832,901)	(10,331,562)	(1,066,134)	(1,482,030)
	<u>1,083,831</u>	<u>2,721,303</u>	<u>425,005</u>	<u>645,686</u>
Investment income from items measured at amortised cost	1,046,830	2,289,899	425,005	612,740
Investment income from items carried at fair value through OCI	37,002	431,404	-	32,946
	<u>1,083,831</u>	<u>2,721,303</u>	<u>425,005</u>	<u>645,686</u>
			425,005	(0)
5 Fees and commission income				
Financial advisory fees	428,174	323,296	428,174	323,296
Other fees and commissions	2,154,556	1,500,109	-	-
	<u>2,582,731</u>	<u>1,823,405</u>	<u>428,174</u>	<u>323,296</u>
Fees recognised at point in time	1,055,715	787,985	428,174	323,296
Fees recognised over time	1,527,016	1,035,420	-	-
	<u>2,582,731</u>	<u>1,823,406</u>	<u>428,174</u>	<u>323,296</u>
Management fees and commission income include brokerage fee of N2.03b, Management fee of N3.68b and trustees fees of N676m which are recognised at point in time. Management fees and transaction sign-on fees which are recognised at point in time the mandate is consummated. Management fee accrues monthly as a percentage of the net asset value (NAV) at each point in time.				
6 Net Trading Income.				
Net trading income includes gains and losses arising both on the purchase and sale of financial instruments at FVTPL	<u>631,970</u>	<u>396,007</u>	<u>-</u>	<u>-</u>
7 Other income				
Exchange gains/(loss)	791,611	51,038	-	7,478
Interest on staff loans	539	666	-	-
Gain/(loss) on disposal of PPE	-	-	-	-
Other income	410,967	18,736	38,798	4
	<u>1,203,117</u>	<u>70,439</u>	<u>38,798</u>	<u>7,482</u>
Other income includes trading gain of N370m as well as interest on current account bank balances of N1.25m.				
8 Net loss/(loss) from financial assets at fair valued through profit or loss				
Net gain/(loss) on equity instruments at FVTPL	<u>634,688</u>	<u>332,879</u>	<u>293,726</u>	<u>102,660</u>
	<u>634,688</u>	<u>332,879</u>	<u>293,726</u>	<u>102,660</u>
9 Personnel expenses				
Staff cost	905,911	570,884	220,801	142,516
Contributions to defined contribution plans	24,763	18,730	6,576	5,141
Defined benefit cost (Note 28)	-	-	-	-
	<u>930,674</u>	<u>589,614</u>	<u>227,377</u>	<u>147,657</u>

For The Period Ended 31 March 2024

	Group		Company	
	31 March 2024 =N=' 000	31 March 2023 =N=' 000	31 March 2024 =N=' 000	31 March 2023 =N=' 000
10 Other operating expenses				
Premises and equipment costs	29,091	37,276	6,734	110
Auditors remuneration	27,644	20,595	3,244	4,863
Professional fees	253,334	88,266	90,364	53,435
Travel and accommodation	48,975	12,846	9,226	753
Rent and rates (See note a)	55,741	12,747	-	1,738
AGM expenses	-	31,527	-	22,120
Dividend processing expenses	8,330	28,266	-	8,910
Donations	92,508	41,014	10,014	11,220
Subscription	18,975	2,229	6,238	1,511
Insurance	39,593	11,112	7,687	462
Statutory expenses	93,491	9,397	-	-
General administrative expenses	1,242,800	985,939	22,400	174,527
Advertisement and branding	19,524	45,607	-	-
Share register fee	-	14,635	-	7,115
Directors fees and other allowances	74,813	20,527	14,097	4,780
Printing and stationeries	2,028	1,972	241	147
Office running expenses	19,293	55,590	-	-
Business entertainment	25,387	2,269	3,835	2,269
Fines and penalties	-	-	-	-
Business development	36,864	129,754	10,745	-
IT license and maintenance fee	14,433	7,541	-	75
Training and conference	17,828	12,983	5,577	-
Bad debt	-	3,706	-	3,706
	2,120,651	1,575,800	190,401	297,741

The Group did not incur a non-audit fees paid to the Auditors during the period under review. However, a service for data analytics project was rendered in 2022 and the Group paid N20m.

Professional fees of N1.493b includes payment made on Technical Service Agreement of N657m (2022: N412m). In 2023 the Group embarked on a major overhaul of IT infrastructure, a total of N820m was incurred and included in the General admin expenses for associated expenses other than the cost of infrastructure procured.

a This represent payment for short tem and low value leases paid for during the period.

11 Depreciation & amortisation

11.1 Depreciation of property and equipments (note 23)	43,881	51,664	35,164	43,048
11.2 Amortisation				
Amortisation of intangible assets (note 20)	13,315	15,179	12,400	14,378
Amortisation of right of use assets (note 19)	18,365	23,496	18,365	23,496
	31,680	38,675	30,764	37,874
12 Impairment charge/(writeback) for credit losses				
Loss allowance on cash and cash equivalents (note 15a)	1,126,124	-	-	-
write back on financial assets at amortised cost (note 16.1a)	(1,676,573)	(2,163,778)	-	-
Loss allowance on financial assets at amortised cost (note 16.1a)	165,536	77,343	165,536	71,176
Loss allowance on trade receivables (note 17.1)	(482,271)	2,494,053	0	-
	(867,184)	407,618	165,536	71,176
12a Impairment Categorisation				
Stage 1	(17,503,037)	1,906,246	(101,459)	445,961
Stage 2	-	-	-	-
Stage 3	16,635,853	(1,502,816)	266,995	(374,784)
	(867,184)	403,430	165,536	71,176

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

13 Income tax expense**Recognised in the profit or loss**

Income tax	382,299	281,909	48,282	43,347
Education tax	77,532	62,646	10,729	9,633
Information technology tax	38,766	31,323	5,365	4,816
Police trust fund levy	5,079	-	1,073	-
	503,676	375,879	65,449	57,795
Deferred tax expense (note 24)	-	0	-	0
	503,676	375,879	65,449	57,796

13.1 Proof of Tax

The income tax expense for the period can be reconciled to the accounting profit as follows:

Profit before tax from continuing operations	4,089,855		2,817,056		536,461		481,629	
Income tax expense calculated at 30% of PBT	1,162,991	28%	836,122	30%	160,938	30%	144,489	30%
Effect of Income that is exempt from taxation	(4,727,819)	-116%	(1,803,906)	-64%	(557,248)	-104%	(957,633)	-199%
Effect of expenses that are not deductible in determining taxable profit	3,237,294	79%	1,795,711	64%	325,468	61%	250,772	52%
Effect of Concessions (research and development and other allowances)	-	0%	(1,286)	0%	-	0%	(1,183)	0%
Effect of tax adjustment	940,787	23%	70,106	2%	190,229	35%	113,692	24%
Adjustment recognised due to difference in tax rates	489,947	12%	(276,951)	-10%	251,215	47%	9,529	2%
Education tax at 3% of assessable profits	207,039	5%	409,022	15%	90,249	17%	115,313	24%
	1,310,240	32%	1,028,819	37%	460,852	86%	(325,022)	-67%
Adjustment recognised in the current period relating to the deferred tax of prior periods	(806,564)	-20%	(652,940)	-23%	(395,404)	-74%	382,818	79%
	503,676	12%	375,880	13%	65,449	12%	57,796	12%
Recognised in other comprehensive income								
deferred tax recognised in other comprehensive income	-	-	-	-	-	-	-	-
	-		-		-		-	

For The Period Ended 31 March 2024

	Group		Company	
	31 March 2024 =N=' 000	31 March 2023 =N=' 000	31 March 2024 =N=' 000	31 March 2023 =N=' 000
14 Earnings per share				
Basic earnings per share				
Basic earnings attributable to shareholders (N'000)	3,586,179	2,441,177	471,013	423,833
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)	239	163	31	28
Diluted earnings per share (kobo)	239	163	31	28
There are no dilutive instruments in issue as at the reporting date. Consequently, basic and diluted EPS are same.				
	Group		Company	
	31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
15 Cash and cash equivalents				
Cash and balances with banks	54,665,852	19,227,401	44,966,364	899,832
Money market placements	269,362,972	127,810,762	10,411,600	12,301,573
	324,028,824	147,038,163	55,377,964	13,201,405
Impairment charge	(2,908,764)	(1,782,640)	(517,964)	(517,964)
	321,120,060	145,255,523	54,860,000	12,683,441
Current	321,120,060	145,255,523	54,860,000	12,683,441
Non-Current	-	-	-	-
	321,120,060	145,255,523	54,860,000	12,683,441
15a Impairment adjustments on Cash				
At 1 January	1,782,640	1,782,640	517,964	517,964
Arising during the period	1,126,124	-	-	-
Closing Balance	2,908,764	1,782,640	517,964	517,964
"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. However, impairment charge of N2.86b has been recognised in Q1 2024.				
	Group		Company	
	31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
15b Cash and cash equivalent for cashflow purposes				
Cash and cash equivalent	321,120,060	145,255,523	54,860,000	12,683,441
Bank overdraft	(1,029,590)	(855,370)	(194,116)	(2,601)
Closing Balance	320,090,470	144,400,152	54,665,884	12,680,840
16 Investment securities				
Financial assets measured at amortised cost - (note 16.1)	255,904,065	307,107,805	84,540,123	123,377,070
Financial assets at Fair value through other comprehensive income - (note 16.2)	111,219,337	99,282,580	37,473,540	24,728,928
Financial assets at Fair value through profit or loss - (note 16.3)	187,085,412	287,594,098	2,533,725	1,902,251
	554,208,814	693,984,483	124,547,388	150,008,248
Current	154,987,566	60,481,636	19,268,545	7,087,409
Non-Current	399,221,248	633,502,847	105,278,843	142,920,839
	554,208,814	693,984,483	124,547,388	150,008,248
16.1 Financial assets measured at amortised cost				
Investment in long term placement	6,360,874	89,843,825	6,346,374	45,006,597
Commercial papers	2,842,258	7,616,006	-	-
Loans to customer	66,314,841	66,314,841	66,314,841	66,314,841
Treasury bills	12,126,017	2,752,731	-	-
Eurobonds	1,067,558	1,067,558	1,067,558	1,067,558
Federal government bonds	94,695,108	40,531,746	-	2,063,695
State government bonds	21,003,798	20,648,069	9,185,280	9,153,994
Corporate bonds	66,456,678	94,807,131	3,486,368	1,465,147
	270,867,130	323,581,907	86,400,421	125,071,832
Loss allowance on financial assets at amortised costs (note 16.1a)	(14,963,065)	(16,474,102)	(1,860,298)	(1,694,762)
	255,904,065	307,107,805	84,540,123	123,377,070
16.1a Loss allowance on financial assets at amortised costs				
At 1 January	16,474,102	17,353,446	1,694,762	1,623,586
Charge during the period:				
(Writeback)/allowance on loan to customers	(1,676,573)	(960,873)	-	-
Loss allowance on other financial assets	165,536	81,530	165,536	71,176
	14,963,065	16,474,102	1,860,298	1,694,762

For The Period Ended 31 March 2024

	Group		Company	
	31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
	16.2 Financial assets measure at fair value through other comprehensive income (FVTOCI)			
Bonds	-	8,221,445	-	-
Equity-quoted	20,760,915	20,760,915	1,255,807	1,255,808
Mutual funds	9,694,088	9,455,036	4,981,274	4,827,234
	<u>31,038,635</u>	<u>38,437,396</u>	<u>6,237,081</u>	<u>6,083,041</u>
Fair value adjustments (16.2a)	80,180,702	60,845,184	31,236,459	18,645,887
	<u>111,219,337</u>	<u>99,282,580</u>	<u>37,473,540</u>	<u>24,728,928</u>
16.2a Changes in fair value reserve				
At 1 January	60,845,184	(1,797,356)	18,645,887	133,702
Arising during the period	19,335,518	62,642,540	12,590,572	18,512,185
At 31 December	<u>80,180,702</u>	<u>60,845,184</u>	<u>31,236,459</u>	<u>18,645,887</u>
16.3 Financial asset measured at fair Value Through Profit or Loss (FVTPL)				
Quoted equity investment	7,429,730	4,869,123	1,325,659	742,027
Bonds	-	103,676,567	-	-
Mutual funds	157,819,709	157,546,439	514,491	514,491
Equity-unquoted	20,384,459	20,384,459	-	-
	<u>185,633,897</u>	<u>286,476,588</u>	<u>1,840,150</u>	<u>1,256,519</u>
Fair value adjustment (note 16.3a)	1,451,515	1,117,510	693,574	645,732
	<u>187,085,412</u>	<u>287,594,098</u>	<u>2,533,725</u>	<u>1,902,251</u>
16.3a Changes in fair value				
At 1 January	(1,117,510)	(729,831)	(645,732)	(543,071)
Arising during the period	(334,004)	(387,679)	(47,843)	(102,660)
At 31 December	<u>(1,451,515)</u>	<u>(1,117,510)</u>	<u>(693,574)</u>	<u>(645,732)</u>
	Group		Company	
	31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
17 Trade and other receivables				
Trade debtors	2,717,339	288,248	441,259	19,553
Prepayments	875,345	803,862	598,655	647,619
Accrued income	3,305,727	2,341,636	633,430	813,685
Other receivables	7,381,594	5,670,511	5,675,160	3,884,162
Due from related parties	-	-	2,179,937	2,504,372
Due from Counter-parties	8,505,104	8,505,104	-	-
WHT receivable	4,975,462	4,467,195	3,793,434	3,774,158
Deposit for investment	72,904,620	72,904,620	72,904,620	72,904,620
	<u>100,665,190</u>	<u>94,981,176</u>	<u>86,226,495</u>	<u>84,548,169</u>
Loss allowance on trade receivables (note 17.1)	(9,035,354)	(9,517,625)	(754,649)	(754,648)
	<u>91,629,836</u>	<u>85,463,551</u>	<u>85,471,847</u>	<u>83,793,521</u>
Current	14,270,015	6,220,459	5,946,443	4,946,952
Non-Current	77,359,821	79,243,092	79,525,404	78,846,569
	<u>91,629,836</u>	<u>85,463,551</u>	<u>85,471,847</u>	<u>83,793,521</u>
17.1 Loss allowance on trade receivables				
At 1 January	9,517,625	1,549,261	754,649	754,649
Provision no longer required (write off)	-	-	-	-
Arising during the period	(482,271)	7,968,364	0	-
At 31 December	<u>9,035,354</u>	<u>9,517,625</u>	<u>754,649</u>	<u>754,649</u>
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				
18 Dividend receivable from Subsidiaries				
At 1 January	-	-	6,309,000	4,828,500
Arising during the year	-	-	-	-
Receipt during the year	-	-	-	1,480,500
	<u>-</u>	<u>-</u>	<u>6,309,000</u>	<u>6,309,000</u>
Current	-	-	6,309,000	6,309,000
Non-Current	-	-	-	-
	<u>-</u>	<u>-</u>	<u>6,309,000</u>	<u>6,309,000</u>

For The Period Ended 31 March 2024

19	Right of use assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2024	381,404	381,404
	Addition	86,571	86,571
	As at 31 March 2024	467,975	467,975
	Depreciation		
	At 1 January 2024	286,712	286,712
	Charge for the period	18,365	18,365
	Disposal	-	-
	As at 31 March 2024	305,077	305,077
	Carrying amounts		
	As at 31 March 2024	162,898	162,898
	At 31 December 2022	94,692	94,692
19.1	Right of use assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2023	354,375	354,375
	Addition	27,029	27,029
	At 31 December 2023	381,404	381,404
	Depreciation		
	At 1 January 2023	212,431	212,431
	Charge for the period	74,281	74,281
	At 31 December 2023	286,712	286,712
	Carrying amounts		
	At 31 December 2023	94,692	94,692
	At 1 January 2023	141,944	141,944

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. Depreciation is charged over the period of the lease.

For The Period Ended 31 March 2024

20	Intangible assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2024	383,653	322,888
	Addition	<u>1</u>	<u>0</u>
	As at 31 March 2024	<u>383,654</u>	<u>322,889</u>
	Amortisation		
	At 1 January 2024	195,038	170,892
	Charge for the period	<u>13,315</u>	<u>12,400</u>
	As at 31 March 2024	<u>208,354</u>	<u>183,291</u>
	Carrying amounts		
	As at 31 March 2024	<u>175,300</u>	<u>139,597</u>
	At 31 December 2022	<u>188,615</u>	<u>151,997</u>
20.1	Intangible assets	Group =N=' 000	Company =N=' 000
	Cost		
	At 1 January 2023	177,268	154,869
	Addition	<u>206,386</u>	<u>168,020</u>
	At 31 December 2023	<u>383,653</u>	<u>322,888</u>
	Amortisation		
	At 1 January 2023	174,781	156,514
	Charge for the period	<u>20,257</u>	<u>14,378</u>
	At 31 December 2023	<u>195,039</u>	<u>170,892</u>
	Carrying amounts		
	At 31 December 2023	<u>188,615</u>	<u>151,997</u>
	At 1 January 2023	<u>2,486</u>	<u>(1,645)</u>

For The Period Ended 31 March 2024

21	Investment in subsidiaries	Date of		Value	Country
		Investment	Holding		
	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
	UCEE MFB	2023	100%	200,000	Nigeria
				<u>1,101,000</u>	

21.1 Other information on subsidiaries

- (i) United Capital Securities Limited is a dealing member of the Nigerian Exchange Limited (NGX) 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.
- (v) UCEE MFB was established in 2022 and obtained her operating licence from the Central Bank of Nigeria (CBN) in 2023 to commence business as a digital Bank under the Micro Finance Banking Licence. The Bank is fully owned by United Capital Plc.

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		Country	31 March	31 December
		Investment	Holding		2024	2023
	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
					<u>4,500,000</u>	<u>4,500,000</u>

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.

For The Period Ended 31 March 2024

22 Investment in associates	Group		Company	
	31 March 2024 N' 000	31 December 2023 N' 000	31 March 2024 N' 000	31 December 2023 N' 000
Heirs Insurance Limited	3,048,678	3,048,678	2,500,000	2,500,000
Heirs Life Assurance Limited	2,257,110	2,257,110	2,000,000	2,000,000
	<u>5,305,788</u>	<u>5,305,788</u>	<u>4,500,000</u>	<u>4,500,000</u>

(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
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

Assets	Heirs Insurance Limited	Heirs Life Assurance Limited	Heirs Insurance Limited	Heirs Life Assurance Limited
	31 March 2024 N' 000	31 March 2024 N' 000	31 December 2023 N' 000	31 December 2023 N' 000
Cash and Cash Equivalents	1,469,395	1,707,586	1,469,395	1,707,586
Financial Assets	11,285,638	33,273,641	11,285,638	33,273,641
Insurance contract assets	2,556,773	-	2,556,773	-
Reinsurance contract assets	770,911	-	770,911	-
Receivables and prepayments	1,335,474	667,783	1,335,474	667,783
Right-of-use asset	599,392	633,650	599,392	633,650
Property and equipment	473,745	333,420	473,745	333,420
Intangible asset	291,939	267,815	291,939	267,815
Statutory deposit	1,000,000	800,000	1,000,000	800,000
Total assets	<u>19,783,267</u>	<u>37,683,895</u>	<u>19,783,267</u>	<u>37,683,895</u>
Liabilities				
Insurance Contract liabilities	5,825,250	26,633,849	5,825,250	26,633,849
Reinsurance contract liabilities	867,644	-	867,644	-
Other liabilities	895,662	2,021,607	895,662	2,021,607
Total liabilities	<u>7,588,556</u>	<u>28,655,456</u>	<u>7,588,556</u>	<u>28,655,456</u>
Total equity	<u>12,194,711</u>	<u>9,028,439</u>	<u>12,194,711</u>	<u>9,028,440</u>

(i) Summarised statement of profit or loss and other comprehensive income

	Heirs Insurance Limited	Heirs Life Assurance Limited	Heirs Insurance Limited	Heirs Life Assurance Limited
	31 March 2024 N' 000	31 March 2024 N' 000	31 March 2023 N' 000	31 March 2023 N' 000
Net insurance service result	(106,889)	(293,968)	570,613	870,109
Investment return	303,275	726,803	203,917	531,875
Net Insurance and Investment Result	<u>196,386</u>	<u>432,835</u>	<u>774,530</u>	<u>1,401,984</u>
Other income	743,719	91,147	-	-
Operating expense	(330,846)	(152,924)	(574,872)	(928,102)
Profit before tax	<u>609,259</u>	<u>371,058</u>	<u>199,658</u>	<u>473,882</u>
Income tax	(79,204)	(48,238)	(37,935)	(90,038)
Profit after tax	<u>530,055</u>	<u>322,820</u>	<u>161,723</u>	<u>383,844</u>
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>530,055</u>	<u>322,820</u>	<u>161,723</u>	<u>383,844</u>
Adjustment to associates' prior year loss after tax	-	-	-	-
Total comprehensive income	<u>530,055</u>	<u>322,820</u>	<u>161,723</u>	<u>383,844</u>

(c) Movement in investment in associate
Group

Group	31 March 2024 N' 000	31 March 2023 N' 000
	Balance at 1 January	5,305,788
Share of current period profit	213,220	136,393
Balance as at 31 December	<u>5,519,008</u>	<u>5,305,788</u>

For The Period Ended 31 March 2024

23 (i) Property and equipment Group	Leasehold Improvements =N= 000	Land and Building =N= 000	Furniture, fittings & equipment =N= 000	Motor vehicles =N= 000	Computer equipment =N= 000	Total =N= 000
Cost						
At 1 January 2024	258,059	284,383	304,854	826,120	1,004,850	2,678,266
Additions	-	-	10,638	-	27,563	38,201
Disposals	-	-	-	-	-	-
As at 31 March 2024	258,059	284,383	315,492	826,120	1,032,413	2,716,467
Depreciation						
At 1 January 2024	203,479	6,517	151,492	727,595	335,700	1,424,782
Charge for the year	13,569	-	5,933	12,707	11,672	43,881
Disposals	-	-	-	-	-	-
As at 31 March 2024	217,048	6,517	157,425	740,301	347,372	1,468,663
Carrying amounts						
As at 31 March 2024	41,011	277,865	158,066	85,819	685,041	1,247,804
At 31 December 2023	54,580	277,865	153,362	98,525	669,150	1,253,484

Property and equipment
Company

Cost	Leasehold Improvements	Land and Building	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
At 1 January 2024	258,059	284,383	262,632	497,837	909,456	2,212,367
Addition	-	-	9,838	-	16,039	25,877
Disposals	-	-	-	-	-	-
As at 31 March 2024	258,059	284,383	272,470	497,837	925,495	2,238,244
Depreciation						
At 1 January 2024	203,479	6,517	114,239	463,465	256,078	1,043,778
Charged for the year	13,569	-	4,868	6,534	10,192	35,164
Disposals	-	-	-	-	-	-
As at 31 March 2024	217,048	6,517	119,106	469,999	266,271	1,078,942
Carrying amounts						
As at 31 March 2024	41,011	277,865	153,363	27,838	659,224	1,159,302
At 1 January 2024	54,580	277,865	148,393	34,372	653,378	1,168,589

All property and equipment items are non-current

For The Period Ended 31 March 2024

23.1 (i)	Property and equipment Group	Leasehold Improvements =N=' 000	Land and Building	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
	Cost						
	At 1 January 2023	258,059	-	182,229	813,835	311,748	1,565,870
	Additions	-	284,383	122,626	12,285	693,504	1,112,797
	Disposals	-	-	-	-	(402)	(402)
	At 31 December 2023	258,059	284,383	304,854	826,120	1,004,850	2,678,266
	Depreciation						
	At 1 January 2023	185,386	6,517	145,505	708,636	327,327	1,373,372
	Charge for the year	18,093	-	5,987	18,959	8,840	51,878
	Disposals	-	-	-	-	(467)	(467)
	At 31 December 2023	203,479	6,517	151,492	727,595	335,700	1,424,783
	Carrying amounts						
	At 31 December 2023	54,580	277,865	153,362	98,525	669,150	1,253,484
	At 1 January 2023	72,673	(6,517)	36,723	105,199	(15,579)	192,498
(ii)	Company						
	Cost						
	At 1 January 2023	258,059	-	140,006	497,837	221,018	1,116,920
	Additions	-	284,383	122,626	-	688,840	1,095,849
	Disposals	-	-	-	-	(402)	(402)
	At 31 December 2023	258,059	284,383	262,632	497,837	909,456	2,212,367
	Depreciation						
	At 1 January 2023	185,386	6,517	109,259	451,357	248,678	1,001,197
	Charge for the year	18,093	-	4,980	12,108	7,867	43,048
	Disposals	-	-	-	-	(467)	(467)
	At 31 December 2023	203,479	6,517	114,239	463,465	256,078	1,043,778
	Carrying amounts						
	At 31 December 2023	54,580	277,865	148,393	34,372	653,378	1,168,589
	At 1 January 2023	72,673	(6,517)	30,747	46,480	(27,660)	115,723

For The Period Ended 31 March 2024

	Group		Company	
	31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
24 Deferred tax - (Asset)				
Deferred tax assets:				
1 January	402,044	1,238,493	-	-
(Reversal)/charge for the period	-	(836,449)	-	-
	402,044	402,044	-	-
Deferred tax asset recoverable within 12 months	-	15,078	-	-
Deferred tax asset recoverable after 12 months	402,044	386,966	-	-
	402,044	402,044	-	-
The break down of deferred tax assets are as follows:				
Property and equipment	(3,313)	(3,313)	-	-
Exchange difference	(87,046)	(87,046)	-	-
Losses	1,153,448	1,153,448	-	-
Fair value adjustments	(1,030,955)	(1,030,955)	-	-
Provisions	369,910	369,910	-	-
	402,044	402,045	-	-
Deferred tax liabilities:				
1 January	9,206,051	833,034	5,122,483	787,448
Charge for the period	-	8,373,017	-	4,335,035
Total	9,206,051	9,206,051	5,122,483	5,122,483
Deferred tax liabilities recoverable within 12 months	1,798,732	1,696,087	165,305	62,660
Deferred tax liabilities recoverable within 12 months	7,407,319	7,509,965	4,957,178	5,059,823
	9,206,051	9,206,051	5,122,483	5,122,483
The break down of deferred tax liabilities are as follows:				
Property and equipment	180,383	77,738	165,305	62,660
Exchange difference	7,401,915	4,818,864	2,879,498	296,447
Losses	(213,419)	(213,419)	-	-
Fair value adjustments	4,194,989	2,545,650	2,077,680	428,341
Provisions	(2,357,816)	(2,357,816)	-	-
	9,206,051	4,871,016	5,122,483	787,448
Parent - Deferred tax liabilities				
	1 January 2023 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 December 2023 N'000
Property and equipment	62,660	102,645	-	165,305
Exchange difference	296,447	2,583,051	-	2,879,498
Losses	-	-	-	-
Fair value adjustments	428,341	(215,250)	1,864,589	2,077,680
Provisions	-	-	-	-
	787,448	2,470,446	1,864,589	5,122,483
Group - Deferred tax liabilities				
	1 January 2023 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 December 2023 N'000
Property and equipment	77,738	102,645	-	180,383
Exchange difference	4,818,864	2,583,051	-	7,401,915
Losses	(213,419)	-	-	(213,419)
Fair value adjustments	2,545,650	(2,332,559)	3,981,898	4,194,989
Provisions	(2,357,816)	-	-	(2,357,816)
	4,871,016	353,138	3,981,898	9,206,051
Group - Deferred tax asset				
	1 January 2023 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 December 2023 N'000
Property and equipment	(3,313)	-	-	(3,313)
Exchange difference	(87,046)	-	-	(87,046)
Losses	1,153,448	-	-	1,153,448
Fair value adjustments	(1,030,955)	1,566,788	(1,566,788)	(1,030,955)
Provisions	369,910	-	-	369,910
	402,045	1,566,788	(1,566,788)	402,044

For The Period Ended 31 March 2024

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 N2.34b 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 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
25 Managed Funds				
Short term investments	307,215,376	304,924,697	-	-
Ucap Investments	162,222,661	171,001,966	-	-
Trust funds	125,609,954	106,291,933	-	-
Sinking Funds	16,785,091	16,864,039	-	-
Payable on trust accounts	1,024,499	1,023,580	-	-
	612,857,581	600,106,217	-	-
Current	543,391,702	443,351,337	-	-
Non-Current	69,465,879	156,754,880	-	-
	612,857,581	600,106,217	-	-

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	151,529,606	161,754,081	150,691,915	160,916,390
Bank overdraft	1,029,590	855,370	194,116	2,601
Issued debt - Bonds	15,953,478	17,234,798	15,953,478	17,234,798
Commercial Papers	6,764,442	20,978,719	6,764,442	20,978,719
	175,277,116	200,822,968	173,603,951	199,132,509
Current	6,347,416	6,600,303	5,511,942	5,747,534
Non-Current	168,929,700	194,222,665	168,092,009	193,384,975
	175,277,116	200,822,968	173,603,951	199,132,509

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

Issued debt (Bond) - In 2020, the Company successfully issued its first bond of N10b out of its N30b bond issuance programme. The debt is an unsecured, amortising subordinate 5 year bond instrument. In September 2022 the series 2 bond of N11.73b was issued. The series 2 bond is a bullet payment bond of 7 years instrument. The Company has not had any default in payment of principal and interests.

Commercial papers - In 2023, the Company issued several series of CPs. Some of which matured same period except for series 2, 3, 5 and 6 which are maturing at different dates in 2024. The Company currently carries in its books Series 2, 3, 5 and 6 CPs with a total face value of N20.98b.

For The Period Ended 31 March 2024

	Group		Company	
	31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
27 Other liabilities				
Creditors and accruals	1,709,348	5,863,298	375,297	1,818,137
Due to related parties	-	-	-	1,275,432
Customers deposit	5,175,002	8,340,838	-	-
Due to counter-parties	43,750,772	12,055,021	43,750,772	12,055,021
Other current liabilities	3,841,126	1,523,789	-	-
Dividend payable	10,800,000	-	10,800,000	-
	65,276,248	27,782,946	54,926,068	15,148,590
Current	65,276,248	27,782,946	54,926,068	15,148,590
Non-Current	-	-	-	-
	65,276,248	27,782,946	54,926,068	15,148,590
28 Defined Benefit Obligation	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Opening	365,768	365,768	253,246	253,246
Recognised during the year	-	-	-	-
	365,768	365,768	253,246	253,246
Current	196,408	-	139,110	139,110
Non-Current	169,360	-	114,136	114,136
	365,768	-	253,246	253,246
28.1 Expense recognised in income statement				
Current service cost	-	-	-	-
Total expense recognised in profit and loss (see note 9)	-	-	-	-

The Group operates a long service award scheme which prior to 2023 was expensed as they occur. Management has decided to carry out an actuarial valuation of the scheme to make provision for this liabilities. The actuarial was carried out by EY consulting (The consulting Actuary was Miller Kingsley (FNAS, FSA) - FRC/2012/NAS/0000002392) and the outcome of the actuarial valuation has been recognised in the books of the Group as highlighted in note 28 above.

The long service award is designed to reward employees who have served for periods covering 5 years and subsequent 5 years following the initial 5 years of service rendered. For the first 5 years the amount payable is 2 monthly salary for pioneer staff and 1.5 monthly salary for non-pioneer staff. Subsequent 5 years is 2.5 monthly salary for all categories of staff.

The following assumptions have been made in arriving at the defined benefit obligations recognised in the financial statements.

* Inflation rate of 14.5% per annum,

* Discount rate of 15.5% per annum,

* Salary increase rate of 15% per annum.

In line with IAS 19, the Projected Unit Credit (PUC) method has been adopted to establish the value of accrued liabilities. In calculating the liabilities, the method;

a. Recognised the Group's service rendered by each member of staff at the review date.

b. Anticipates that benefits will increase between the review date and each future milestone.

c. Discounts the expected benefit payments to the review date.

The emerging total value (for each individual) is described by IAS 19 as the defined benefit obligation.

28.2 Sensitivity analysis on defined benefit obligation

		31 March 2024 =N=' 000	31 March 2023 =N=' 000
Base		-	-
Discount Rate	+1%	454,730	454,730
	-1%	388,044	388,044
Salary increase rate	+1%	389,626	389,626
	-1%	343,974	343,974
Mortality experience	Age rated up by 1 Year	364,591	364,591
	Age rated down by 1 Year	366,827	366,827

29	Current tax liabilities	Group		Company	
		31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
	At 1 January	2,950,806	3,055,704	1,435,398	1,902,059
	Charge for the period	503,676	375,879	65,449	57,795
	WHT credit note settlement	(577,495)	(1,372,833)	-	(1,185,848)
	Cash settlement	222,204	892,057	0	661,392
	Closing Balance	3,099,191	2,950,806	1,500,847	1,435,398
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.					
30	Share capital	Group		Company	
		31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
	The share capital comprises:				
(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
31	Share Premium Share premium balance	683,611	683,611	683,611	683,611
32	Retained earnings	Group		Company	
		31 March 2024 =N=' 000	31 December 2023 =N=' 000	31 March 2024 =N=' 000	31 December 2023 =N=' 000
	At 1 January	31,733,315	38,292,138	18,253,353	26,829,520
	Transfer from profit or loss account	3,586,179	2,441,177	471,013	423,833
	Dividend paid during the period (2023: N1.80k)	(10,800,000)	(9,000,000)	(10,800,000)	(9,000,000)
		24,519,494	31,733,315	7,924,367	18,253,353
33	Fair Value Reserves				
	At 1 January	60,845,185	60,542,104	18,645,887	18,645,887
	Arising during the period:				
	Fair valuation on items that will not be subsequently reclassified to profit or loss (note 33.1)	19,000,957	324,377	12,590,572	-
	Fair valuation on items that will be subsequently reclassified to profit or loss (note 33.2)	334,561	(46,218)	-	-
		80,180,703	60,845,185	31,236,459	18,645,887
33.1	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	19,000,957	324,377	12,590,572	-
	Net fair value gain/(loss) on investments in unquoted equity instruments measured at FVTOCI	-	-	-	-
		19,000,957	324,377	12,590,572	-
33.2	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	334,561	(46,218)	-	-
		334,561	(46,218)	-	-
33.3	Fair Value Reserves - Net of taxes				
	Fair value reserve	80,180,703	60,845,185	31,236,459	18,645,887
	Deferred tax	-	(5,548,686)	-	(1,864,589)
	Balance	80,180,703	55,296,499	31,236,459	16,781,298

For The Period Ended 31 March 2024

34 Reconciliation of profit after tax to net cash from operating activities

Profit before tax	4,089,855	2,817,056	536,461	481,629
Adjustments to reconcile net cash provided:				
Depreciation and amortisation	75,561	90,339	65,928	80,921
Foreign exchange revaluation	(791,611)	(24,211,808)	-	(8,352,373)
Net interest income	(690,087)	(7,542,778)	(314,042)	(3,423,285)
Dividend income	(393,744)	(982,011)	(110,484)	(798,062)
Fair value changes on financial instruments at fair value through profit or loss	(334,004)	(905,412)	(47,843)	(508,928)
Gain on disposal of property and equipment	-	(610)	-	(610)
Allowance for impairment - financial assets	(384,913)	(2,086,435)	165,536	71,176
Allowance for impairment - other assets	(482,271)	2,494,053	0	-
	1,088,786	(30,327,605)	295,557	(12,449,532)
Net movement in operating assets and liabilities				
Trade receivables and prepayment	(5,684,014)	(29,014,513)	(1,678,326)	(35,938,727)
Managed funds	12,751,364	186,407,520	-	-
Defined benefit obligation	-	(365,768)	-	(253,246)
Other liabilities	37,493,302	(20,819,791)	39,777,478	(32,519,485)
Net cash from operations	45,649,438	105,879,843	38,394,710	(81,160,990)
Interest received	15,916,732	76,436,548	1,491,138	21,912,765
Interest paid	(14,832,901)	(67,911,760)	(1,066,134)	(17,690,939)
Tax Paid	222,204	(2,802,255)	0	(264,840)
Net cash (used in)/provided by operating activities	46,955,472	111,602,377	38,819,714	(77,204,004)

35 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.

35.1 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
Heirs Insurance Limited	Associate	25
Heirs Life Assurance Limited	Associate	25
UCEE MFB	Subsidiary	100

35.2 Key management personnel

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

35.3 Other information on key management personnel

Emoluments:

	Group		Company	
	31 March 2024 =N='000	31 March 2023 =N='000	31 March 2024 =N='000	31 March 2023 =N='000
Chairman	23,315	7,725	5,829	1,931
Highest paid director	145,525	134,525	145,525	134,525
Other Directors	595,959	568,263	552,730	558,310
	764,799	710,513	704,083	694,766
Fees	72,488	25,500	6,375	6,375
Other emoluments	692,311	685,013	697,708	688,391
	764,799	710,513	704,083	694,766
The total number of Directors were:	10	10	10	10

35.4 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

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

	166	139	14	11
--	-----	-----	----	----

35.6 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 2024	31 March 2023	31 March 2024	31 March 2023
N4,000,000 - N9,999,999	66	67	4	4
N10,000,000 - N20,999,999	55	37	5	5
N22,000,000 - N48,999,999	27	20	5	2
N49,000,000 and above	18	15	-	-
	166	139	14	11

For The Period Ended 31 March 2024

35.7 Transactions with related companies

The following are the transactions and balances arising from dealings with subsidiaries of United Capital Group during the period. All transactions with related parties are conducted at arms length and in the ordinary course of business.

	31 March 2024	31 December 2023
Placements		
United Capital Asset Management Limited	7,985,389	663,157
United Capital Trustees Ltd	3,134,384	4,634,384
UC Plus Advance Ltd	5,126,786	230,437
UCEE Microfinance Bank Ltd	914,219	-
	17,160,778	5,527,978
Account receivables		
United Capital Asset Management Limited	462,270	-
United Capital Securities Limited	93,043	14,009
UC Plus Advance Limited	281,217	-
UCEE Microfinance Bank Limited	3,924	-
United Capital Ghana	2,121	-
United Capital Investments Limited	6,277	-
	848,852	14,009
Account payable		
United Capital Trustees Limited	1,275,432	54,725
United Capital Asset Management Limited	-	-
	1,275,432	54,725
Borrowings		
United Capital Asset Management Ltd	12,187,902	9,215,382
United Capital Trustees Limited	-	3,032,722
United Capital Securities Limited	7,546,575	10,000,000
	19,734,477	22,248,104
Interest expense		
United Capital Trustees Limited	34,373	40,564
United Capital Asset Management Ltd	199,034	96,299
United Capital Securities Limited	90,279	40,304
	323,686	177,167
Interest income		
United Capital Asset Management Ltd	91,266	7,389
United Capital Trustees Ltd	112,500	88,009
UC Plus Advance Ltd	30,991	3,120
UCEE Microfinance Bank Ltd	32,039	-
	266,796	98,518

36 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

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 advisory.

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.

Securities 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.

UCEE MFB: 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 Central Bank of Nigeria.

36.1 Summarised statement of consolidating segments	Investment banking	Asset Management	Ucap Investment Wealth Management	Trustees	Securities trading	Consumer finance	MFB	Eliminating items	Total
For the period ended 31 March 2024	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income statement									
Gross earnings	1,185,703	1,602,891	916,236	963,753	1,063,869	361,574	42,313	-	6,136,337
Personnel expense	(227,377)	(307,694)	(23,124)	(197,074)	(128,179)	(29,270)	(17,956)	-	(930,675)
Other operating expense	(256,329)	(912,874)	(341,707)	(269,230)	(236,288)	(167,903)	(11,879)	-	(2,196,212)
Impairment charge/(writeback)	(165,536)	670,912	69,325	313,524	(21,041)	-	-	-	867,184
Total expense	(649,243)	(549,656)	(295,507)	(152,780)	(385,508)	(197,173)	(29,835)	-	(2,259,702)
Operating profit before tax	536,460	1,053,235	620,729	810,974	678,361	164,400	12,478	-	3,876,634
Share of profit of associate	-	-	-	-	-	-	-	213,220	213,220
Profit before tax	536,460	1,053,235	620,729	810,974	678,361	164,400	12,478	213,220	4,089,855
Taxation	(65,449)	(137,974)	(81,315)	(106,238)	(89,544)	(21,536)	(1,635)	-	(503,689)
Profit after tax	471,012	915,262	539,413	704,736	588,818	142,864	10,843	213,220	3,586,166
Financial position									
As at 31 March 2024									
Total assets	278,251,032	357,314,820	193,237,369	161,953,819	12,816,889	24,853,302	507,554	(54,469,022)	974,465,763
Total liabilities	235,406,595	325,972,015	193,047,552	144,432,216	3,446,193	23,345,923	424,418	(59,992,958)	866,081,955
Shareholders' fund	42,844,437	31,342,805	189,817	17,521,603	9,370,696	1,507,378	83,136	5,523,936	108,383,808
36.2 Summarised statement of consolidating segments	Investment banking	Asset Management	Ucap Investment Wealth Management	Trustees	Securities trading	Consumer finance	MFB	Eliminating items	Total
For the period ended 31 March 2023	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Income statement									
Gross earnings	1,079,125	1,234,708	430,183	1,109,575	834,162	307,901	-	348,379	5,344,033
Personnel expense	(147,657)	(204,597)	(17,520)	(117,006)	(86,933)	(15,900)	-	-	(589,614)
Other operating expense	(378,662)	(362,155)	(126,143)	(362,346)	(174,999)	(140,569)	-	(121,263)	(1,666,138)
Impairment charge/(writeback)	(71,176)	442,932	156,577	(1,086,360)	(6,166)	-	(4,188)	-	(407,618)
Total expense	(597,495)	(123,820)	12,914	(1,565,172)	(268,099)	(156,469)	(4,188)	39,501	(2,663,370)
Operating profit before tax	481,630	1,110,888	443,097	(456,137)	566,063	151,432	(4,188)	387,881	2,680,663
Share of (loss)/profit of associate	-	-	-	-	-	-	-	136,393	136,393
Profit before tax	481,630	1,110,888	443,097	(456,137)	566,063	151,432	(4,188)	524,274	2,817,056
Taxation	(57,796)	(186,478)	-	(54,736)	(67,928)	-	-	(8,941)	(375,879)
Profit after tax	423,834	924,410	443,097	(510,873)	498,135	151,432	(4,188)	515,333	2,441,177
Financial position									
As at 31st December 2023									
Total assets	259,810,488	383,527,302	171,134,256	134,779,393	11,561,323	24,853,301	494,365	(54,212,249)	931,948,180
Total liabilities	221,092,226	355,178,466	171,002,966	124,845,949	2,985,729	23,345,923	402,123	(57,618,627)	841,234,755
Shareholders' fund	38,718,262	28,348,836	131,290	9,933,444	8,575,594	1,507,378	92,242	3,406,378	90,713,425

For The Period Ended 31 March 2024**37 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 material effect on the financial statement as at that date.

38 Contingent liabilities

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

39 Capital/financial commitments

The Directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into account in the preparation of the financial statements. There are no commitments for capital expenditure authorised by the Directors which has not been provided for in the financial statements as at 31 March 2024.

40 Contraventions

The Group incurred fines of N11.75m during the period under review (2022: N12.18m). The fines during the period under review were as a result of reporting and presentation error in filing of Trustees investment portfolio returns to the SEC, as well as fine incurred and paid to FMDQ on delays in filing arranges report on CP issuance of a client.

41 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.

42 Litigation and claims

The Group is involved in cases with claims amounting to N152m (2022: 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.

Other National Disclosures

VALUE ADDED STATEMENTS

For The Period Ended 31 March 2024

	Group				Company			
	2024		2023		2024		2023	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	6,136,337		5,344,033		1,185,703		1,079,125	
Share of profit in associates	213,220		136,393		-		-	
Operating expenses: Local	(2,120,651)		(1,575,800)		(190,401)		(297,741)	
VALUE ADDED	<u>4,228,906</u>	100%	<u>3,904,626</u>	100%	<u>995,303</u>	100%	<u>781,384</u>	100%
Applied as follows:								
To pay employees:								
Salaries and other benefits	930,674	22%	589,614	15%	227,377	23%	147,657	19%
To pay Government:								
Taxes	503,676	12%	375,879	10%	65,449	7%	57,795	7%
Retained for future replacement of assets and expansion of business:								
- Deferred tax	-	0%	0	0%	-	0%	0	0%
- Depreciation	43,881	1%	51,664	1%	35,164	4%	43,048	6%
- Amortisation	31,680	1%	38,675	1.0%	30,764	3%	37,874	4.8%
- Impairment loss	(867,184)	-21%	407,618	10%	165,536	17%	71,176	9%
- Retained profit for the year	3,586,179	85%	2,441,177	63%	471,013	47%	423,833	54%
	<u>4,228,906</u>	100%	<u>3,904,626</u>	100%	<u>995,303</u>	100%	<u>781,384</u>	100%

Value added represents the additional wealth which the Group and 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

Five -Year Financial Summary - Group
For The Period Ended 31 March 2024

	March 2023 =N=' 000	December 2022 =N=' 000	December 2022 =N=' 000	December 2021 =N=' 000	December 2020 =N=' 000
ASSETS					
Cash and cash equivalents	321,120,060	145,255,523	149,867,038	53,661,848	43,420,443
Investment in financial assets	554,208,814	693,984,483	386,544,095	363,647,252	145,148,841
Trade and other receivables	91,629,836	85,463,551	58,943,091	30,919,246	28,472,742
Rights of use assets	162,898	94,692	141,944	212,819	283,694
Intangible assets	175,300	188,615	179,301	78,595	42,015
Investments in associates	5,519,008	5,305,788	4,614,694	4,293,587	4,500,000
Property and equipment	1,247,804	1,253,484	386,555	471,852	565,824
Deferred tax assets	402,044	402,044	1,238,493	312,755	314,736
TOTAL ASSETS	974,465,763	931,948,180	601,915,211	453,597,954	222,748,295
LIABILITIES					
Managed Funds	612,857,581	600,106,217	413,698,697	327,249,024	116,019,077
Borrowed funds	175,277,116	200,822,968	100,454,344	79,691,116	72,661,645
Other liabilities	65,276,248	27,782,946	48,649,198	14,225,310	7,683,308
Defined benefit liabilities	365,768	365,768	-	-	-
Current tax liabilities	3,099,191	2,950,806	5,292,648	1,803,211	1,830,812
Deferred tax liabilities	9,206,051	9,206,051	833,034	82,500	126,974
TOTAL LIABILITIES	866,081,955	841,234,755	568,927,921	423,051,161	198,321,816
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	24,519,494	31,733,315	29,313,563	28,660,538	21,601,800
Other reserves	80,180,703	55,296,499	(9,884)	(1,797,356)	(858,932)
SHAREHOLDER'S FUND	108,383,808	90,713,425	32,987,290	30,546,793	24,426,479
TOTAL LIABILITIES AND EQUITY	974,465,763	931,948,180	601,915,211	453,597,954	222,748,295

Other National Disclosures

Five - Year Financial Summary - Company
For The Period Ended 31 March 2024

	March 2023 =N=' 000	December 2022 =N=' 000	December 2022 =N=' 000	December 2021 =N=' 000	December 2020 =N=' 000
ASSETS					
Cash and cash equivalents	54,860,000	12,683,441	22,907,336	6,951,413	12,196,469
Investment in financial assets	124,547,388	150,008,248	85,387,058	58,599,896	40,456,026
Trade and other receivables	85,471,847	83,793,521	47,812,682	29,889,598	27,476,909
Dividend receivable from subsidiaries	6,309,000	6,309,000	7,218,000	4,828,500	3,670,000
Rights of use assets	162,898	94,692	141,944	212,819	283,694
Intangible assets	139,597	151,997	169,617	68,151	39,032
Investments in subsidiaries	1,101,000	1,101,000	901,000	901,000	901,000
Investments in associates	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Property and equipment	1,159,302	1,168,589	343,876	414,185	487,457
TOTAL ASSETS	278,251,032	259,810,488	169,381,513	106,365,562	90,010,587
LIABILITIES					
Borrowed funds	173,603,951	199,132,509	100,849,650	83,717,908	72,432,512
Other liabilities	54,926,068	15,148,590	47,671,635	5,139,989	2,261,913
Defined benefit liabilities	253,246	253,246	-	-	-
Current tax liabilities	1,500,847	1,435,398	1,902,059	649,566	1,012,778
Deferred tax liabilities	5,122,483	5,122,483	787,448	82,500	113,701
TOTAL LIABILITIES	235,406,595	221,092,226	151,210,792	89,589,963	75,820,904
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	7,924,367	18,253,353	13,305,941	12,958,286	10,434,895
Other reserves	31,236,459	16,781,298	1,181,169	133,702	71,177
SHAREHOLDER'S FUND	42,844,437	38,718,262	18,170,721	16,775,599	14,189,683
TOTAL LIABILITIES AND EQUITY	278,251,032	259,810,488	169,381,513	106,365,562	90,010,587

Other National Disclosures

Five - Year Financial Summary - Group

	Q1 2023 =N=' 000	Q1 2022 =N=' 000	FY 2022 =N=' 000	FY 2021 =N=' 000	FY 2020 =N=' 000
Gross earnings	6,136,337	5,344,033	26,896,411	18,065,183	12,873,897
Gross operating expenses	(2,259,702)	(2,663,370)	(13,717,130)	(5,941,170)	(4,926,227)
Operating profit before income tax	3,876,636	2,680,663	13,179,281	12,124,013	7,947,670
Share of (loss)/profit in associate companies	213,220	136,393	321,107	(206,412)	-
Profit before income tax	4,089,855	2,817,056	13,500,388	11,917,601	7,947,670
Income tax expense	(503,676)	(375,879)	(3,847,363)	(658,863)	(136,492)
Profit for the year from continuing operations	3,586,179	2,441,177	9,653,025	11,258,738	7,811,178
Other comprehensive income for the year	19,335,518	278,159	1,787,472	(938,423)	29,462
Total comprehensive income for the year	22,921,697	2,719,336	11,440,496	10,320,315	7,840,640
Earnings per share-basic (kobo) - annualised	239	163	161	188	130

5 Year Financial Summary - Company

	Q1 2023 =N=' 000	Q1 2022 =N=' 000	FY 2022 =N=' 000	FY 2021 =N=' 000	FY 2020 =N=' 000
Gross earnings	1,185,703	1,079,125	13,981,324	8,238,600	7,560,671
Gross operating expenses	(649,242)	(597,495)	(2,575,408)	(1,447,404)	(1,733,601)
Operating profit before income tax	536,461	481,629	11,405,916	6,791,196	5,827,070
Share of (loss)/profit in associate companies	-	-	-	-	-
Profit before income tax	536,461	481,629	11,405,916	6,791,196	5,827,070
Income tax expense	(65,449)	(57,796)	(2,058,261)	(67,805)	(240,006)
Profit for the year from continuing operations	471,013	423,833	9,347,655	6,723,392	5,587,064
Other comprehensive income for the year	12,590,572	-	1,047,467	62,525	4,485
Total comprehensive income for the year	13,061,585	423,833	10,395,122	6,785,917	5,591,549
Earnings per share-basic (kobo) - annualised	31	28	156	112	93