Royal Exchange Plc
(RC: 6752)

Consolidated Unaudited Financial Statements
30 June 2024

ROYAL EXCHANGE PLC RC: 6752

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ROYAL EXCHANGE PLC

Board Listed:	Main Board
Year End:	June
Reporting Period:	Period Ended 30 June 2024
Share Price at end of reporting period	N0.63k (2023: N0.63K)

Shareholding Structure/Free Float Status

Description	30-Jun-24		31-Dec-23	
	Units	Percentage (In relation to Issued Share Capital)	Units	Percentage (In relation to Issued Share Capital)
Issued Share Capital	8,266,698,940	100%	5,145,370,074	100%
[Name(s) of Shareholders]				
KACIO GLOBAL LINKS LTD	2,097,496,268	25.37%	-	-
Dantata Investment & Securities Co. Ltd	957,754,337	11.58%	912,536,581	17.74%
FAR EAST FINANCE & INVESTMENT Ltd	453,067,252	5.48%	-	-
PHOENIX HOLDINGS LIMITED	340,965,679	4.12%	-	-
Chief (Dr) Sunny Dike Odogwu (OFR)	282,297,945	3.41%	266,870,509	5.19%
Helen and Troy Holdings Limited	261,058,784	3.15%	261,058,784	5.07%
DE-CANON INVESTMENT LTD	157,306,524	1.90%	159,388,632	3.10%
ROYAL EXCHANGE ASSURANCE LONDON	3,776	0.00%	3,776	0.00%
Total Substantial Shareholdings	**4,549,950,565**	**55.01%**	**1,599,858,282**	**31.10%**
Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
[Name(s) of Directors]				
Mr. Kenny Ezenwani Odogwu (Indirect)	2,129,405,249	25.75%	2,013,119,834	39.12%
Chief Anthony Ikemefuna Idigbe (San) (Indirect)	-	0.00%	-	0.00%
Alhaji Ahmed Rufa'i Mohammed (Direct)	-	-	-	-
Mr. Adeyinka Ojora (Direct)	-	0.00%	-	0.00%
Mr. Adeyinka Ojora (Indirect)	183,529,858	2.22%	183,529,858	3.57%
Mr. Hewett Benson (Direct)	-	-	-	-
Total Directors' Shareholdings	**2,312,935,107**	**27.97%**	**2,196,649,692**	**42.69%**
Details of Other Influential shareholdings, if any (E.g. Government, Promoters)				
[Name(s) of Entities/ Government]				
Nigerian Government	15,300,555	0.18%	15,300,555	0.30%
OTHER NIGERIAN CITIZENS & ASSOCIATION	1,388,512,713	16.79%	1,333,561,545	25.88%
Total of Other Influential Shareholdings	**1,403,813,268**	**16.97%**	**1,348,862,100**	**26.18%**
Free Float in Unit and Percentage	**2,163,437,096**	**26.17%**	**NIL**	**0.00%**
Free Float in Value	**1,362,965,370.48**		**NIL**	

Declaration:

A) Royal Exchange Plc has 2,163,437,096 free float units of shares as at June 30, 2024, in compliant with The Exchange's free float requirements for companies listed on the Main Board.

A) Royal Exchange Plc does not have any free float units of shares as at December 31, 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

ROYAL EXCHANGE PLC

RESULTS AT A GLANCE
FOR THE PERIOD ENDED 30 JUNE 2024

	30-Jun-24	**31-Dec-23**	**%**
EARNED INCOME	996,870	767,400	30
PROFIT/(LOSS) BEFORE TAX	781,161	(201,988)	487
PROFIT/(LOSS) AFTER TAX	781,161	(206,218)	479
SHARE CAPITAL	4,133,349	2,572,685	(61)
SHAREHOLDERS' FUND	6,220,248	3,791,592	64
PROFIT/(LOSS) PER SHARE (NAIRA) - BASIC	9	(4)	336
STOCK EXCHANGE QUOTATION (NAIRA)	0.50	0.63	(21)

Consolidated Statements of Financial Position

At 30 June 2024

		1	(4)	2	(0)
		Unaudited	**Audited**	**Unaudited**	**Audited**
		Group	**Group**	**Company**	**Company**
In thousands of Naira	**Note**	**30-Jun-24**	**31-Dec-23**	**30-Jun-24**	**31-Dec-23**
ASSETS					
Cash and cash equivalents	5	1,502,564	470,711	904,366	14,994
Loans and advances to customers	6	785,937	1,051,873	-	-
Advances under finance lease	7	86,238	51,510	-	-
Investment securities:					
Measured at Fair Value Through Profit or Loss (FVPL)	9(a)	40,093	49,985	8,385	11,800
Investment in subsidiaries	10	-	-	509,389	509,389
Other receivables and prepayments	11	172,485	178,223	154,416	148,724
Investment in associates	12	6,702,082	5,728,913	6,702,083	5,728,914
Property and equipment	13	11,492	14,531	1,993	2,259
Right of Use Asset	13(b)	-	-	0	0
Trustee Assets	8	485,695	485,695	485,695	485,695
Deposit for shares	16	39,000	39,000	39,000	39,000
Total assets		**9,825,586**	**8,070,441**	**8,805,326**	**6,940,775**
LIABILITIES					
Borrowings	22	1,855,401	1,835,043	634,420	750,048
Other liabilities	18	998,638	1,689,970	1,230,553	1,623,054
Depositors' funds	18	-	-	-	-
Finance Lease Obligation	20(a)	168	168	16,059	15,229
Trustee Liabilities	19	506,783	506,783	506,783	506,783
Current income tax liabilities	21(b)	237,847	240,389	235,558	235,558
Employees benefit liability	15(a)	4,515	4,515	974	974
Deposit for Shares	16	1,985	1,985	-	-
Total liabilities		**3,605,337**	**4,278,853**	**2,624,348**	**3,131,646**
EQUITY					
Share capital	23	4,133,349	2,572,685	4,133,349	2,572,685
Share premium	24	2,690,936	2,690,936	2,690,936	2,690,936
Contingency reserve	25	-	599,536	-	-
Retained earnings	26	(995,894)	(2,026,044)	(597,786)	(1,408,971)
Other component of equity	27	391,857	(45,524)	(45,524)	(45,524)
Capital and reserves attributable to owners		**6,220,248**	**3,791,592**	**6,180,977**	**3,809,126**
Total Equity		**6,220,248**	**3,791,592**	**6,180,977**	**3,809,126**
Total equity & liabilities		**9,825,585**	**8,070,445**	**8,805,324**	**6,940,775**

The Financial Statements was approved by the board of directors on 24th July, 2024 and signed on its behalf by:

Kenneth Odogwu
Chairman
(FRC/2013/NBA/00000004195)

Anthony Ogunade
for: Chief Financial Officer
(FRC/2023/PRO/ICAN/001/580489)

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For period ended 30 June 2024

In thousands of Naira	Note	Unaudited Group 30-Jun-24	Audited Group 31-Dec-23	Unaudited Company 30-Jun-24	Audited Company 31-Dec-23
Interest Income	28	168,683	268,053	32,254	3,900
Interest Expense	28	(86,395)	(258,747)	(6,295)	(80,140)
Net Interest Income		82,288	9,306	25,959	(76,239)
Investment and other income	29	-	97,872	-	97,872
Share of profit/loss on investment in associate	12	913,170	591,546	913,170	591,546
Net fair value gain or loss on financial assets	30	(7,905)	39,877	(5,052)	15,071
Charge/write-back of impairment allowance	31	-	(17,047)	-	-
ECL Impairment Allowance	31	-	-	-	-
Operating income (Revenue)		-	-	-	-
Other operating income	32	9,317	45,846	1,027	1,044
Foreign exchange gains/(losses)	33	-	-	-	-
Net Income		**996,870**	**767,400**	**935,104**	**629,294**
Management expenses	34	(215,709)	(969,388)	**(135,711)**	(805,101)
Total expenses		**(215,709)**	**(969,388)**	**(135,711)**	**(805,101)**
Profit/(Loss) before tax		**781,161**	**(201,988)**	**799,393**	**(175,807)**
Minimum tax	21(a)	-	(2,963)	-	(2,963)
Income taxes	21(a)	-	(1,267)	-	-
Profit/(Loss) after taxation from continuing operations		**781,161**	**(206,218)**	**799,393**	**(178,770)**
Discontinued operations:					
Loss for the year from discontinued operations		-	-	-	-
Gain/(Loss) on disposal of Subsidiary		-	-	-	-
(Loss)/Profit after taxation from discontinued operation		-	-	-	-
Profit/(Loss) after taxation for the year		781,161	(206,218)	799,393	(178,770)
Profit/(Loss) is attributable to:					
Owners of Royal Exchange Plc		781,161	(206,218)	799,393	(178,770)
Non-controlling interest		-	-	-	-
		781,161	**(206,218)**	**799,393**	**(178,770)**
Other comprehensive income, net of tax					
Items that will never be reclassified subsequently to profit or loss:					
Net actuarial gains/(losses) of defined benefit obligations		-	-	-	-
Share of returns in associates		-	-	-	-
Items that are or may be reclassified subsequently to profit or loss:					
Changes in fair value of FVOCI investments		-	-	-	-
Total other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		**781,161**	**(206,218)**	**799,393**	**(178,770)**
Total comprehensive income attributable to:					
Owners of Royal Exchange Plc		781,161	(206,218)	799,393	(178,770)
Non-controlling interest		-	-	-	-
		781,161	**(206,218)**	**799,393**	**(178,770)**
Total comprehensive income for the period attributable to owners of Royal Exchange Plc arising from:					
Continued operations		781,161	(206,218)	799,393	(178,770)
Loss for the year from Discontinued operations		-	-	-	-
Gains/(Loss) on disposal of Subsidiary			-		-
		781,161	**(206,218)**	**799,393**	**(178,770)**
Profit/(Loss) per share - Basic and diluted (kobo)		**9**	**(4)**	**10**	**(3)**

The statement of significant accounting policies and the accompanying notes form an integral part of these financial st

Statement of Changes in Equity
At 30th June 2024

Group
In thousands of Naira

	Share Capital	Share Premium	Contingency Reserve	Retained Earnings	Treasury Shares	Other components of equity: Regulatory risk reserve	Actuarial Gain/Loss Reserve	Fair value reserve	Other Component of Equity	Total	Equity attributable to Parent's Shareholders	Non-controlling Interests	Total Equity
At 1 January 2024	2,572,685	2,690,936	-	(1,777,053)	-	504,800	(162)	(51,470)	-	453,172	3,690,748	-	3,690,747
										-			
Other comprehensive income in the year	-	-	-	-	-	-	-	-		-	-	-	-
(Loss)/Profit for the year	-	-	-	781,159	-	-	-	-		-	781,159	-	781,159
Proceeds from Rights Issue	1,560,664									-	1,560,664		1,560,664
										-			
Total comprehensive income	**4,133,349**	**2,690,936**	**-**	**(995,894)**	**-**	**504,800**	**(162)**	**(51,470)**	**-**	**453,172**	**6,032,571**	**-**	**6,032,570**
Prior year adjustments: Retained earnings	-	-	-	-	-	-	-	-		-	-	-	-
At 30th June 2024	**4,133,349**	**2,690,936**	**-**	**(995,894)**	**-**	**504,800**	**(162)**	**(51,470)**	**-**	**453,172**	**6,032,571**	**-**	**6,032,570**

Statement of Changes in Equity
At 31st December 2023

Group
In thousands of Naira

						Other component of equity							
	Share Capital	**Share Premium**	**Contingency Reserve**	**Retained Earnings**	**Treasury Shares**	**Regulatory risk reserve**	**Actuarial Gain/Loss Reserve**	**Fair value reserve**	**Other Component of Equity**	**Total**	**Equity attributable to Parent's Shareholders**	**Non-controlling Interests**	**Total Equity**
At 1 January 2023	2,572,685	2,690,936	-	(3,714,530)	-	504,801	(162)	(51,470)	-	453,171	2,002,262	-	2,002,262
										-			
(Loss)/Profit for the year	-	-	-	(206,217)	-	-	-	-		-	(206,217)	-	(206,217)
Prior year adjustment				1,894,703						-	1,894,703		1,894,703
Total comprehensive income	**2,572,685**	**2,690,936**	**-**	**(2,026,044)**	**-**	**504,801**	**(162)**	**(51,470)**		**453,171**	**3,690,748**	**-**	**3,690,748**
Share of newly recognized Non-controlling	-	-	-	-	-	-	-	-		-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-		-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
											-		
Transactions with owners in their													
Other reserve	-	-	-	-	-	-	-	-		-	-	-	-
Adjustment for loss of control	-	-	-	-	-	-	-	-		-	-	-	-
At 31st December 2023	**2,572,685**	**2,690,936**	**-**	**(1,777,053)**	**-**	**504,800**	**(162)**	**(51,470)**		**453,172**	**3,690,748**	**-**	**3,690,747**

Statement of Changes in Equity

At 30th June 2024

Company

In thousands of Naira	Share Capital	Share Premium	Retained Earnings	Other Component of Equity: Actuarial Gain/Loss Reserve	Other Component of Equity: Other Component of Equity (Total)	Equity attributable to Parent's Shareholders	Non-controlling Interests	Total Equity
At 1 January 2024	2,572,685	2,690,936	(1,408,972)	(45,524)	(45,524)	3,809,125	-	3,809,125
						-		-
Adjustment	-	-	11,792	-	-	11,792	-	11,792
Profit for the period	-	-	799,393	-	-	799,393	-	799,393
Total comprehensive income	**2,572,685**	**2,690,936**	**(597,787)**	**(45,524)**	**(45,524)**	**4,620,310**	**-**	**4,620,310**
Transactions within equity:								
Proceeds from Rights Issue	1,560,664	-	-	-	-	1,560,664	-	1,560,664
At 30th June 2024	**4,133,349**	**2,690,936**	**(597,787)**	**(45,524)**	**(45,524)**	**6,180,974**	**-**	**6,180,974**

Statement of Changes in Equity

At 31st December 2023

Company

In thousands of Naira	Share Capital	Share Premium	Retained Earnings	Other Component of Equity: Actuarial Gain/Loss Reserve	Other Component of Equity: Other Component of Equity (Total)	Equity attributable to Parent's Shareholders	Non-controlling Interests	Total Equity
At 1 January 2023	2,572,685	2,690,936	(3,124,903)	(45,524)	(45,524)	2,093,197	-	2,093,197
						-		-
Profit for the	-	-	(178,771)	-	-	(178,771)	-	(178,771)
Net actuarial gains/losses	-	-	-	-	-	-	-	-
Share of current year results in	-	-	-	-	-	-		-
Prior year adjustments: Retained earnings			1,894,703		-	1,894,703		1,894,703
Total comprehensive income	**2,572,685**	**2,690,936**	**(1,408,972)**	**(45,524)**	**(45,524)**	**3,809,129**	**-**	**3,809,129**
Transactions within equity:								
Dividend paid	-	-	-	-	-	-	-	-
At 31st December 2023	**2,572,685**	**2,690,936**	**(1,408,972)**	**(45,524)**	**(45,524)**	**3,809,125**	**-**	**3,809,129**

Consolidated Statements of Cashflows

At 30 June 2024

In thousands of Naira	Notes	Unaudited Group 30-Jun-24	Audited Group 31-Dec-23	Unaudited Company 30-Jun-24	Audited Company 31-Dec-23
(Loss)/Profit for the year		781,161	(206,218)	799,393	(178,770)
Add: Minimum tax		-	2,963	-	2,963
Add: Income tax	28(a)	-	1,267	-	-
Profit before taxes		**781,161**	**(201,988)**	**799,393**	**(175,807)**
Adjustments for:					
ECL Impairment Allowance	44	-	-	-	-
Charge/(write-back) of impairment allowance	44	3,930	17,108	-	-
Depreciation on property and equipment	17	1,758	6,466	(267)	768
Depreciation on Right of Use Asset	17(b)	-	(942)	-	(941)
Amortization of intangible assets	18	-	308	-	-
Income from Investment management					
Fair value gain on recognition of associates					
Income on disposal of equities (FVTPL & FVTOCI)					
Dividend income on equity investments (FVTOCI & FVTPL)	42	12,006	12,006	-	-
Interest income	41	6,318	23,435	32,254	3,900
Interest expense on borrowings	41	(12,590)	(45,525)	(6,295)	(80,140)
Fair value gain/(loss) on FVTPL investment securities	43	358,056	12,284	(5,052)	15,071
Loss on disposal of discontinued operations			-		
Fair value gain/(loss) on disposal of investment in subsidiaries	42	-	-	-	-
Adjustment on derecognition of Investment in associates		(60,000)	(56,815)	(60,000)	(56,815)
Share of loss/(profit) of associate	14(a)	(913,170)	(591,546)	(913,170)	(591,546)
Movement in deferred tax assets					
Non-cash movement in current tax liabilities					
		177,468	**(825,208)**	**(153,137)**	**(885,509)**
Changes in working capital:					
Loans and advances to customers	50(viii)	265,936	(355,927)	-	-
Advance under finance lease	50(ix)	(34,728)	16,921	-	-
Trade receivables	50(iii)	-	-	-	-
Other assets	50(iv)	44,526	44,526	-	-
Investment securirties at fair value through profit or loss		-	-		
Deferred acquisition cost		-	-	-	-
Other receivables and prepayment	50(ii)	38,571	19,057	19,929	44,469
Other liabilities		231,915	(66,916)	(1,715,747)	(1,373,779)
Depositors' funds	50(x)	-	52,180	-	-
Tax Expense		(438)	(438)		
Changes in unearned premium	50(vii)	-	-	-	-
Changes in provision for outstanding claims	50(vi)	-	(41,181)	-	-
Changes in employee retirement benefits	50(i)	-	-	-	-
		723,250	**(1,156,987)**	**(1,848,955)**	**(2,214,819)**
Income tax paid	28(b)	-	-	-	-
Employee benefits paid	19(f)(i)	-	-	-	-
Movement in Retain Earnings		439,188	-	2,357,810	-
Net cash provided by operating activities		**1,195,372**	**(1,156,987)**	**508,856**	**(2,214,819)**

Cash flows from investing activities:					
In thousands of Naira	Notes	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
Purchases of property and equipment	17	(185)	(3,134)	(185)	(1,606)
Placement with Banks		9,088	9,088	-	-
Proceed from disposal of investment properties		-	-	-	-
Proceed from redemption/disposal of investment securities	50(v)	-	-	-	-
Additional investment in associates		739,659	56,815	60,000	56,815
Deposit for shares		(39,000)	(0)	-	-
Dividend received		-	(113,987)	-	(113,987)
Net interest received		6,273	22,089	(25,959)	76,239
Fair value gain/(loss) on FVTPL investment securities		(361,006)	12,583	5,052	(15,071)
Net cash provided by investing activities		**354,828**	**(16,546)**	**38,908**	**2,389**
Cash flows from financing activities:					
Repayment of borrowings		(115,628)	1,975,588	(115,628)	1,975,588
Proceeds from new borrowings		(20,358)	63,839	-	205,271
Repayment of finace lease		(82,941)	1,530	831	1,530
interest paid on borrowings		(204,940)	(922,431)	535,756	-
Unclaimed dividend paid		(94,480)	(82,854)	(94,480)	(82,854)
Net used in financing activities		**(518,347)**	**1,035,671**	**326,478**	**2,099,534**
Cash and cash equivalent at beginning of year		470,711	608,573	14,995	127,890
Adjustment on disposal of subsidiaries					
Net increase in cash and cash equivalent		1,031,852	(137,862)	874,242	(112,896)
Cash and cash equivalent at end of the year		**1,502,564**	**470,711**	**889,235**	**14,995**

Group information and statement of accounting policies

1 Reporting Entity

The Company was incorporated as Royal Exchange Assurance (Nigeria) Plc, a private limited liability Company on 29 December 1969. It was converted to a public limited Company on 15 July 1989 and then listed on the Nigerian Stock Exchange on 3 December 1990. On 28 July 2008, the Company changed its name to Royal Exchange Plc and transferred its life and general insurance businesses to newly incorporated subsidiaries, Royal Exchange General Insurance Company Limited and Royal Exchange Prudential Life Plc respectively.

The Group currently comprises Royal Exchange Plc (Parent Entity), Royal Exchange General Insurance Limited, Royal Exchange Microfinance Bank, Royal Exchange Finance Company Ltd. and Royal Exchange Healthcare Limited.

The principal activities of the Group are General insurance, health insurance and credit financing.

The financial statements of the Group are as at and for the year ended 31 March 2024

2 Basis of preparation

(a) These financial statements for year ended 31 March 2024 have been prepared in accordance with, and comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, the Insurance Act of Nigeria and National Insurance Commission of Nigeria ("NAICOM") circulars.

The financial statements include the statement of financial position, statement of profit or loss and other comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the account.

(b) Functional and presentation currency

The financial statement is presented in Naira, which is the Group's functional currency. Financial information presented in Naira has been rounded to the nearest thousands except where otherwise indicated.

(c) Basis of measurement

These consolidated and seperate financial statements have been prepared on a historical cost basis except for the following items:

(i) Carried at fair value:

- financial instruments at fair value through profit or loss (FVTPL);
- financial instruments at fair value through other comprehensive income(FVTOCI);
- investment properties;
- plan assets for defined benefits obligations

(ii) Carried at amortised cost:

- loans and receivables;
- held to collect financial instruments;
- financial liabilities at amortised cost;

(iii) Carried at a different measurement basis

- Retirement benefit obligations are measured in terms of the projected unit credit method;
- Insurance contract liabilities are measured using a gross premium valuation approach for indivdual and group life risk business while discounted cashflows approach are used for measuring annuity and the risk reserve for individual deposit based businesses.

(d) Reporting period

The financial statements have been prepared for a 12 month period.

(e) Use of estimates and judgment

In preparing these financial statements in conformity with the International Financial Reporting Standard (IFRS) which requires the use of certain critical accounting estimates, 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 4.

(f) Changes in accounting policies and disclosures

(i) New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statement

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2020, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16
In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met.

1) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

2) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

3) There is no substantive change to other terms and conditions of the lease.

The amendment is not applicable to the Royal Exchange Plc as the Group does not have operating leases qualified for the application of IFRS 16, hence it was not applied.

i(a) Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

i(b) Amendments to IFRS 3 Definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

i(c) Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term ‘material’ to ensure consistency.

ii Impact of the initial application of new and amended IFRS Standards that are effective for the current year

ii(a) **Amendments to IAS 1 and IAS 8: Definition of material**

The Company has adopted the amendments to IAS 1 and IAS 8 in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1.

ii(b) **Impact of the initial application of Interest Rate Benchmark Reform amendments to**

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

ii(c) Impact of the initial application of Covid-19-Related Rent Concessions Amendment to

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease.

iii Standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the Comapny has not applied the following new and revised IFRS Standards that have been issued but are not yet
effective;

iii(a) **IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features,described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.
The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. An exposure draft Amendments to IFRS 17 addresses concerns and implementation challenges that were identified after IFRS 17 was published. One of the main changes proposed is the deferral of the date of initial application of IFRS 17 by one year to annual periods beginning on or after 1 January 2023.
For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

iii(b) **IFRS 10 and IAS 28 (amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.
The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

iii(c) **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

iii(d) **Amendments to IFRS 3 – Reference to the Conceptual Framework**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

iii(e) **Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

iii(f) **Amendments to IAS 37 - Onerous Contracts—Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application

iv Annual Improvements to IFRS Standards 2018 - 2020

The Annual Improvements include amendments to four Standards.

iv(a) IFRS 1 First-time Adoption of International Financial Reporting Standards.

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent. in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

iv(b) IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

iv(c) IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

3 Summary of Significant Accounting Policies

The Group consistently applied the following accounting policies to the period presented in the financial statements

(a) Consolidation

The consolidated and separate financial statements incorporate the financial statements of the Group and its subsidiaries. Subsidiaries are entities controlled by the Group. Control is achieved when the Company:

• has power over the investee;
• is exposed, or has rights, to variable returns from its involvement with the investee; and
• has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

• the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
• potential voting rights held by the Company, other vote holders or other parties;
• rights arising from other contractual arrangements; and
• any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when 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 over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Changes in the Company's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Transactions eliminated on Consolidation

Intra-group balances and any unrealised gains or losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

a (i) Business Combination

The Group applies IFRS 3 Business Combinations in accounting for business combinations. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately.

The Group measures goodwill at the acquisition date as the total of:
- the fair value of the consideration transferred, which is generally measured at fair value; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is
-the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.The Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree’s employees(acquiree’s awards) and relate to past services , then all or a portion of the amount of the acquirer’s replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree’s awards and the extent to which the replacement awards relate to pre-combination service.

a (ii) ***Non-controlllling interest***

Non controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Groups's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

a (iii) ***Subsidiaries***

Subsidiaries are investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to, variable returns from its involvement with investee and has the ability to affect those returns through its power over the investee. The Group financial statements incorporates the assets, liabilities and results of; Royal Exchange General Insurance Company Limited, Royal Exchange Prudential Life Plc, Royal Exchange Microfinance Bank, Royal Exchange Healthcare Limited and Royal Exchange Finance and Asset Management Limited. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

a(iv) ***Associates***

Associates are those entities in which the Group has significant influence, but not control or joint control, over the Investments in associates are accounted for using the equity method of accounting. They are initially recognised at

Subsequent to initial recognition, the Group’s share of its associates’ post-acquisition profits or losses is recognised in the consolidated profit or loss; its share of post-acquisition movements is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Intra-group gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Intra-group losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. For preparation of consolidated financial statements, equal accounting policies for similar transactions and other events in similar circumstances are used. Dilution gains and losses in associates are recognised in the consolidated profit or loss.

a(v) ***Loss of control***

When the Group loses control over a subsidiary, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any interest retained in the former subsidiary is measured at fair value when control is lost.

a(vi) ***Transaction eliminated on consolidation***

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions.

The group consolidated and separate financial statements are presented in Nigerian Naira which is the functional and presentation currency of Royal Exchange Plc.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date and those measured at fair value are translated at the exchange rate at the date that the fair value was measured.

Exchange rate differences on non-monetary items such as property and equipment. prepayment, intangible assets are accounted for based on the classification of the underlying items.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

• Fair value throught other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

• Fair value throught other comprehensive income debt securities investments, in which case foreign currency differences on the fair value difference are recognised in OCI.

(c) Cash and Cash Equivalents

Cash comprises cash in hand, and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in their fair value. Cash equivalents comprise investments with original maturities of three months or less and used by the Group to manage its short - term commitments.

Subsequent to initial recognition, cash and cash equivalents are carried at amortised cost in the statement of financial position.For the purpose of the statement of cash flows, cash and cash equivalents are net of outstanding overdrafts.

Interest income on cash and cash equivalents is recorded in net interest income in profit or loss.

(d) Financial Instruments

(i) Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses, but includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income
Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets except for financial assets that are not originated credit impaired but have subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the interest rate to their amortised cost (i.e. net of expected credit loss provision).

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

d(ii) Financial assets
(i) Classification and subsequent measurement
The Group classifies its financial assets in the following measurement categories:
- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments
Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

Classification and subsequent measurement of debt instruments depend on:
(i) the company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset (SPPI).

Business model: The business model reflects how the company manages the assets in order to generate cash flows, i.e. whether the company's objective is solely to collect the contractual cash flows from the assets, or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of the "residual" business model and measured at FVTPL. Factors considered by the company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (the "SPPI test"). In making this assessment, the company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement

i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3(d)(i). Interest income from these financial assets is included in 'Net interest income' using the effective interest rate method.

ii) Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in Net Investment income'. Interest income from these financial assets is included in 'Net interest income' using the effective interest rate method.

iii) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net fair value gain/(loss) on assets' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Investment and other income'. Interest income from these financial assets is included in 'Net interest income' using the effective interest rate method.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments
Equity instruments are instruments that meet the definition of equity from the issuer's perspective, that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments held by the Company include basic ordinary shares of other entities.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are not quoted in an active market and where those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the company's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Net fair value gain/(loss) on assets' line in the

ii) Impairment

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its financial assets carried at amortised cost. The Company recognises a loss allowance for such assets at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

iii) Modification of loans

he Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated

Where the terms are substantially different, the Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation 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 Company 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.

Where the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company 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 originated credit-impaired financial assets).

iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

(e) Impairment of other non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets and investment property) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Reinsurance Assets

The Group cedes reinsurance in the normal course of business in order to limit its net loss potential for losses arising from certain exposures. The cost of reinsurance related to long-term contracts is accounted for over the life of the underlying reinsured policies, using assumptions consistent with those used to account for these policies. However, reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Reinsurance assets include balances due from various reinsurance companies for ceded insurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying reinsurance contract.

Reinsurance assets are assessed for impairment at each reporting date. If there is reliable objective evidence that a reinsurance asset is impaired as a result of an event that occurred after initial recognition of the reinsurance asset, that the Group may not receive all amounts due to it under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairement loss is calculated and recognised following the same

The Group has the right to set off reinsurance payables against amounts due from reinsurers and co-assurers in line with the agreed arrangement between both parties.

(g) Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business which had not expired at the reporting date, are deferred by recognizing an asset. For non-life insurance contracts, acquisition costs include both incremental acquisition costs and other indirect costs of acquiring and processing new businesses.

Deferred acquisition costs are amortised in the income statement systematically over the life of the contracts at each reporting date.

(h) Other Receivables and Prepayments

Other receivables balances include dividend receivable, inter-group balances, accrued rental income and security holding trust account.

Prepayment are essentially prepaid rents and staff upfront payments. Other receivables are carried at amortised cost less accumulated impairment losses. Other receivables balances include dividend receivable, and accrued rental income.

(i) Investment Properties

Investment properties are properties held for long-term rental yields or for capital appreciation (including property under construction for such purposes) or for both purposes, but not for sale in the ordinary course of business.

Recognition and measurement

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.
Investment properties are measured initially at cost, including all transaction costs.
Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the statement of profit or loss in the period in which they arise. Fair values are evaluated and assessed annually by a Financial Reporting Council's accredited external valuer.

De-recognition

An investment property is derecognized 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 de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the income statement in the period of de-recognition.

Transfers

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change. Subsequently, the property is re-measured to fair value and reclassified as investment property.

(j) Property and Equipment

Recognition and measurement

All property and equipment used by the Group is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of a property and equipment have different useful lives, then they are accounted for as seperate items (major components) of property and equipment.

Subsequent costs

Subsequent expenditures are recognized in the carrying amount of the asset or as a seperate asset as appropriate if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be reliably measured. The costs of the day-to-day servicing of property and equipment are recognized in the statement of profit or loss as incurred.

Depreciation

Depreciation is recognized so as to allocate the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Freehold land is not depreciated

The estimated useful lives of property and equipment are as follows:

Leasehold land		Over the lease period
Buildings		50 years
Generators		7 years
Furniture and Fittings		5 years
Computer Equipment		4 years
Motor vehicles	- New	4 years
	- Salvage	3 years
Finance Lease		4 years

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss of the year that the asset is de-recognized.

(k) Intangible Assets

Software expenditure

An internally-generated intangible asset arising from the Group's software development is recognized if and only if all of the following conditions are met:

• The technical feasibility of completing the intangible asset so that it will be available for use or sale;
• The intention to complete the intangible asset and use or sell it;
• The ability to use or sell the intangible asset;
• How the intangible asset will generate probable future economic benefits;
• The availability of adequate technical, financial and other resources to complete the development and to use or
• The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses on the same basis as intangible assets that are acquired separately.

Acquired computer software
Acquired computer software licences are capitalised on the basis of the cost incurred to acquire and bring to use the specific software. Computer software is stated at cost less amortization and impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Cost associated with maintaining computer software programmes are recognised as an expense as incurred.

Amortization
Computer software costs, whether developed or acquired, are amortized for a period of five years using the straight

Intangible assets which are not available for use are tested for impairment annually. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

An intangible asset shall be derecognized by the Group on disposal; or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (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 the asset is recognised.

(l) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes
The Company is subject to the Companies Income Tax Act (CITA). Total amount of tax payable under CITA is determined based on the higher of two components namely income tax (based on taxable income (or loss) for the year; and Minimum tax (determined based on the sum of the highest of 0.25% of revenue of N500,000, 0.5% of gross profit, 0.25% of paid up share capital and 0.5% of net assets and 0.125% of revenue in excess of N500,000). Taxes based on taxable profit for the period are treated as current income tax in line with IAS 12; whereas taxes which is based on gross amounts is outside the scope of IAS 12 and therefore are not treated as current income tax.

Where the minimum tax is higher than the Company Income Tax (CIT), a hybrid tax situation exits. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above income tax line as minimum tax.

The Group Income tax expense and payable is the sum of the individual tax expense and payable under the various tax laws governing each of the subsidiaries of the Group and the Company.

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

The current taxes include: Group Income Tax at 30% of taxable profit; Education Tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains; and Information Technology Development levy at 1% of accounting profit.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill (arising in a business combination) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable differences is insufficient to recognise the deferred tax asset in full, then future taxable profits adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. 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; these reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has becom
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for properties held for sale that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered entirely through the sale unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale.

(m) Statutory Deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act, CAP 117, LNF 2004 for the general insurance companies.
The deposits are only available as a last resort to the Group if it goes into liquidation. Statutory deposits are measured at cost.

(n) Borrowings

Borrowings by way of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Borrowings have been measured in line with the Group's accounting policy for financial instruments (see note 3(d))
Borrowing costs comprise interest payable on loans and bank overdrafts. They are charged to profit or loss as incurred, except those that relate to qualifying assets. Arrangement fees in respect of financing arrangements are charged to borrowing costs over the life of the related facility.

(o) Deferred income

Deferred income comprises deferred rental income and deferred commission.

Deferred Rental Income relates to rents received in advance. These are amortized and transferred to the statement of profit or loss over the periods that they relate.

Deferred commission income relates to commissions received on ceded reinsurance businesses but not yet earned as at reporting date. Deferred commission incomes are amortized systematically over the life of the contracts at each reporting date.

(p) Provisions and other liabilities

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Other liabilities

Other liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is omitted.

(q) Finance and operating lease obligations

These are the corresponding liabilities on assets acquired under finance lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs.

Lease assets - lessee

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Lease assets - lessor

If the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, then the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within loans and advances

(r) Insurance Contract Liabilities

r(i) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

The Group only enters into insurance contracts. Therefore, its insurance contract liabilities represent the Group's liability to the policy holders. It comprises the unearned premium, unexpired risk, outstanding claims and the incurred but not reported claims. At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report.

Unearned premium provision

The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relate to the unexpired terms of policies in force at the end of the reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis.

Reserve for unexpired risk

A provision for additional unexpired risk reserve is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

Reserve for outstanding claims

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Reserve for incurred but not reported claims (IBNR)

A provision is made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report.

Liability Adequacy Test

At the end of each reporting period, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses, investment income backing such liabilities are considered. Long-term insurance contracts are measured based on assumptions set out at the inception of the contract. Any deficiency is charged to the statement of profit or loss by increasing the carrying amount of the related insurance liabilities.

The Liability Adequacy Test (LAT) was carried out by Ernst & Young (Consultant Actuaries) under the supervision of Mr.O.O Okpaise with FRC number (FRC/2012/NAS/00000000738).

Insurance contract with discretionary participating features (DPF)

Some insurance contracts and investment contracts contain a discretionary participating feature (DPF), which is a contractual right to receive as, a supplement to guaranteed benefits, additional benefits that are:

- Likely to be a significant portion of the total contractual benefits;
- The amount or timing is contractually at the discretion of the insurer; and
- That are contractually based on:

i. the performance of a specified pool of contracts or a specified type of contract;
ii. realized and or unrealized investment returns on a specified pool of assets held by the issuer; or
iii. the profit or loss of the Company.

Recognition and measurement

Insurance contracts with DPF are classified into two main categories, depending on the duration of risk and

(i) Short-term insurance contracts

Short-duration life insurance contracts (Group Life) protect the Group's clients from the consequences of events (such as death or disability) that would affect the ability of the client or his/her dependants to maintain their current level of income. These contracts have no maturity or surrender value and the premiums are recognized as earned premiums proportionally over the period of coverage.

The proportion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as unearned premium liability. Premiums are shown before deductions of commissions and are gross of any taxes or duties levied on premiums.

Claims expenses are recognized in the statement of profit or loss as incurred based on the estimated liability for compensation owed to contract holders. They include direct and indirect claims settlement costs that arise from events that have occurred up to the end of the reporting period even if they have not been reported to the Group. The Group does not discount it liabilities for unpaid claims. Liabilities for unpaid/outstanding claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported.

(ii) Long-term insurance contracts with fixed and guranteed terms

These contracts insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognized as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission. Benefits are recognized as an expense when they are incurred. A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognized. The liability is actuarially determined based on assumptions such as mortality, persistency, maintenance expenses and investment income that are estabilished at the time the contract is issued. The change in liabilities are recorded in gross premium on the statement of profit or loss.

The Company only enters into insurance contracts. Therefore, its insurance contract liabilities represent the Company's liability to the policy holders. It comprises the unearned premium, unexpired risk, outstanding claims and the incurred but not reported claims. At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report.

(s) Recognition and Measurement of Insurance Contract

Premium

Gross written premiums for general insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Group by insurance brokers and duly certified thereto. Gross premiums are stated gross of commissions and taxes payable and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Reinsurance

Premiums, losses and other amounts relating to reinsurance treaties are measured over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognized at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognized on the same basis as the acquisition costs incurred.

Premiums ceded, claims recovered and commission received are presented in the statement of profit or loss and statement of financial position separately from the gross amounts.

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due under the contract terms and that the event has a reliably measurable impact on the amounts the Group will receive from the reinsurer.

Claims and policy holders benefit payable

Claims incurred comprise claims and claims handling expenses paid during the financial year and changes in the provision for outstanding claims. Claims and claims handling expenses are charged to profit or loss as incurred.

For long term insurance business, benefits are recorded as an expense when they are incurred. Claims arising on maturing policies are recognized when the claims become duefor payment. Death claims are accounted for on notification. Surrenders are accounted for on payment.

(t) Investment contract liabilities

Investment contracts are those contracts that transfer significant financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. The investment contract comprises of the Royal Policy Product, (RPP), the Royal Insurance Savings Account (ISA) and the Deposit Administration (DA).

Amounts collected from investment linked contracts with no discretionary participating features are reported as deposits (i.e. as investment contract lialibilities) in the statement of financial position. Interest, usually agreed with clients, is credited per annum to each account holder and the amount expensed to statement of profit or loss. Payment of benefits are treated as withdrawal (reduction) from the balance standing in the credit account of the client.

(u) Employee Benefits liabilities

u(i) Short-term benefits

Staff benefits such as wages, salaries, paid annual leave allowance, and non-monetary benefits are recognized as employee benefit expenses. The expenses are accrued when the associated services are rendered by the employees of the Group.

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

u(ii) Defined Contribution Plans

The Group operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The Group contributes 10% and employees contribute 8% each of the qualifying monthly emoluments in line with the Pension Reform Act.

The Group's monthly contribution to the plan is recognized as an expense in profit or loss.

The Group pays contributions to privately administered pension fund administration on a monthly basis. The Group has no further payment obligation once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

u(iii) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

u(iv) Pension

The Group operated a funded pension scheme for its employees prior to the Pension Reform Act 2004. It therefore has continuing pension obligation to its staff who retired prior to the commencement of the contributory pension scheme.

Pensioners are entitled to 3% annual increment. Over 90% of the pension assets are being managed by a pension fund administrator while the balance is invested in marketable securities and bank placement.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

u(v) Other Long term benefits

The Group operates a long service award plan for eligible staff who have rendered continued service to the organization.

Benefits accrue after a minimum of 10 years and a maximum of 35 years. The main benefits payable on the scheme are both cash and gift items which vary according to the number of years of service.

The liability is valued annually by a qualified actuary (Logic Professional Services) under the supervision of Mr Ganiu Shefiu with FRC number (FRC/2021/004/00000022718) using the projected unit credit method.

Remeasurements of the obligation, which comprise actuarial gains or losses,are recognized immediately in OCI.

The Company determines the net interest expense(income) on the obligation for the period by applying the discount rate used to measure the obligation at the beginning of the annual period to the liability,taking into account any changes in the liability during the period as a result of benefit payments. Net interest expense and other expenses related to obligation are recognized in profit or loss.

The Company meets benefits on a pay-as-you-qualify basis as the plan is an unfunded scheme.

v Capital and Reserves

v(i) Share capital

The equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by the Group are recognized as the proceeds are received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is

v(ii) Share premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount can be utilized as provided in Section 120(3) of Companies Allied Matters Act. The share premium is classified as an equity instrument in the statement of financial position.

v(iii) Contingency reserve

The Group maintains Contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003.
In compliance with the regulatory requirements in respect of Contingency Reserve for general business, the Group maintains contingency reserve at the rate equal to the higher of 3% of gross premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

In compliance with the regulatory requirements in respect of Contingency Reserve for Life business, the Company maintains contingency reserve at the rate equal to the higher of 1% of gross premium or 10% of the net profit accumulated until it reaches the amount of the minimum paid up capital.

v(iv) Retained Earnings

The reserve comprises undistributed profit/ (loss) from previous years and the current year. Retained Earnings is

v(v) Fair value reserves

Fair value reserves represent the cummulative net change in the fair value of available-for-sale financial assets at the reporting date.

v(vi) Regulatory risk reserve

The regulatory risk reserves warehouses the difference between the impairment of loans and advances under the Nigeria GAAP and Central Bank of Nigeria prudential guidelines and the loss incurred model used in calculating the impairment balance under IFRS.

v(vii) Other reserves - employee benefit actuarial surplus

Actuarial (surplus)/deficit on employee benefits represent changes in benefit obligation due to changes in actuarial valuation assumptions or actual experience differing from experience. The gains/losses for the year, net of applicable deferred tax asset/liability on employee benefit obligation, are recognized in other comprehensive income.

v(viii) Treasury shares

Where the Company or any member of the Group purchases the Company's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled.Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

v(ix) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group's shareholders. Dividends for the year that are declared after the end of the reporting period are dealt with in the subsequent period.

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

(w) Revenue Recognition

w(i) Gross Written Premium

Gross written premiums for insurance comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Group by insurance brokers and duly certified thereto. Gross written premiums are stated gross of commissions, net of taxes and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Deposits collected from investment-linked contracts with non-discretionary participating features are reported as investment contract liabilities in the statement of financial position.

Outward facultative premiums and reinsurance premiums ceded are accounted for in the same accounting period as the premiums for the related direct insurance or facultative business assumed.

The earned portion of premiums received is recognized as revenue. Premiums are earned from the date of attachment of risk, over the indenmity period, based on the patern of risks underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of indenmity received.

w(ii) Reinsurance expenses

Reinsurance cost represents outward premium paid/payable to reinsurance companies less the unexpired portion as

w(iii) Fees and commission income

Fees and commission income consists primarily of insurance agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income is recognized as the services are provided.

w(iv) Interest income

Interest income is recognized in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated 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 financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Where the estimated cash flows on financial assets are subsequently revised, other than impairment losses, the carrying amount of the financial assets is adjusted to reflect actual and revised estimated cash flows.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

w(v) Investment Income

Investment income consists of dividends, realized gains and losses as well as unrealized gains and losses on

w(vi) Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

w(vii) Realized gains and losses and unrealized gains and losses

Realized gains and losses on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.
Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

w(viii) Other operating income

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income, profit on disposal of fixed assets. Rental income is recognized on an accrual basis.

x Expense Recognition

x(i) Insurance claims and benefits incurred

Gross benefits and claims consist of benefits and claims paid / payable to policyholders, which include changes in the gross valuation of insurance contract liabilities, except for gross change in the unearned premium provision which are recorded in premium income. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered.

Salvage

Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of

Subrogation

Subrogation is the right of an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of receiving the amount of the claim paid to the insured for the loss.

x(ii) Underwriting expenses

Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies and clients. All underwriting expenses are charged to income statement as they accrue or become payable.

x(iii) Management expenses

Management expenses are charged to profit or loss when goods are received or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

y Segment reporting

Operating segments are identified and reported in consonance with the internal reporting policy of the Group that are regularly reviewed by the Chief Executive (being the chief operating decision maker) who allocates resources to the segment and assesses their performance thereof.

The Group's reportable segments, for management purpose, are organized into business units based on the

• Life insurance - (Royal Exchange Prudential Life Assurance Plc);
• Healthcare - (Royal Exchange Healthcare Limited);and
• Credit Financing (Royal Exchange Finance Company Ltd).

The other segments include corporate shared services and other activities not related to the core business segment and which are not reportable segments due to their immateriality. Certain expenses such as finance costs and taxes are also not allocated to particular segments.

The segment reporting is the measure used by the Group's Chief Executive for the purposes of resource allocation

z Earnings per share

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares

aa Fiduciary activities

The Group acts as trustees and in other fiduciary capacities that results in the holding and placing of assets on behalf of clients and oversight functions over certain funds. The value of the assets held on behalf of clients as at reporting date are excluded from the statement of financial position of the Group as they are not assets of the Group. The carrying value of the assets under custody were determined as follows:

- Cash and cash equivalents are carried at amortised cost.
- Loans and receivables and Held-to maturity investments are carried at amortised cost.
- Other Liabilities are measured at amortized cost using the effective interest rate method.

Fees and commissions earned from providing such services are generally recognised on an accrual basis in the statement of profit and loss in line with the agreement between the Group and the party for which the Group holds

4 Critical accounting estimates and judgments

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year.

Estimates and underlying assumptions are reviewed on an ongoing basis and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

A Judgements

Management applies its judgement to determine whether the indicators set out in Note 3(a)(iv) indicate that the Group has significant influence over it's investment in associates.

According to IAS 28, a 20% or more interest in an investee leads to a rebuttable presumption that the investor has significant influence over the investee.

The Group holds a direct interest of 39.29% in Royal Exchange General Insurance Company Limited. (REGIC). Management has considered the fact and circumstances, including the representation of the Company on the board of REGIC and has concluded that the Group has significant influence over REGCI and the entity is an associate of the Group.

B Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 Decemeber 2023 is set out below in relation to the impairment of financial instruments and in the following notes in relation to other areas:

(i) *Deferred tax assets*

Recognised deferred tax assets (see note 21) are measured at the tax rates enacted or substantively enacted at the end of the reporting period and represents those amounts that are probable of realisation taking into account management's estimates of future taxable profits. In determining estmates of future taxable profit against which deductible amount can be utilised, management has considered the existence of taxable temporary differences that will reverse in the same year that deductible amounts will reverse. Management's estimate of future taxable profits has been determined on the basis of a five year profit forecast. Management affirms that assumptions underlying the five year forecast is reasonable given the Group's restructured operations and there are no objective indicators to suggest that the projected earnings level will not be achieved.

(ii) Liabilities arising from insurance contracts

Claims arising from non-life insurance contracts

Liabilities for unpaid claims are estimated on case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Company deems liabilities reported as adequate.

(iii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL,

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL.

(iv) *Determination of fair value of investment property*

Management employed the services of estate surveyors and valuers to value its investment properties. The estimated open market value is deemed to be the fair value based on the assumptions that there will be willing buyers and sellers. Recent market prices of neighborhood properties were also considered in deriving the open market values. Other key assumptions are as disclosed in Note 15 to the financial statements.

(v) *Defined benefit plan*

The present value of the employee benefit obligations depends on a number of factors that are determined in an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of obligations. The assumptions used in determining the net cost (income) for pensions include the discount rate.

The Group determines the appropriate discount rate at the end of the reporting period. In determining the appropriate discount rate, reference is made to the yield on Nigerian Government Bonds that have maturity dates approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions as disclosed in Note 19.

(vi) *Current income tax*

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due and based on its assessment of the applicable tax regulations. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vii) ***Determination of impairment of property and equipment, and intangible assets excluding goodwill***

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

(viii) ***Depreciation, amortisation and the carrying value of property and equipment and intangible assets***

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items. Depreciation and amortisation is recognised on the basis described in accounting policies note 3(j) and 3(k).

5 **Cash and cash equivalents**

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Cash	1,790	18,972	74	4
Bank balances	740,820	15,051	654,292	15,051
Short-term deposits (including demand and time deposits)	759,954	436,749	250,000	0
Write back/(charge) of impairment allowance on Short term deposits	-	(61)	-	(61)
At 30 June	1,502,564	470,711	904,366	14,994

(i) Short–term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group.

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

(ii) The balance represents amount used as integral part of the Group's cash management.

(iii) Cash equivalents include Bank accounts and short term investments with 90 days maturities.

6 **Loans and advances to customers**

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Term loan	785,937	1,051,873	-	-
Impairment Allowance	-	-	-	-
At 30 June	785,937	1,051,873	-	-

(a) Sectorial Analysis of loans and advances to customers

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Agriculture	26,214	26,214	-	-
Manufacturing	20,979	20,979	-	-
Trade and commerce	22,132	22,132	-	-
Real estate and construction	41,696	41,696	-	-
Education	264,854	264,854	-	-
Others	410,062	675,998	-	-
	785,937	1,051,873	-	-

(b) Analysis of loans and advances to customers by maturity

In thousands of Naira	Group 31-Mar-24	Group 31-Dec-23	Company 31-Mar-24	Company 31-Dec-23
1-30 days	26,214	26,214	-	-
31-60 days	20,979	20,979	-	-
61-90 days	22,132	22,132	-	-
91-180 days	41,696	41,696	-	-
181-360 days	264,854	264,854	-	-
Over 360 days	499,152	675,998	-	-
	875,027	1,051,873	-	-

(c) Analysis of loans and advances to customers by collateral

In thousands of Naira	Group	Group	Company	Company
	31-Mar-24	**31-Dec-23**	**31-Mar-24**	**31-Dec-23**
Secured against real estates	-	-	-	-
Otherwise secured	787,524	946,686	-	-
Not secured	87,503	105,187	-	-
	875,027	1,051,873	-	-

(d) The movements in impairment allowance on loans and advances to customers is analyzed below;

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
At 1 January	177,667	177,667	-	-
Write-off during the year	-	-	-	-
Impairment allowance recognised during the year	-	-	-	-
At 30 June	177,667	177,667	-	-
Within one year	785,937	1,051,873	-	-
More than one year	-	-	-	-
	785,937	1,051,873	-	-

7 **Advances under finance lease**

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Gross investment in finance lease	101,798	51,510	-	-
Impairment allowance (see note 7(a) below)	(15,560)	-	-	-
	86,238	51,510	-	-

(a) The movements in impairment allowance on advance under lease is analyzed below;

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
At 1 January	15,560	15,560	-	-
Write back of impairment	-	-	-	-
Impairment allowance recognised during the year	-	-	-	-
At 30 June	15,560	15,560	-	-
Within one year	86,238	51,510	-	-
More than one year	-	-	-	-
	86,238	51,510	-	-

8 Trustee Assets

(a) The movements in trustee assets is analyzed below;

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
At 1 January	485,695	478,908	485,695	478,908
Additions	-	6,787	-	6,787
Impairment allowance recognised during the year	-	-	-	-
At 30 June	485,695	485,695	485,695	485,695
Within one year	-	6,787	**-**	**6,787**
More than one year	485,695	478,908	**485,695**	**478,908**
	485,695	485,695	485,695	485,695

(i) Trustee Assets represents funds under management held in trust on behalf of Royal Exchange PLC - Trustees. The funds were held in trust for an investment in government bonds, money market securities, placements and term deposits.

9 Investment securities

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Fair value through profit or loss (FVTPL) (see note 8(a) below)	40,093	49,985	8,385	11,800
Fair value through Other Comprehensive Income (FVOCI) (see note 8(b) below)	-	-	-	-
Amortised cost (see note 8(c) below)	-	-	-	-
At 30 June	40,093	49,985	8,385	11,800
Within one year	-	-	-	-
More than one year	40,093	49,985	8,385	11,800
	40,093	49,985	8,385	11,800

(a) Fair value through profit or loss (FVTPL)

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Listed equities	40,093	49,985	8,385	11,800
	40,093	49,985	8,385	11,800

10 Investment in subisidiaries

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Royal Exchange Finance Company Limited	-	-	509,389	509,389
Royal Exchange Healthcare Company Limited	-	-	-	-
	-	-	509,389	509,389
Allowance for Impairment	-	-	-	-
	-	-	509,389	509,389

(a) Movement in gross investment in subsidiaries

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
At 1 January	-	-	509,389	509,389
Additoinal (impairement)/writeback on Asset transferred	-	-	-	-
Reclassification to Investment in Associates (see notes (ii) & (iii) below)	-	-	-	-
Reclassification to Assets classified as held for sale (see note (vi) below, note 15 and	-	-	-	-
Disposal of subsidiaries (see note (iv) below)				-
Additional Investment in Subsidiaries				-
At 30 June	-	-	509,389	509,389

(i) The subsidiary companies comprise of the following:

Name of Entity	Nature of business	Jun-24	30-Jun-24	31-Dec-23
Royal Exchange Finance Company Limited (ii)	Credit Financing	31-Dec	99.90	99.90

The subsidiary is incorporated in Nigeria.

(i) This represents the Company's 99.9% (2023: 99.9%) shareholdings in Royal Exchange Finance Company Limited, a Nigerian registered company involved in the business of finance, financial advisory, fund management, leasing and investment management. The investment which has been carried at cost was impaired, based on management judgement, by the sum of N80.9million in 2011.

(b) Assets classified as held for sale

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
Royal Exchange Prudential Life Assurance Plc.	-	-	-	-
	-	-	-	-
Allowance for Impairment	-	-	-	-
	-	-	-	-

10(b) The condensed financial data of the consolidated entities as at 30 June 2024, are as follows:

(i) **Condensed statement of profit or loss for period ended 30 June 2024**

In thousands of Naira	**Group balances**	**Elimination entries**	**Gross amount**	**Royal Exchange Plc**	**Royal Exchange Finance Company Ltd.**
Gross premium income	-	-	-	-	-
Reinsurance expenses	-		-	-	-
Net premium income	-	-	-	-	-
Fee and commission income	-	-	-	-	
	-	-	-	-	-
Total underwriting expenses	-	-	-	-	-
Underwriting Loss	-	-	-	-	-
Share of (loss) on investment in associate	913,170	-	913,170	913,170	-
Write-back/(charge) of impairment allowance	-	-	-	-	-
Investment and other income	11,945	-	11,945	-	11,945
Net Interest Income	78,632		78,632	25,959	52,673
Net fair value gain or loss on financial assets	(7,905)		(7,905)	(5,052)	(2,853)
Other operating income	1,027		1,027	1,027	-
Foreign exchange gain	-		-	-	-
Net income	996,869	-	996,869	935,104	61,765
Total expenses	(215,710)	-	(215,710)	(135,711)	(79,999)
(Loss)/Profit before tax	781,159	-	781,159	799,393	(18,234)
Minimum tax	-	-	-	-	-
Income tax expense	-	-	-	-	-
(Loss)/Profit after taxation	781,159	-	781,159	799,393	(18,234)

Condensed Statement of financial position as at 30 June 2024

In thousands of Naira	**Group balances**	**Consolidation entries**	**Gross amount**	**Royal Exchange Plc**	**Royal Exchange Finance Company Ltd.**
ASSETS					
Cash and cash equivalents	1,502,564	-	1,502,564	904,366	598,198
Loans and advances to customers	785,937	(235,202)	1,021,139	-	1,021,139
Advances under finance lease	86,238	(15,892)	102,129	-	102,129
Financial assets	40,093	-	40,093	8,385	31,708
Investment in subsidiaries	-	(509,389)	509,389	509,389	-
Trade receivables	-	-	-	-	-
Reinsurance assets	-	-	-	-	-
Deferred acquisition cost	-	-	-	-	-
Other receivables and prepayments	172,485	-	172,485	154,415	18,070
Investment in associates	6,702,083	-	6,702,083	6,702,083	-
Investment properties	-	-	-	-	-
Right of Use Asset	0		0	0	-
Property and equipment	11,492		11,492	1,993	9,500
Intangible assets	0	-	0	-	0
Employees retirement benefits	-	-	-	-	-
Statutory deposits	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-
Trustee Assets	485,695	-	485,695	485,695	-
Deposit for shares	39,000		39,000	39,000	
Total assets	9,825,589	(760,483)	10,586,070	8,805,328	1,780,744
LIABILITIES					
Borrowings	1,855,402	-	1,855,402	634,421	1,220,981
Deferred income	-	-	-	-	-
Trade payables	-	-	-	-	-
Other liabilities	998,640	(235,202)	1,233,842	1,230,554	3,288
Depositors' funds	-	-	-	-	-
Insurance contract liabilities	-	-	-	-	-
Investment contract liabilities	-	-	-	-	-
Finance Lease Obligations	168	(15,892)	16,059	16,059	
Trustee Liabilities	506,783	-	506,783	506,783	-
Current income tax liabilities	237,847	-	237,847	235,558	2,289
Employees benefit liability	4,515	-	4,515	974	3,541
Deferred tax liabilities	-	-	-	-	-
Deposit for shares	1,985		1,985		1,985
Total liabilities	3,605,339	(251,094)	3,856,433	2,624,349	1,232,084
EQUITY					
Share capital	4,133,349	(217,888)	4,351,237	4,133,349	217,888
Share premium	2,690,936	(559,914)	3,250,850	2,690,936	559,914
Contingency reserve	-	-	-	-	-
Treasury shares	-	-	-	-	-
Retained earnings	(995,893)	268,413	(1,264,306)	(597,783)	(666,523)
Other component of equity	391,857	-	391,857	(45,524)	437,381
Capital and reserves attributable to owners	6,220,249	(509,389)	6,729,639	6,180,979	548,660
Total Equity	6,220,249	(509,389)	6,729,639	6,180,979	548,660
Total equity & liabilities	9,825,589	(760,483)	10,586,072	8,805,328	1,780,744

The condensed financial data of the consolidated entities for the period ended December 2023, are as follows

(ii) **Condensed statement of profit or loss for the period ended 31st December 2023**

In thousands of Naira	Group balances	Elimination entries	Gross amount	Royal Exchange Plc	Royal Exchange Finance Company Ltd.
Gross premium income	-	-	-	-	-
Reinsurance expenses	-		-	-	-
Net premium income	-	-	-	-	-
Fee and commission income	-	-	-	-	
	-	-	-	-	-
Total underwriting expenses	-	-	-	-	-
Underwriting Loss	-	-	-	-	-
Interest Income					
Interest Expense					
Net Interest Income					
Share of (loss) on investment in associate	591,546	-	591,546	591,546	-
Write-back/(charge) of impairment allowance	(17,047)	-	(17,047)	-	(17,047)
Investment and other income	269,141	-	269,141	113,987	155,154
Interest Income	23,376	19,476	3,900	3,900	-
Interest Expenses	(99,616)	(19,476)	(80,140)	(80,140)	-
Foreign exchange gain	-		-	-	-
Net income	767,401	-	767,401	629,294	138,107
Total expenses	(969,387)	-	(969,387)	(805,101)	(164,286)
(Loss)/Profit before tax	(201,986)	-	(201,986)	(175,807)	(26,179)
Minimum tax	(2,963)	-	(2,963)	(2,963)	-
Income tax expense	(1,267)	-	(1,267)	-	(1,267)
(Loss)/Profit after taxation	(206,216)	-	(206,216)	(178,770)	(27,446)

Condensed Statement of financial position as at 31st December 2023

In thousands of Naira	Group balances	Consolidation entries	Gross amount	Royal Exchange Plc	Royal Exchange Finance Company Ltd.
ASSETS					
Cash and cash equivalents	470,711	-	470,711	14,994	455,717
Loans and advances to customers	1,051,873	(215,432)	1,267,305	-	1,267,305
Advances under finance lease	51,518	(15,061)	66,579	-	66,579
Financial assets	49,985	-	49,985	11,800	38,185
Investment in subsidiaries	-	(509,389)	509,389	509,389	-
Trade receivables	-	-	-	-	-
Reinsurance assets	-	-	-	-	-
Deferred acquisition cost	-	-	-	-	-
Other receivables and prepayments	178,224	(7,824)	186,048	148,724	37,324
Investment in associates	5,728,913	-	5,728,913	5,728,913	-
Investment properties	-	-	-	-	-
Right of Use Asset	0	-	0	0	-
Property and equipment	14,531	-	14,531	2,259	12,271
Intangible assets	1	-	1	-	1
Employees retirement benefits	-	-	-	-	-
Statutory deposits	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-
Trustee Assets	485,695	-	485,695	485,695	-
Deposit for shares	39,000	-	39,000	39,000	-
Total assets	8,070,450	(747,706)	8,818,157	6,940,775	1,877,382
LIABILITIES					
Borrowings	1,835,043	(198,135)	2,033,178	750,048	1,283,130
Deferred income	-	-	-	-	-
Trade payables	-	-	-	-	-
Other liabilities	1,689,972	(25,121)	1,715,093	1,623,054	92,039
Depositors' funds	-	-	-	-	-
Insurance contract liabilities	-	-	-	-	-
Investment contract liabilities	-	-	-	-	-
Finance Lease Obligations	168	(15,061)	15,229	15,229	-
Trustee Liabilities	506,783	-	506,783	506,783	-
Current income tax liabilities	240,389	-	240,389	235,558	4,831
Employees benefit liability	4,515	-	4,515	974	3,541
Deferred tax liabilities	-	-	-	-	-
Deposit for shares	1,985	-	1,985	-	1,985
Total liabilities	4,278,855	(238,317)	4,517,172	3,131,646	1,385,526
EQUITY					
Share capital	2,572,685	(217,888)	2,790,573	2,572,685	217,888
Share premium	2,690,936	(559,914)	3,250,850	2,690,936	559,914
Contingency reserve	599,536	-	599,536	-	599,536
Treasury shares	-	-	-	-	-
Retained earnings	(2,026,036)	268,413	(2,294,449)	(1,408,968)	(885,481)
Other component of equity	(45,524)	-	(45,524)	(45,524)	-
Capital and reserves attributable to owners	3,791,597	(509,389)	4,300,986	3,809,129	491,857
				-	
Non-controlling interests	-	-	-	-	-
Total Equity	3,791,597	(509,389)	4,300,986	3,809,129	491,857
Total equity & liabilities	8,070,452	(747,706)	8,818,158	6,940,775	1,877,383

11 Other receivables and prepayment

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Intercompany receivables (see note 11(a) below)	17,263	9,488	9,431	9,481
Accrued investment income (see note 11(b) below)	38,047	38,047	38,047	38,047
Other receivables (see note 11(c) below)	156,313	150,572	156,314	150,573
Prepayments	34,693	53,947	24,454	24,454
	246,316	252,054	228,247	222,555
Impairment on other receivables (see 11(d)) below	(73,831)	(73,831)	(73,831)	(73,831)
	172,485	178,223	154,416	148,724
Within one year	125,006	130,695	106,937	101,196
More than one year	47,478	47,528	47,478	47,528
	172,485	178,223	154,416	148,724

(a) Due from related parties

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Royal Exchange Microfinance Bank Limited	(0)	50	(0)	50
Royal Exchange Finance Company Ltd.	7,831	7	-	-
Royal Exchange Healthcare Limited	9,431	9,431	9,431	9,431
Royal Exchange General Insurance Company	-	-	-	-
Royal Exchange Prudential Life Limited	-	-	-	-
	17,263	9,488	9,431	9,481

(b) Accrued investment income

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Investment income	38,047	38,047	38,047	38,047
	38,047	38,047	38,047	38,047

(c) Other receivables

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Management fees receivable	-	-	-	-
Withholding tax receivables	81,005	80,748	81,005	80,748
Trustee fees receivable	1,001	1,001	1,001	1,001
Deposit for investment	-	-	-	-
Other receivables	5,583	99	5,583	99
Other assets	68,724	68,724	68,724	68,724
	156,313	150,572	156,314	150,573

(d) Impairment allowance on other receivables

The movements in impairment allowance on other receivables is analysed below;

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
At 1 January	-	(73,831)	-	(73,831)
Impairement allowance relating to divested subsidiaries	-	-		
Allowance made during the year	(73,831)	-	(73,831)	-
Write off	-	-	-	-
Write back	-	-	-	-
	(73,831)	(73,831)	(73,831)	(73,831)

Note:
The impairment allowance on other receivables represents impairment on WHT receivable, Data Centre relocation account and Software. These were historical balances from the group structure era, which are no longer relevant in the current year under review.

(i) Breakdown of Impairment on other receivables

	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Impairment on Other assets BS	-	28,427	-	28,427
Impairment on Other assets - WHT Receivable	5,107	5,107	5,107	5,107
Impairment on Data Centre Relocation account	27,777	27,777	27,777	27,777
Impairment on Other assets BS - Software Account	12,520	12,520	12,520	12,520
Impairment on Other assets	-	-	-	-
	45,404	73,831	45,404	73,831

12 Investment in associates

(a) The movement in balances of investment in associates are as shown below:

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
At 1 January	5,728,913	5,080,553	5,728,913	5,080,553
Additional investment during the year	60,000	56,815	60,000	56,815
Disposal within the year	-	-	-	-
Share of current year result recognised in OCI	-	-	-	-
	5,788,913	5,137,368	5,788,913	5,137,368
Share of current year result recognised in profit or loss	913,170	591,546	913,170	591,546
	913,170	591,546	913,170	591,546
	6,702,082	5,728,913	6,702,083	5,728,913

(b) This represents the Group's investment in Royal Exchange General Company Limited (REGIC), Royal Exchange Microfinance Bank Limited (REMFB) and Royal Exchange Healthcare Limited (REHL), now known as DotHMO. The Associated companies are registered nigerian companies involved in general insurance business, health insurance and financing of micro and small enterprises, representing 39.21% (December 2022: 39.21%) equity interest in REGIC and 30% (December 2022: 30%) equity interest in REMFB; 29.84% (December 2022: 29.84%) equity interest in DotHMO. REGIC became an associate company of the Group in September of 2021 following the acquisition of a minority stake by AfricInvest, a leading Pan-African asset management platform covering Private Equity, Venture Capital, and Private Credit while DotHMO and REMFB became an associate in December, 2021 following the acquisition of 70% stake in REMFB by Tech Partners a leading technology Company

The summarised financial information of REGIC, REMFB & REHL are as set out below:

In thousands of Naira	**REGIC**	**REMFB**	**REHL/ DOTHMO**	**30-Jun-24**
Percentage ownership interest	**39.21%**	**30%**	**29.84%**	
Non-Current Assets	2,265,297	29,841	260,193	2,555,331
Current Assets	38,236,454	553,074	870,271	39,659,799
Total Assets	40,501,751	582,915	1,130,463	42,215,130
Non-Current Liabilities	(16,292,942)	(5,434)	(539,176)	(16,837,551)
Current Liabilities	(6,012,199)	(440,481)	(211,372)	(6,664,052)
Total Liabilities	(22,305,141)	(445,914)	(750,548)	(23,501,604)
Net assets	18,196,610	137,001	379,915	18,713,526
Company's share of net assets	7,134,891	41,100	113,367	7,289,358
Revenue	3,948,827	75,945	44,808	4,069,580
Profit/(Loss) after tax from continuing operations	2,372,921	7,857	(65,717)	2,315,061
Other comprehensive income	-	-	-	-
Total comprehensive income	2,372,921	7,857	(65,717)	2,315,061
Company's share of total comprehensive income	930,422	2,357	(19,610)	913,169
Company's share of other comprehensive income	-	-	-	-
Company's share of profit	930,422	2,357	(19,610)	913,169

(c) Deposit for shares

Deposit for shares represents cash deposit for additional shares in Royal Exchange Microfinance Bank Ltd., during the year ended 30 June 2024

In thousands of Naira	**Group**	**Group**	**Company**	**Company**
In thousands of Naira	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
Deposit for shares in Royal Exchange Microfinance Ltd.	39,000	39,000	39,000	39,000
	39,000	**39,000**	**39,000**	**39,000**

13 Property, plant & equipment

(a) Group

In thousands of Naira	**Computer Equipment**	**Furniture and Fittings**	**Motor Vehicles**	**Total**
Cost				
At 1 January	21,883	26,073	57,847	105,803
Additions	185	-	-	185
Disposals	-	-	-	-
At 30 June 2024	22,068	26,073	57,847	105,988
At 1 January 2023	35,920	65,786	67,547	169,253
Additions	2,415	719	-	3,134
Disposals	-	-	-	-
At 31st December 2023	38,335	66,505	67,547	172,387

Accumulated Depreciation

In thousands of Naira	**Computer Equipment**	**Furniture and Fittings**	**Motor Vehicles**	**Total**
At 1 January	19,795	25,902	57,847	103,544
Charge for the year	421	31	-	452
Disposals	-	-	-	-
At 30 June 2024	20,216	25,933	57,847	103,996
At 1 January 2023	33,263	54,305	65,143	152,711
Charge for the year	1,328	3,073	925	5,326
Reclassification/ transfers		-	-	-
Disposals	-	-	-	-
At 31st December 2023	34,591	57,378	66,068	158,037
Carrying amounts:				
At 30 June 2024	1,852	140	-	1,992
At 31st December 2023	3,744	9,127	1,479	14,350

(i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2023: ni
(ii) The Group had no capital commitments as at the balance sheet date (2023: nil)
(iii) There was no property and equipment that has been pledged as security for borrowing as at the end of the period. (2023: N

(b) Company

In thousands of Naira	**Computer Equipment**	**Furniture and Fittings**	**Motor Vehicles**	**Total**
Cost				
At 1 January	21,883	26,073	57,847	105,802
Additions	185	-	-	185
	22,068	26,073	57,847	105,987
Depreciation				
At 1 January 2024	19,795	25,902	57,847	103,543
Charge	421	31	-	452
Reclassification	-	-	-	-
Disposals	-	-	-	-
	20,216	25,933	57,847	103,995
Carrying amounts:				
At 30 June 2024	1,852	141	-	1,993
At 31st December 2023	2,088	172	-	2,260

(i) There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2023: ni
(ii) The Group had no capital commitments as at the balance sheet date (2023: nil)
(iii) There was no property and equipment that has been pledged as security for borrowing as at the end of the period. (2023: N

13(b) Right of Use Asset

(a) Group

Right of Use Asset

In thousands of Naira	**30-Jun-24**	**31-Dec-23**
At 1 January	44,963	44,963
Addition	-	-
Prepayments amortisation on long term leases	(44,963)	(44,963)
	-	-
Total Carrying Amount	**-**	**-**
Amounts recognized in profit or loss		
Right of use asset- rent prepayment	-	-
	-	-

(b) Company

In thousands of Naira	**30-Jun-24**	**31-Dec-23**
Cost		
At 1 January	44,963	44,963
Additions	-	-
Disposals	-	-
	44,963	44,963

Accumulated Depreciation	**30-Jun-24**	**31-Dec-23**
In thousands of Naira		
At 1 January	44,963	44,022
Charge for the year	-	941
Disposals		
	44,963	44,963
At 30 June 2024	0	0
At 31st December 2023	0	-

14 Intangible assets

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Cost:				
At 1 January	15,809	-	9,375	-
Additions	-	-	-	-
	15,809	-	9,375	-
Accumulated amortisation:				
At 1 January	(15,809)	-	9,375	-
Charge for the year	-	-	-	-
	(15,809)	-	9,375	-
At 30 June 2024	-	-	-	-

The Intangible assets of the Group comprised computer software.The computer software is accounted for using the cost model less accumulated amortization and accumulated impairment. The amortization is charged to the income statements in accordance with the Group's policy. As at 31 March 2024, these assets have been fully amortised, and Management has determined that no impairment is required of these intangibles.

15 Employee benefit obligations

The Group used to operate defined contribution pension plan based on the New Pension Act 2004, and a defined benefit gratuity plan based on employee's pensionable and other post-employment remuneration and length of service. This policy is no longer in effect after the unbundling of the group structure in the year 2022.

(a) The details of the Group’s Liabilities from Employee benefits are as below:

	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Defined benefit obligations (see Note 15.1 below)	(4,515)	(4,515)	(974)	(974)
Employee benefit asset in statement of financial position	(4,515)	(4,515)	(974)	(974)

The employee benefit obligations used to be relevant during the group structure era. There has not been any significant movement in the benefit obligations because the policy has been scrapped. Hence, the policy is no longer in place as there was no movement within the year under review.

15.1 Defined benefit plan:

The Group operates a Long Service Award scheme for its employees. Qualification for long service awards are 10 years, 15

The defined benefit obligations were actuarially determined at the year end by Logic Professional Services under the supervision of Mr. Chidebere Orji with FRC number (FRC/2021/004/00000022718. The actuarial valuation is done based on the "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to other comprehensive income

The defined benefit obligations used to be relevant during the group structure era. There has not been any significant movement in the defined benefit plan because the policy has been scrapped. Hence, the policy is no longer in place as there was no movement within the year under review.

(a) The details of the defined benefit plans are as below:

	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Pension (net asset)	-	-	-	-
Employee benefit asset in statement of financial position	-	-	-	-
Long service award (outstanding liability)	(4,515)	(4,515)	(974)	(974)
Employee benefit liability in statement of financial position	**(4,515)**	**(4,515)**	**(974)**	**(974)**

16 Deposit for shares

Deposit for shares represents cash deposit for additional shares in Royal Exchange Microfinance Bank Ltd., during the year ended 31 December 2023

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Deposit for shares in Royal Exchange Microfinance Ltd.	40,985	40,985	39,000	39,000
	40,985	**40,985**	**39,000**	**39,000**

17 Deferred taxation

Group

The movement in the net deferred tax assets/(liabilities) during the year are shown below:

For the year ended 30 June 2024

	Note	At 1 January	Recognised in profit or loss	Recognised in OCI	At 30 June
In thousands of Naira					
Deferred tax assets					
Property and equipment, and software			-	-	-
Allowances for loans and receivables			-	-	-
Unrelieved loss			-	-	-
Employee benefits			-	-	-
Foreign exchange			-	-	-
Deferred tax assets		**-**	**-**	**-**	**-**
Deferred tax liabilities					
Property and equipment, and software		-	-		-
Allowances for loans and receivables		-	-		-
Unrelieved loss		-	-		-
Investment properties			-	-	-
Employee Benefits			-		-
Deferred tax Liabilities		**-**	**-**		**-**
Net deferred tax assets/(liabilities)		**-**	**-**	**-**	**-**

Group

In thousands of Naira

For the year ended 31 December 2023

	Note	A 1 January	Recognised in profit or loss	Recognised in OCI	At 31 December
Deferred tax assets					
Property and equipment, and software			-	-	-
Allowances for loans and receivables			-	-	-
Unrelieved loss			-	-	-
Employee benefits			-	-	-
Foreign exchange			-	-	-
Deferred tax assets		**-**	**-**	**-**	**-**
Deferred tax liabilities					
Property and equipment, and software		-	-		-
Allowances for loans and receivables		-	-		-
Unrelieved loss		-	-		-
Investment properties			-	-	-
Employee Benefits			-		-
Deferred tax liabilities		**-**	**-**	**-**	**-**
Net deferred tax assets/(liabilities)		**-**	**-**	**-**	**-**

Deferred tax assets have been recognised because it is considered probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Deferred tax assets have not been recognised in the Company because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom as detailed in Note 21(a) below.

(a) Unrecognised deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

18 Other liabilities

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
At 1st January	1,689,970	3,037,411	1,623,054	2,996,833
Loan written off	-	(1,347,441)	-	(1,373,779)
Payments	(691,332)		(393,337)	
Additions	-	-	836	-
At 30 June 2024	**998,638**	**1,689,970**	**1,230,553**	**1,623,054**

Analysis of Other Liabilities

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Due to related parties (see 18(a) below)	252,969	262,802	252,968	262,801
Other liabilities (see 18(b) below)	745,669	1,427,168	977,584	1,360,252
At 30 June 2024	998,638	1,689,970	1,230,553	1,623,054
Within one year	1,073,614	175,507	1,305,529	175,507
More than one year	(74,976)	1,427,168	(74,976)	1,447,547
	998,638	1,602,675	1,230,553	1,623,054

(a) Due to related parties

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Royal Exchange General Insurance Company	245,145	245,145	245,145	245,145
Intercompany Account for Group Shared Services	-	17,657	-	17,657
Royal Exchange Prudential Life Limited	-	-	-	-
Royal Exchange Finance Company Limited	7,824	-	7,824	0
	252,969	262,802	252,968	262,801

(i) Borrowing Write Off

In the year 2022,, Royal Exchange PLC disposed their shares in Royal Exchange Prudential (REPRU) and on the 31 of August 2022, they entered into agreement with Mediplan Holding Limited to transfer the loan and other associated liabilities to Mediplan Holding Limited amounting to N1.8b (One Billion, Eight Hundred and Thirty – Three Million, Eight Hundred and two thousand Naira). However, the said sale agreement is yet to be approved by their Regulatory body NAICOM. Hence, REPLC has written off the liabilities in their books prior to NAICOM's approval.

It was also observed from the Payables confirmation received from REPRU, that they have over N3Billion liability standing in REPRU's books against Royal Exchange PLC as at 31 December 2023 subject to the approval of NAICOM.

(b) Analysis of other liabilities is as follows:

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Defferred income	-	-	-	-
Accruals	(47,151)	(74,001)	(47,151)	(74,001)
PAYE and WHT payables	(1,127)	(1,464)	(1,127)	(1,464)
VAT Payable	(25,422)	(25,422)	(25,422)	(25,422)
intercompany Payable	(17,657)	17,657	(17,657)	(7,466)
REPLC ABSORPTION OF WALE BANMORE LOANWEF	(19,184)		(19,184)	
Unpaid Judgement Sum	-		-	
Sundry Creditor Account	(1,964)	-	(1,964)	-
Provisions for Litigations & claims	(612,544)	(612,544)	(612,544)	(612,544)
Deposit for shares	-	-	-	-
Staff payables	(21,222)	(3,696)	(21,222)	(3,696)
Unpaid Solicitors	(67,289)	(67,289)	(67,289)	(67,289)

Unpaid Judgement sum	(150)	(150)	(150)	(150)
Commission Payable	(79,173)	(79,173)	(79,173)	(79,173)
Dividend payable held as collateral	-	(100,531)	-	(100,531)
Other Liabilities - Renovation of 31 Marina	(15,707)	-	(15,707)	-
Unclaimed Dividend	(47,240)	(47,240)	(47,240)	(47,240)
Trustee Fund	-	-	-	-
Discontinued Liability	(2,314)	(2,314)	(2,314)	(2,314)
Other payables	212,476	(431,001)	(19,439)	(338,962)
At 30 June 2024	745,669	1,427,168	977,584	1,360,252

(i) Dividend payable held as collateral represents dividend belonging to Spennymoor Limited, Dantata Investments & Securities Company Limited and Phenonix Holdings Limited which was withheld by the Group in respect of 250 million units of the Group's shares held by Decanon Investment Limited in relation to an ongoing litigation case involving the Group and the aforementioned counterparties.

(ii) Unclaimed dividend represents all dividends belonging to shareholders of the Group outstanding for more than 15 months, which have been returned to the Group by the Registrar in compliance with the Securities Exchange Commission (SEC)'s directive.

(iii) The analysis of other payables are as follows:

In thousands of Naira	**Group 31-Mar-24**	**Group 31-Dec-23**	**Company 31-Mar-24**	**Company 31-Dec-23**
Sundry creditors	1,964	5,602	1,964	5,602
Other Staff related payables	-	-		-
Accrued Interest Payable		-	-	-
Client Deposit Liabilities		-	-	-
Provision for litigations and claims	-	-	-	-
Judgement sum	-	-		-
Unpaid Legal liabilities	-	-		-
Other payables	425,399	425,399	2,639,305	333,360
	427,363	431,001	2,641,270	338,962

Note:

(iv) The Sundry Creditors represents a historical balance from year 2020 till date. The movement represents the Directors Loan of N3.6m that was converted to equity through rights issue in March 2024.

(v) Other Payables represents historical balances owed to ex-staff, intercompany shared account balance and renovation of 31 Marina registered office address during the group structure era which are no longer relevant in the year under review.

(vi) Included in other liabilities are financial liabilities as follows

	Group 31-Mar-24	**Group 31-Dec-23**	**Company 31-Mar-24**	**Company 31-Dec-23**
Financial liabilities	164,097	237,011	164,098	262,135

(vii) Accruals represent unpaid Professional fees, audit fees, Directors allowances. It consists of operational expenses that the company has received services but the vendors were not paid as at the end of the period under review

(viii) The discontinued Liability represents a provision which ought to be paid to REPLC's staff upon retirement based on the company old group structure HR policies which has now been abolished in 2022 after the unbundling of the group structure.

(ix) **Breakdown of Discontinued Gratuity**
It is a historical yearly opening balances of N2,314,107.13 from year 2017 till date

(x) The statutory payables represents a historical tax liability majorly from year 2016 Audited Financial Statements that was still being carried forward till date in the company's book. However, the company has paid its tax liabilities for 2016 to 2020 years of assessment taking advantage of the VAIDS Assessment in the year 2020.

19 Trustee Liabilities

(a) The movements in Trustee Liabilities is analyzed below;

In thousands of Naira	**Group**	**Group**	**Company**	**Company**
	31-Mar-24	**31-Dec-23**	**31-Mar-24**	**31-Dec-23**
At 1 January	506,783	478,908	506,783	478,908
Additions	-	27,875	-	27,875
Impairment allowance recognised during	-	-	-	-
At 30 June 2024	506,783	506,783	506,783	506,783
Within one year	-	27,875	**-**	**27,875**
More than one year	506,783	478,908	**506,783**	**478,908**
	506,783	506,783	506,783	506,783

(i) Trustee Liabilities represents the company's borrowings from the funds under management held in trust on behalf of Royal Exchange PLC - Trustees. The funds were borrowed and utilised for the operation of the company in 2017 at 5%p.a interest rate through issuance of commercial papers renewable every 90days.

(ii) The commercial papers are still running till date as no payment has been made. The movement on the trustee liabilities represents interest amount payable to the trust funds under management at 5%p.a

20 Contingent Liabilities

The company has some pending litigations at the appeal court which have not crystalised into liabilities but they are worthy of disclosure for the year under review

a There are Judgement Debts of about N112m from 3 Ex-Staff cases in Court as of 31st December 2023, which the company appealed pending result of Appeal Court judgement with Suit Nos: (1) NICN/LA/12/2019; (2) NICN/LA/499/2020; (3) NICN/LA/500/2020

b There is a Judgement debt of N500m on security holding trust account in respect of Royal Exchange PLC vs DECANON NIG LTD & FCMB IN SUIT NO FHC/L/CS/5479/08

21 Taxation

(a) Charge for the year

Recognised in profit or loss

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
Income tax	-	(1,267)	-	-
(Over)/under provision in prior years	-	-	-	-
Police Trust Fund Levy	-	-	-	-
Education tax	-	-	-	-
Technology tax	-	-	-	-
	-	(1,267)	-	-
WHT expense	-	-	-	-
Deferred tax charge/(credit)	-	-	-	-
Income taxes	-	(1,267)	-	-
Minimum tax	-	(2,963)	-	(2,963)

(b) Current income tax liabilities

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
At 1 January	235,558	232,595	235,558	232,595
Prior year adjustment	-	-	-	-
Charge for the year	2,289	4,831	-	-
Payment during the year	-	-	-	-
Withholding Tax Credit Note Utilized	-	-	-	-
Minimum Tax	-	2,963	-	2,963
Education tax	-	-	-	-
Capital Gains Tax	-	-	-	-
At 31 March 2024	237,847	240,391	235,558	235,558

22 Borrowings

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
At 1 January	750,048	544,777	750,048	544,777
Additions	1,220,981	1,290,266	-	205,271
Repayments	(115,628)	-	(115,628)	-
Reclassification	-	-	-	-
At 31 March 2024	1,855,401	1,835,043	634,420	750,048

(i) There was conversion of Directors Loan to equity through rights issue in January 2024, which reduces the carrying balance of the borrowings in the year under review.

(ii) Borrowing Write Off

In the year 2022,, Royal Exchange PLC disposed their shares in Royal Exchange Prudential (REPRU) and on the 31 of August 2022, they entered into agreement with Mediplan Holding Limited to transfer the loan and other associated liabilities to Mediplan Holding Limited amounting to N1.8b (One Billion, Eight Hundred and Thirty – Three Million, Eight Hundred and two thousand Naira). However, the said sale agreement is yet to be approved by their Regulatory body NAICOM. Hence, REPLC has written off the liabilities in their books prior to NAICOM's approval.

It was also observed from the Payables confirmation received from REPRU, that they have over N3Billion liability standing in REPRU's books against Royal Exchange PLC as at 31 December 2023 subject to the approval of NAICOM.

(a)

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
FSDH Merchant Bank (see note 29(i) below)	-	-	-	-
Central Bank of Nigeria (see note 29(ii) below)	-	-	-	-
Borrowings from Funds under management (see note 29(iii) below)	(634,420)	(750,048)	(634,420)	(750,048)
Royal Exchange Finance Company Limited	(14,659)	(168)	(14,659)	(15,229)
Overdraft with banks	-	-	-	-
	(649,079)	(750,216)	(649,079)	(765,277)
Current	-	-	-	-
Non-current	(649,079)	(750,216)	(649,079)	(765,277)
	(649,079)	(750,216)	(649,079)	(765,277)

(i) The amount represent the carrying amount of term loans obtained by the Group from the unclaimed debentures under the management of Royal Exchange Plc as at the 31 March 2024

(b) Lease liabilities

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
At 1 January	15,229	12,867	15,229	12,867
Additions	548	2,362	548	2,362
Repayments	-	-	-	-
At 31 March 2024	15,777	15,229	15,777	15,229

23 Share capital and premium

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Share capital comprises				
Authorized share capital				
10,000,000,000 ordinary share of 50k each	5,000,000	5,000,000	5,000,000	5,000,000
Issued share capital				
8,266,698,940 ordinary shares of 50 Kobo each.	4,133,349	2,572,685	4,133,349	2,572,685

24 Share premium

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
At 31 March 2024	2,690,936	2,690,936	2,690,936	2,690,936

25 Contingency reserve

In compliance with Section 21(1) of Insurance Act 2003, the contingency reserve for general business is credited with the greater of 3% of gross premium or 20% of Net Profit and accumulated until it reaches the amount of greater of minimum Paid up Capital or 50 percent of Net Premium, where as, the contingency reserve for life business is credited with the greater of 1% of gross premium or 10% of Net Profit and accumulated until it reaches the amount of greater of minimum Paid up Capital or 50 percent of net premium.

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Beginning of the year	599,536	484,801	-	-
Transfer from profit or loss account	-	114,735	-	-
Adjustment to derecognise NCI in REGIC	-	-	-	-
NCI adjustment	-	-	-	-
As at year end	599,536	599,536	-	-

26 Retained Earnings

The amount represents the retained earnings available for dividend distribution to the equity shareholders of the company. For analysis of movement in retained earnings, see the 'Statement of Changes in Equity.

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
At the beginning of the year	(1,788,845)	(3,714,530)	(1,408,971)	(3,124,903)
Restatement in quoted equities				
Prior year adjustment	11,792	1,894,703	11,792	1,894,703
Prior year adjustment - IFRS 9 adjustment	-	-		
Transfer from profit and loss	781,159	(206,217)	799,393	(178,771)
Transfer to contingency reserve	-	-	-	-
Transfer to regulatory reserve	-	-	-	-
Deferred tax effects	-	-	-	-
WithHolding on Dividend paid	-	-	-	-
Reclassification adjustment	-	-	-	-
Share of post-acquisition retained earnings in REHL	-	-		
	-	-		
At the end of the year	(995,894)	(2,026,044)	(597,786)	(1,408,971)
27 Other Component of Equity	391,857	(45,524)	(45,524)	(45,524)

(a) Actuarial losses gains or on employee benefit obligation

Actuarial gains/losses on employee benefits represent changes in benefit obligation due to changes in actuarial valuation assumptions or actual experience differing from expectation The gains/losses for the year, net of applicable deferred tax asset/liability on employee benefit obligation, are recognized in other comprehensive income.

The policy on Employee Benefit Obligation has been abolished in 2022. Hence, there was no movement in the year under review.

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(b) Fair value reserves

Fair value reserves represent the cummulative net change in the fair value through other comprehensive income (OCI) financial assets at the reporting date.

(c) Regulatory risk reserve

Regulatory risk reserves represents the difference between the allowance for impairment losses on loans and advances to customers based on Central Bank of Nigeria (CBN) prudential guidelines, compared with the expected credit loss model used in calculating the impairment under IFRSs. This reserve is maintained by Royal Exchange Finance Company Ltd. in compliance with the CBN prudential guidelines.

28 Net Interest Income

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Gross Interest Income:				
Interest income on placement with local banks	64,722	64,878	30,616	3,900
Interest income on placement with others	317	12,681	-	-
Interest income on treasury bills	1,683	-	1,638	-
Interest income on bonds	-	-	-	-
Interest income on loans and receivables	90,942	150,146	-	-
Interest income on advances under finance lease	7,364	21,536	-	-
Total Interest Income	165,028	249,241	32,254	3,900
Interest expense:				
Interest expense on placement with local banks	-	-	-	-
Interest expense on lease obligation	-	-	-	-
Interest expense on borrowings	(86,395)	(258,747)	(6,295)	(80,140)
Total Interest Expense	(86,395)	(258,747)	(6,295)	(80,140)
Net interest income	78,633	(9,506)	25,959	(76,239)

Fees and Commission Income

Fees and Commission Income	3,655	18,812	-	-

29 Investment and other income

Included in investment and other income are results from sale and disposals of financial and other investments and dividend income. Analysis of the balance as at period end is as

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Equity securties:				
Dividend from Investment securities	-	-	-	-
Dividend from Investment in Associates	-	97,872	-	97,872
Dividend from Investment in subsidiaires	-	-	-	-
Income on disposal of equities (FVTPL & FVTOCI)	-	-	-	-
Loss on disposal of Investment in Subsidiary	-	-	-	-
Income on disposal of Investment in Associates	-	-		-
Sundry income	-	-	-	-
Investment management income	-	-	-	-
Cash and cash equivalents	-	-	-	-
Income on annuity	-	-	-	-
Finance income	-	-	-	-
	-	97,872	-	97,872

Note:

The investment and other income represents the share of dividend income received from Royal Exchange General Insurance for 2022 year of assessment, but received during the year 2023.

30 Net fair value gain on financial assets

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
	Changes in fair value	Changes in fair value	Changes in fair value	Changes in fair value
Equity securities:				
*At fair value through profit/loss	(7,905)	39,877	(5,052)	15,071
Investment properties	-	-	-	-
	(7,905)	39,877	(5,052)	15,071

31 Charge/(write-back) of impairment allowance

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Impairment allowance on premium receivables	-	-	-	-
Impairment allowance on reinsurance receivables	-	-	-	-
Impairment allowance on loans and advance	-	-	-	-
Allowance on advance under lease	-	-	-	-
Write back of impairment on other receivables	-	(17,047)	-	-
	-	(17,047)	-	-

Note

The impairment allowance represents an impairment on other assets - Commercial Paper investment and provision for contingent litigations and claims

(a) Impairment Schedule

Impairment on other assets BS - Commercial Paper Investment Note	(61)	(61)	(61)	(61)
Provision for Contingent Litigations/claims- See 27 (i) & (ii)	612,544	612,544	612,544	612,544
Impairment on other receivables - REFCO	17,047	17,047	-	-
	629,530	629,530	612,483	612,483

The company has some pending litigations at the appeal court which have not crystalised into liabilities but they are worthy of disclosure for the year under review

(i) There are Judgement Debts of about N112m from 3 Ex-Staff cases in Court as of 31st December 2023, which the company appealed pending result of Appeal Court judgement with Suit Nos: (1) NICN/LA/12/2019; (2) NICN/LA/499/2020; (3) NICN/LA/500/2020

(ii) There is a Judgement debt of N500m on security holding trust account in respect of Royal Exchange PLC vs DECANON NIG LTD & FCMB IN SUIT NO FHC/L/CS/5479/08

32 Other operating income

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Rental income	-	-	-	-
Profit on disposal of property & equipment	-	-	-	-
(Loss)/profit on disposal of Investment in equities/securities	-	-	-	-
Management fee income from subsidiaries	-	-	-	-
Trustee fee income	475	1,034	475	1,034
Other income	8,842	44,812	552	10
Insurace Brokerage Commission	-	-	-	-
Fees for services rendered	-	-	-	-
	9,317	45,846	1,027	1,044

a Other Operating Income represent the Net Proceeds from the sale of Royal Exchange PLC's First Bank shares of 1,445,107units in September 2023 and income from the management of Trustees asset with ARM Asset Management Limited.

b The breakdown of other income majorly from our subsidiary company - Royal Exchange Finance Company Limited are stated below:
Breakdown of Other Income

Dividend Income	6,915	6,915	-	-
Insurance Agency Commission	1,259	1,259	-	-
Income on Treasury Bills	141	141	-	-
Sundry Income	36,497	36,497	552	10
	44,812	44,812	552	10

33 Foreign exchange gains/(losses)

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Gains/(Loss) on translation of foreign currency transactions	-	-	-	-

There are no foreign exchange transactions during the year under review that could result to gains or losses

34 Management expenses

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
Salaries and allowances of other employees	75,421	146,587	31,430	53,561
Post employment defined benefit expenses	3,707	18,271	2,943	14,292
Redundancy Cost	-	-	-	-
Terminal Benefits	-	-	-	-
Audit fees	1,793	8,526	1,019	5,026
Audit fees Payable		10,000		10,000
Amortization and impairment charges	-	-	-	-
Depreciation on property and equipment	2,828	6,127	452	839
Depreciation on Right of use (Motor Vehicle)	-	941	-	941
Depreciation on Right of use (Rent Repayment)	-	-	-	-
Promotional and advert expenes	5,391	1,161	3,079	679
Rent and rates	319	2,791	-	-
Directors' fees	6,118	9,845	2,090	9,845
Directors' Sitting allowances	2,880	21,004	2,880	21,004
Directors' Other allowances	-	5,209	-	-
Donations	25,930	-	25,930	-
Bank charges	394	522	155	237
Legal fee	629	12,746	532	10,122
Provision for contingent Liabilities on Legal cases		612,544		612,544
Insurance premium	445	742	-	-
Accounting consultancy fee	-	-	-	-
Sec Fee	1,494	2,224	1,494	2,224
Finance cost	-	-	-	-
Entertainment	514	1,942	-	-
Power charges	5,321	6,538	-	-
Government charges	-	-	-	-
PROVISION FOR Capital Raising fees refundable from Enterprise Capital Mgt (ECM)	5,434	-	5,434	-
Stationeries	872	698	-	-
Printing external	178	1,119	158	101
Internet	3,240	3,819	536	-
Repairs and maintenance	3,844	6,738	194	90
Transport expenses	8,227	8,752	3,770	74
Software expenses	1,516	3,378	-	-
Subscription and journals	3,068	38	2,538	38
Marketing expenses	1,973	-	178	126
Rights Issue Expenses	32,853	-	32,853	-
Fine paid (contravention)	-	14,585	-	14,585
LSG-IRS WHT A/C & PAYE	4,560	-	4,560	-
FGN-FIRS VAT & WHT A/C	13,163	-	13,163	-
VAT Paid	-	-	-	-
Other administrative expenses	3,597	62,541	324	48,774
At 31 March	215,709	969,388	135,711	805,101

Other administration expenses represents 2023 AGM expenses, Rights Issue expenses, and other expenses incurred for the day to day running of the company during the year 2023. All administrative expenses were expensed during the financial year 2023.

35 Compensation of key management personnel

Key management personnel of the Company includes all directors, executive and non-executive, and senior mangement. The summary of compensation of key manangement personnel for the year is as follows:

(a) Chairman and directors' emoluments:

(i) Emoluments

In thousands of Naira	**Group** 30-Jun-24	**Group** 31-Dec-23	**Company** 30-Jun-24	**Company** 31-Dec-23
Non-executive directors:				
Directors' fees	6,118	9,845	2,090	9,845
	-	-	-	-
Other allowances	2,880	21,004	2,880	21,004
	8,998	**30,849**	**4,969**	**30,849**
Executive Directors:				
Executive Compensation	-	-	-	-
Post employment benefits	-	-	-	-
	-	-	-	-
Chairman	1,868	1,868	1,868	1,868
Other directors	7,130	28,981	3,101	28,981
	8,998	**30,849**	**4,969**	**30,849**
The highest paid director	**14,280**	**14,280**	**14,280**	**14,280**

(i) **There was no emoluments waived by the Directors in the year under review.**

(ii) Number of directors (excluding the chairman) within the following emolument range

N	**Group** 30-Jun-24	**Group** 31-Dec-23	**Company** 30-Jun-24	**Company** 31-Dec-23
400,000 - 1000,000	3	3	1	1
1,000,001 - 2,000,000	-	-	-	-
2,000,001 - 5,000,000	13	13	0	-
Above 5,000,000	6	6	4	4

(b) Staff

Average number of persons employed in the financial year and the related staff cost were as follows:

	Group 30-Jun-24	**Group** 31-Dec-23	**Company** 30-Jun-24	**Company** 31-Dec-23
Managerial	3	3	1	1
Senior staff	11	11	3	3
Junior staff	8	8	1	1
	22	22	5	5

(i) Staff costs

In thousands of Naira	**Group** 30-Jun-24	**Group** 31-Dec-23	**Company** 30-Jun-24	**Company** 31-Dec-23
Salaries , wages and allowances	75,421	146,587	31,430	53,561
Pension cost	4,367	4,367	2,554	2,554
	79,788	150,954	33,984	56,115

In thousands of Naira	**Group** 30-Jun-24	**Group** 31-Dec-23	**Company** 30-Jun-24	**Company** 31-Dec-23
(ii) Pension scheme				
At January	-		-	-
Provision in the year	4,367	4,367	**2,554**	2,554
Remittance to pension fund administrators	(4,367)	(4,367)	(2,554)	(2,554)
At December 31	-	-	-	-

(iii) Employees remunerated at higher rates

The number of employees in receipt of emoluments including allowances within the following ranges were:

N	**Group** 30-Jun-24	**Group** 31-Dec-23	**Company** 30-Jun-24	**Company** 31-Dec-23
Below 400,000	-	-	-	-
400,001 - 500,000	-	-	-	-
500,001 - 600,000	3	3	1	1
600,001 - 700,000	-	-	-	-
700,001 - 800,000	-	-	-	-
800,001 - 900,000	-	-	-	-
900,001 - 1,000,000	-	-	-	-
1,000,001 - 2,000,000	3	3	-	-
2,000,001 - 3,000,000	5	5	-	-
3,000,001 - 4,000,000	5	5	-	-
4,000,001 - 5,000,000			-	-
5,000,001 - 6,000,000			2	2
6,000,001 - 7,000,000	-	-	-	-
7,000,001 - 8,000,000	2	2	1	1
8,000,001 - 9,000,000	1	1	-	-
9,000,001 - 10,000,000	-	-	-	-
10,000,001 - 12,000,000	-	-	-	-
12,000,001 - 20,000,000	2	2	-	-
20,000,001 - 30,000,000	-	-	-	-
Above 30,000,000	1	1	1	1
	22	22	5	5

36 Earnings per share

	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Basic and diluted earnings per share(kobo)	9.45	(4)	9.7	(3.5)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Profit/(Loss) for the year attributable to owners of the company	781,161	(206,218)	799,393	(178,770)

Unit in thousands	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Number of ordinary shares for the purpose of basic and diluted earnings per sha	8,266,699	5,145,370	8,266,699	5,145,370

37 Cash and cash equivalents for Cash Flow Purposes

For the purposes of the statement of cash flow, cash and cash equivalents include cash, bank balances, investment in short term deposits (demand and time deposits) with a maturity date of 3 months or less upon acquisition and bank overdrafts.

In tthousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Cash (see note 5)	1,790	18,972	74	4
Bank balances (see note 5)	740,820	15,051	654,292	15,051
Short-term deposits (see note 5)	759,954	436,749	250,000	0
	1,502,564	**470,772**	**904,366**	**15,055**

38 Reconciliation notes to consolidated and separate statement of cashflows

(i) ***Net Increase/(decrease) in employee retirement benefit:***

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Changes in employee retirement benefit asset	-	-	-	-
Changes in employee retirement benefit liability	-	3,541	-	-
Net changes	-	3,541	-	-
Contibutions to plan asset	-	-	-	-
Cash payment to employees	-	-	-	-
Net actuarial gains recognised in OCI	-	-	-	-
Total changes recognised in statement of cashflows	**-**	**3,541**	**-**	**-**

(ii) Net Increase/(decrease) in other receivable and prepayments:

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Net changes in other receivable and prepayments	5,739	(14,881)	(19,929)	(43,363)
Dividend received	-	-	-	-
Dividend income	32,832	32,832	-	-
Available for sale property reclassified	-	-	-	-
Write-backs recognised in profit or loss	-	-		
Impairments recognised in profit or loss	-	-	-	-
Total changes recognised in statement of cash flows	**38,571**	**17,951**	**(19,929)**	**(43,363)**

(iii) Net Increase/(decrease) in trade receivable:

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
Net changes in trade receivable	-	-	-	-
Impairment allowance on reinsurance receivables (see note 10(b)(i))	-	-	-	-
Write back of impairment on premium receivables(see note 10(a)(i)	-	-	-	-
Total changes recognised in statement of cash flows	**-**	**-**	**-**	**-**

(iv) Net Increase/(decrease) in reinsurance asset:

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
Net changes in reinsurance asset	-	-	-	-
Write-backs recognised in profit or loss	-	-	-	-
Total changes recognised in statement of cash flows	-	-	-	-

(v) Changes in financial assets

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
At 31 December	9,892	(19,165)	(3,415)	(5,641)
Impairment recognised in profit or loss	-	-	-	-
Foreign exchange gain recognised in OCI	-	-	-	-
Foreign exchange gain recognised in profit or loss	-	-	-	-
Fair value changes recognised in profit or loss	7,905	(39,877)	-	-
Redemptions/disposals			-	-
Interest received	-	-	-	-
Purchases	-	-		
At 31 March	**7,905**	**(39,876)**	**-**	**-**

(vi) Changes in provision for outstanding claims:

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
Changes in outstanding claims on group-life insurance	-	0	-	-
Changes in outstanding claims on individual-life insurance	-	-	-	-
Changes in outstanding claims on non-life general insurance (including IBNR)	-	-	-	-
Cash paid for claims settled in the year	-		-	-
– Arising from current-year claims	-	-	-	-
– Arising from prior year claims	-	-	-	-
Increase/(decrease) in insurance contract liabilities on life insurance	-	-	-	-
Repayment of annuity	-	-	-	-
Total changes recognised in statement of cash flows	**-**	**-**	-	-

(vii) Changes in unearned premium:

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
Changes in unexpired risk on non-life general insurance	-	-	-	-
Changes in provisions for unearned premiums and unexpired short term insura	-	-	-	-
– Increase in period	-	-	-	-
– Release in the period	-	-	-	-
Changes in unearned premium on life insurance contract liability	-	-	-	-
Total changes recognised in statement of cash flows	**-**	**-**	-	-

(viii) Changes in loans and advances to customers

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Net changes in loans and advances to customers	265,936	(355,927)	-	-
Interest income	-	-	-	-
Interest income received	-	-	-	-
Impairment allowance recognised in profit or loss	-	-	-	-
Total changes recognised in statement of cash flows	**265,936**	**(355,927)**	-	-

(ix) Changes in advances under finance lease

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Net changes in advances under finance lease	(34,728)	16,921	-	-
Write back of impairment allowance	-	-	-	-
Total changes recognised in statement of cash flows	**(34,728)**	**16,921**	-	-

(x) Changes in depositors fund

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Net changes in depositors fund	-	(1,226,428)	-	-
Total changes recognised in statement of cash flows	**-**	**52,180**	-	-

(xi) Proceed from sale of property and equipment

In thousands of Naira	Group 30-Jun-24	Group 31-Dec-23	Company 30-Jun-24	Company 31-Dec-23
Cost of property and equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Profit on disposal	-	-	-	-
Proceed from sale of property and equipment	-	-	-	-

39 Capital management

The group manages its capital to ensure that it will be able to continue as a going concern and comply with the regulators' capital and solvency requirements for every of its subsidiaries whose capital is regulated, while maximizing return to stakeholders through the optimisation of the equity balance

The capital structure of the group consist of only equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings.

The regulatory capital of the subsidiary in asset management has been maintained and preserved over the reporting periods. The regulatory capital for finance house business in Nigeria, in which the entity's subsidiary operates is N20 million.

The table below sets out the capital that is managed by the Company on an IFRS and regulatory basis:

In thousands of Naira	Group **30-Jun-24**	Group **31-Dec-23**
Shareholders' fund as per financial position	6,220,249	3,791,597
Less: Intangible assets	(0)	(1)
Capital resources on a regulatory basis	**6,220,249**	**3,791,596**
Shareholders' funds upon approval for deposit for shares	**6,220,249**	**3,791,596**

The details of the Company's capital structure are shown in the statement of financial position section of the financial statements.

40 Financial risk management

Factors relating to general economic conditions, such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, and inflation, all affect the profitability of businesses in Nigeria.

In a sustained economic phase of low growth, characterized by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for financial and insurance products could be adversely affected.

The Group’s risk management process includes the identification and measurement of various forms of risk, the establishment of risk thresholds and the creation of processes intended to maintain risks within these thresholds while optimizing returns on the underlying assets and minimizing costs associated with liabilities. Risk range limits are established for each type of risk, and are approved by the Board’s Investment Committee and subject to ongoing review.

The Group’s risk management strategy is an integral part of managing the Group’s core businesses, and utilizes a variety of risk management tools and techniques such as:

- Measures of price sensitivity to market changes (e.g., interest rate and foreign exchange rate);
- Asset/Liability management;
- Periodic Internal Audit and Control, and;

In addition, the Group monitors and manages the financial risks relating to the operations of the organization through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

41 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. Fair values are determined at prices quoted in active markets. In our environment, such price information is typically not available for all instruments and the Group applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions could generate different results

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. The Group has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

a Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Group’s market assumptions. These two types of inputs have created the following fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on
observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or
complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, analyzed into Levels 1 to 3 based on the degree to which the fair value is observable.

Group
31-Mar-24

In thousands of Naira		Leve l	Level 2	Level 3	Total
Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	8(a)	40,093	-	-	40,093
		40,093	-	-	40,093
Fair value through Other Comprehensive Income:-					
Federal government bonds	8(b)	-			-
Treasury bills	8(b)	-			-
Unlisted equities	8(b)		-		-
Bonds: Annuity fund	8(b)	-			-
Specific impairment allowance	8(b)	-			-
		-	-	-	-
Total financial assets measured at Fair value		**40,093**	**-**	**-**	**40,093**

Group
31-Dec-23

In thousands of Naira		Leve l	Level 2	Level 3	Total
Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	8(a)	49,985	-	-	49,985
		49,985	**-**	**-**	**49,985**
Fair value through Other Comprehensive Income:-					
Federal government bonds	8(b)	-			-
Treasury bills	8(b)	-			-
Unlisted equities	8(b)		-		-
Bonds: Annuity fund	8(b)	-			-
Specific impairment allowance	8(b)	-			-
		-	**-**	**-**	**-**
Total financial assets measured at fair value		**49,985**	**-**	**-**	**49,985**

Company
31-Mar-24

Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	8(a)	8,385	-	-	8,385
		8,385	**-**	**-**	**8,385**
Total financial assets measured at fair value		**8,385**	**-**	**-**	**8,385**

Company
31-Dec-23

Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	8(a)	11,800	-	-	11,800
		11,800	**-**	**-**	**11,800**
Total financial assets measured at fair value		**11,800**	**-**	**-**	**11,800**

41b Financial instruments not measured at fair value

The fair value information for financial assets and financial liabilities not measured at fair value has not been disclosed because the carrying amount is a reasonable approximation of its fair value. These financial instruments include:

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and current balances with banks.

The carrying amounts of current balances with banks is a reasonable approximation of fair value which is the amount receivable on demand.

Amortized Cost

The estimated fair value of fixed interest earning placements is based on discounted cash flows using prevailing money-market interest rates for the debts. The carrying amount represents the fair value which is receivable on maturity. The estimated fair value of staff mortgage loans represents the market values of the loans, arrived at by recalculating the carrying amount of the loans using the estimated market rate.

Trade receivables and other receivables

The carrying amounts of trade receivables and other receivables are reasonable approximation of their fair values which are receivable on demand.

Bank overdrafts, trade payables, provision and other payables and finance lease obligations

The carrying amounts of bank borrowings, trade payables, provision and other payables and finance lease obligations are reasonable approximation of their fair values which are repayable on demand.

41C Financial risks

The Group is exposed to the following categories of risk as a consequence of offering different financial products and services by the Group:-

i *Market risk*

This reflects the possibility that the value of the Group's investments will fall as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all investments traded in the market. The Group is exposed to this risk through its financial assets and comprises of currency risk, interest rate risk and price risk.

Currency risk

This is the risk of the fair value of financial instruments being affected by changes in foreign exchange rates. The Group seeks to manage its exposures to risk through control techniques which ensure that the residual risk exposures are within acceptable tolerances agreed by the Board. A description of the risks associated with the Group's principal products and the associated control techniques is detailed below.

Foreign Currency risk

The Group accepts receipt of premiums in foreign currency, in addition to Naira, from its clients; hence, exposures to exchange rate fluctuations arise. The Group is exposed to foreign currency denominated in dollars through a domiciliary bank balance.

The Group has minimal exposure to currency risk as the Group's financial assets are primarily matched to the same currencies as its insurance and investment contract liabilities. As a result, foreign exchange risk arises from other recognized assets and liabilities denominated in other currencies

The carrying amounts of the Group's foreign currency denominated assets and liabilities are as follows:

Group

31-Mar-24

In thousands of Naira	Pounds sterling	Euro	US Dollars	Total
Assets (cash & cash equivalent)	-	-	-	-
Quoted equities	-	-	-	-
Loans and receivables	-	-	-	-
Liabilities	-	-	-	-
	-	-	-	-

31-Dec-23

In thousands of Naira	Pounds sterling	Euro	US Dollars	Total
Assets (cash & cash equivalent)	-	-	-	-
Quoted equities	-	-	-	-
Loans and receivables	-	-	-	-
Liabilities	-	-	-	-
	-	-	-	-

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in foreign currency rates against the Naira. A 10% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. For each sensitivity scenario, the impact of change in a single factor is shown, with other assumptions or variables held constant.

31-Mar-24

In thousands of Naira	Pounds sterling	Euro	US Dollars	Total
10% increase	-	-	-	-
10% decrease	-	-	-	-
Impact of increase on:				
Pre-tax profit	-	-	-	781,161
Shareholders' equity	-	-	-	6,220,248
Impact of decrease on:				
Pre-tax profit	-	-	-	781,161
Shareholders' equity	-	-	-	6,220,248

The tax impact of foreign exchange results is generally 30% of the result. This is not included in the impact on shareholders equity as the final impact will depend on the tax status of the Company when it realises the impact of the foreign exchange results for tax.

31-Dec-23

In thousands of Naira	Pounds sterling	Euro	US Dollars	Total
10% increase				-
10% decrease				-
Impact of increase on:				-
Pre-tax profit	-	-	-	(201,988)
Shareholders' equity	-	-	-	3,791,589
Impact of decrease on:				-
Pre-tax profit	-	-	-	(201,988)
Shareholders' equity	-	-	-	3,791,589

41(c) **Interest rates risk**

The Group's exposure to interest rate risk relates primarily to the market price and cash flow variability of assets and liabilities associated with changes in interest rates.

Insurance liabilities and employee benefits do not form part of this profile. Although they are significant liabilities subject to interest rate risk, they are not financial instruments within the scope of IFRS 7.

Changes in interest rates result to reduction in income 'spread' or the difference between the amounts that the Group is required to pay under the contracts and the rate of return the Group is able to earn on investments intended to support obligations under the contracts. Investment spread is, arguably, one of the key components of the net income of insurers.

The Group's mitigation efforts with respect to interest rate risk are primarily focused on maintaining an investment portfolio with diversified maturities that has a weighted average duration or tenor approximately equal to the duration of its liability cash flow

Also, the Group manages this risk by adopting close asset/liability matching criteria, to minimize the impact of mismatches between asset and liability values arising from interest rate movements.

Furthermore, the Group uses sensitivity analysis to measure the impact of interest rate changes and movements on the value of our financial assets scenarios.

The Group is very moderately exposed to interest rate risk as it invests in fixed income and money market instruments.

Interest rate profile

At the end of the reporting period the interest rate profile of the Group's interest bearing financial instruments as reported to the Management of the Group are as stated below:

Group

Financial instruments

In thousands of Naira	Notes	**30-Jun-24**	**31-Dec-23**
Fixed Interest rate instructions			
Cash and cash equivalents	5	759,954	436,749
Loans and advances	6	785,937	1,051,873
Advances under finance lease	7	86,238	51,510
		1,632,129	**1,540,132**
Finance lease obligations	29	-	-
Borrowings	29	(2,413,039)	(2,413,039)
Depositors Fund	25	-	-
Bank overdrafts	5	-	-
		(780,910)	**(872,907)**

In addition to the financial instruments listed above, the Group has borrowings amounting to ₦2.029billion (2023:₦2.029billion) and depositors funds amounting to ₦1.2m (2023: ₦1.2m).

Company
Financial instruments

In thousands of Naira	**30-Jun-24**	**31-Dec-23**
Fixed Interest rate instructions		
Cash and cash equivalents	250,000	0
	250,000	0
Finance lease obligations	(12,867)	(12,867)
Borrowings	(2,523,850)	(2,523,850)
Bank overdrafts		-
	(2,286,717)	(2,536,717)

In addition to the financial instruments listed above, the Company has borrowings amounting to N2.029billion (2023: N2.029b).

41(f) ***Interest rate sensitivity analysis***

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date. A 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

In thousands of Naira	**Group 30-Jun-24**	**Group 31-Dec-23**	**Company 30-Jun-24**	**Company 31-Dec-23**
Increase in interest rate by 50 basis points (+0.5%)	(3,905)	(4,365)	1,250	0
Decrease in interest rate by 50 basis point (-0.5%)	3,905	4,365	(1,250)	(0)
Equity and profit after adjustments				
Pre-tax profit	777,256	(206,353)	800,643	(175,807)
Shareholders' equity	6,216,343	3,787,224	6,182,227	3,809,127
Equity and profit after adjustments				
Pre-tax profit	785,065	(197,624)	798,143	(175,807)
Shareholders' equity	6,224,153	3,795,954	6,179,727	3,809,127

The tax impact of interest rate movement is generally 30% of the result. This is not included in the impact on shareholders equity as the final impact will depend on the tax status of the Company when it realises the impact of the interest rate results for tax purposes.

Equity price risk management

The Group is exposed to equity price risks arising from equity investments primarily from investments not held for unit-linked business. The shares included in financial assets represent investments in listed securities that present the Group with opportunity for return through dividend income and capital appreciation.

Equity investments designated as fair value through other comprehensive income are held for strategic rather than trading purposes. The Group has no significant concentration of price risk.

The carrying amounts of the Group's equity investments are as follows:

	Notes	**Group 30-Jun-24 ₦'000**	**Group 31-Dec-23 ₦'000**	**Company 30-Jun-24 ₦'000**	**Company 31-Dec-23 ₦'000**
Equity Securities; - quoted (fair value through profit or loss)	8(a)	40,093	49,985	8,385	11,800
Equity Securities; - unquoted (fair value through Other Comprehensive Income)	8(b)	-	-	-	-
		40,093	**49,985**	**8,385**	**11,800**

Equity price sensitivity analysis

The sensitivity analyses set out below show the impact of a 10% increase and decrease in the value of equities on profit before tax and shareholders' equity based on the exposure to equity price risk at the reporting date

	Group 30-Jun-24 ₦'000	**Group 31-Dec-23 ₦'000**	**Company 30-Jun-24 ₦'000**	**Company 31-Dec-23 ₦'000**
10% increase	4,009	4,999	839	1,180
10% decrease	(4,009)	(4,999)	(839)	(1,180)
Equity and profit after adjustments				
Pre-tax profit	844,418	(143,335)	800,232	(174,627)
Shareholders' equity	6,224,257	3,796,588	6,181,815	3,810,307
Equity and profit after adjustments				
Pre-tax profit	836,400	(153,332)	798,555	(176,987)
Shareholders' equity	6,216,239	3,786,591	6,180,138	3,807,947

41(g) ***Credit risk***

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The key areas of exposure to credit risk for the Group are in relation to its investment portfolio, reinsurance program and receivables from reinsurers and other intermediaries.

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as credit derivatives (credit default swaps), financial guarantees, letters of credit, endorsements and acceptances.

The Group is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets.

The Group has adopted a policy of dealing with only creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group transacts with only entities that have an investment grade rating and above.

This information is supplied by independent rating agencies, where available, and if not available, the Group uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. Concentration of credit, otherwise known as single obligor credit, did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and other near cash financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group is exposed to credit risk via
• Debt securities
• Cash and cash equivalents
• Trade receivables

a Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

· A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.

· If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to note 53(c)(ii)(b) for a description of how the Group determines when a significant increase in credit risk has occurred.

· If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to note 53(c)(ii)(b)(v) for a description of how the Group defines credit-impaired and default.

· Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note 53(c)(ii)(c) for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

· A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 53(c)(ii)(d) includes an explanation of how the Group has incorporated this in its ECL models.

· Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(initial recognition)	(Significant increase in credit risk since intial recognition)	(Credit-impaired assets)
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

b ***Significant increase in credit risk***

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

i Quantitative criteria:

Where the days past due is greater than 30 days past due, the instrument is classified as stage 2.

Credit risk grades

The Group allocates each exposure to a credit risk grade based on independent rating by credit rating agencies. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.These factors vary depending on the nature of the exposure and the type of borrower.

Significant increase in credit risk is also determined through the use of notch differences.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.The monitoring typically involves use of the following data.

Corporate exposure	Retail exposures	All exposures
· Information obtained during periodic review of customer files — e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes	· Internally collected data on customer behaviour — e.g. utilisation of credit card facilities	· Payment record —this includes overdue status as well as a range of variables about payment ratios
· Data from credit reference agencies, press articles, changes in external credit ratings	· Affordability metrics	· Utilisation of the granted limit
· Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities	· External data from credit reference agencies including industry-standard credit scores	· Existing and forecast changes in business, financial and economic conditions

ii Qualitative criteria:

if the borrower meets one or more of the following criteria:

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last [12] months
- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a counterparty level for financial instruments held by the Company.The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

iii Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

iv Definition of default

The Group considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

Quantitaive criteria

The borrower is more than 90 days past due on its contractual payments .

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit lossess.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of three months. This period of three months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definition.

(c) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

* The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

* EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

* Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the instruments. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

* For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

* For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

*For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

* For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. Refer to note 41(c)(ii)(d) for an explanation of forward- looking information and its inclusion in ECL calculations.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a periodic basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.
These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process.
In addition to the base economic scenario, the Group also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. 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 (see note 41(c)(ii)(b). 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). As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

41 (h) **Analysis of financial assets based on credit risk grades**

The majority of debt securities are investment grade and the Group has very limited exposure to sub-standard credits.

Reinsurance assets are reinsurers' share of outstanding claims and reinsurance receivables. They are allocated below on the basis of ratings for claims paying ability.

Loans and receivables from policyholders, agents and intermediaries generally do not have a credit rating.

The following table shows aggregated credit risk exposure for assets with external credit ratings:-

Group

In thousands of Naira		AAA	AA	A+	A	BBB	B	Not Rated	Carrying Amount
Fair value through profit or loss carried at fair value (FVTPL)									
-FGN bonds								-	-
- Treasury bills (> 90 days)								-	-
									-
Loans and receivables:									
- Staff personal loans								-	-
- Staff mortgage loans								-	-
- Policy holders loan								-	-
- Placement								-	-
- Loans and advances to customers	6							785,937	785,937
-Advance under finance lease	7							86,238	86,238
									872,175
Cash and cash equivalents:									-
Bank balances	5				740,820			759,954	1,500,774
									1,500,774
Trade/insurance receivables						-			-
									2,372,949

In thousands of Naira		AAA	AA	A+	A	BBB	B	Not Rated	Carrying Amount
Fair value through profit or loss carried at fair value (FVTPL)									
-FGN bonds		-	-	-	-	-	-	-	-
- Treasury bills (> 90 days)		-	-	-	-	-	-	-	-
									-
Loans and receivables:									
- Loans and advances to customers	6	-	-	-	-	-	-	1,267,305	1,267,305
-Advance under finance lease	7	-	-	-	-	-	-	66,579	66,579
									1,333,884
Cash and cash equivalents:									
Bank balances	5	-	-	-	740,820	-	-	759,954	1,500,774
Short term deposit	5	-	-	-	-	-	-	-	-
									1,500,774
Trade/insurance receivables		-	-	-	-	-	-	-	-
									2,834,658

NOTE:

A credit rating is not an assurance of repayment of obligations under the rated instrument. Rather, it is an opinion on the relative degree of risk associated with such repayment.

AAA	The S&P and Fitch AAA ratings are the highest assigned to any debt issuer. An AAA rating is the equivalent of the Aaa rating issued by Moody's. AAA ratings are issued to investment-grade debt that has a high level of creditworthiness with the strongest capacity to repay investors.
AA	'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+	A+ and A1 fall in the middle of the investment-grade category, indicating some but low credit risk. Credit ratings are used by investors to gauge the creditworthiness of issuers, with better credit ratings corresponding to lower interest rates.
A	A credit rating measures the ability of a business or government to repay its financial obligations by looking at its history of borrowing and repaying loans. A credit score does the same, but measures individuals (and in some cases, small businesses).
BBB	'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity
B	'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
NOT RATED	Non-rated credits present additional uncertainty because of the difficulties in determining their comparability to rated credits. Non-rated credits are often comparable to below rating grade credits.

Statement of Value Added
At 30 June 2024

In thousands of Naira	Group 2024	%	Group 2023	%	Company 2024	%	Company 2023	%
	₦'000		**₦'000**		**₦'000**		**₦'000**	
Net premium income	-		-		-		-	
Investment and other income	-		101,802		-		97,934	
Interest income	168,683		298,180		32,254		3,959	
Net fair value gain or loss on financial assets	(7,905)		7,506		(5,052)		(17,360)	
Other operating income	9,317		70,093		1,027		26,691	
Bought in goods and services	693,022		191,684		(862,447)		(633,044)	
Value Added	**863,117**	**100**	**669,265**	**100**	**(834,218)**	**100**	**521,820**	100
Applied as follows:								
In payment of employees:								
-Salaries, wages and other benefits	79,128	9	168,980	25	34,373	(4)	67,853	(13)
In payment to government:								
-Taxation	-	-	33,856	5	-	1	33,856	1
For future replacement of assets and expansion of business:								
Deffered Tax	-	-	-	-				
Depreciation	2,828	0	7,788	1	452	(0)	839	(0)
Contingency reserve	-	-	-	-	-	-	-	-
General reserve	781,161	91	458,641	69	799,393	(96)	419,272	(80)
	863,117	**100**	**669,265**	**100**	**834,218**	**99**	**521,820**	**93**

Financial Summary

For the Period Ended 30 June 2024

GROUP

In thousands of Naira	30-Jun-24	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20
Assets					
Cash and cash equivalents	1,502,564	470,711	608,573	2,896,828	12,807,056
Loans and advances to customers	785,937	1,051,873	1,140,139	1,079,176	1,044,098
Advances under finance lease	86,238	51,510	68,431	104,578	88,201
Financial assets	40,093	49,985	30,820	892,022	6,111,276
Trade receivables	-	-	-	19,014	136,091
Reinsurance assets	-	-	-	234,017	2,195,157
Deferred acquisition cost	-	-	-	54,636	281,416
Other receivables and prepayments	172,485	178,223	163,342	228,978	471,549
Investment in associates	6,702,082	5,728,913	5,080,554	3,710,291	226,343
Investment properties	-	-	-	1,821,018	5,635,991
Property and equipment	11,492	14,531	17,440	142,522	1,381,742
Right of Use Asset	-	-	942	597	10,089
Intangible assets	-	1	-	53,798	5,133
Employees retirement benefit asset (Net)	-	-	-	-	257,168
Statutory deposits	-	-	-	215,000	555,000
Deferred tax assets	-	-	-	201,592	193,968
Assets classified as held for sale	-	-	-	1,016,069	973,639
Trustee Assets	485,695	485,695	-	-	-
Deposit for shares	39,000	39,000	39,000	27,000	-
Total assets	**9,825,586**	**8,070,445**	**7,149,241**	**12,697,136**	**32,373,917**
Liabilities					
Bank borrowing	1,855,401	1,835,043	544,777	2,413,039	2,184,877
Deferred income	-	-	-	-	138,244
Trade payables	-	-	-	387,752	7,909,847
Other liabilities	998,637	1,689,970	3,037,411	1,088,216	1,864,278
Depositors' funds	-	-	1,226,428	1,366,634	1,364,220
Insurance contract liabilities	-	-	-	5,793,044	9,798,691
Investment contract liabilities	-	-	-	281,448	276,979
Finance Lease Obligation	168	168	168	-	-
Trustee Liabilities	506,783	506,783			
Current income tax liabilities	237,847	240,389	234,702	240,393	650,203
Employees retirement benefit liability	4,515	4,515	974	9,369	41,335
Deferred tax liabilities	-	-	-	85,825	610,101
Deposit for Shares	1,985	1,985	-	-	-
Total liabilities	**3,605,336**	**4,278,853**	**5,044,460**	**11,665,720**	**24,838,776**
Equity					
Share capital	4,133,349	2,572,685	2,572,685	2,572,685	2,572,685
Share premium	2,690,936	2,690,936	2,690,936	2,690,936	2,690,936
Contingency reserve	-	599,536	-	312,656	2,291,372
Treasury shares	-	-	-	-	(500,000)
Retained earnings	(995,894)	(2,026,044)	(3,612,013)	(5,000,716)	(4,051,382)
Other component of equity	391,856	(45,524)	453,173	276,575	658,821
Capital and reserves attributable to owners	**6,220,247**	**3,791,589**	**2,104,781**	**852,136**	**3,662,432**
Non-controlling interests	**-**	**-**	**-**	179,283	3,872,709
Total Equity	**6,220,247**	**3,791,592**	**2,104,781**	**1,031,419**	**7,535,141**
Total equity and liabilities	**9,825,584**	**8,070,445**	**7,149,241**	**12,697,139**	**32,373,916**

Statement of Profit or Loss and Other Comprehensive Income

In thousands of Naira	30-Jun-24	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20
Gross premium	-	-	-	2,855,818	15,292,757
Net income	996,870	767,400	249,612	(543,854)	2,400,452
(Loss)/Profit before taxation	781,161	(201,988)	(148,333)	(1,421,842)	130,040
Income tax expense	-	(4,230)	(2,141)	27	(207,156)
(loss)/Profit after taxation	781,161	(206,218)	(150,474)	(1,421,815)	(77,116)
loss/Earnings per share (kobo)	9	(4)	(6)	(8)	(8)

Financial Summary

For the Period Ended 30 June 2024

COMPANY

In thousands of Naira	30-Jun-24	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20
Assets					
Cash and cash equivalents	904,366	14,994	127,890	112,326	156,824
Financial assets	8,385	11,800	17,440	17,499	22,604
Investment in Subsidiaries	509,389	509,389	509,389	4,714,381	8,568,651
Investment in Associates	6,702,083	5,728,914	5,080,554	3,710,291	-
Other receivables and prepayments	154,416	148,724	105,361	115,056	219,711
Property and equipment	1,993	2,260	2,434	5,078	9,240
Intangible assets	-	-	-	-	-
Trustee Assets	485,695	485,695			
Deposit for shares	39,000	39,000	39,000	27,000	-
Total assets	8,805,326	6,940,775	5,882,071	8,701,631	8,977,030
Liabilities					
Bank borrowing	634,420	750,048	544,777	2,523,850	2,313,544
Other liabilities	1,230,553	1,623,054	2,996,833	1,787,291	2,073,330
Finance Lease Obligation	16,059	15,229	13,699	12,867	16,833
Trustee Liabilities	506,783	506,783			
Current income tax liabilities	235,558	235,558	232,594	232,836	254,511
Employees retirement benefit liability	974	974	974	974	1,656
Total liabilities	2,624,348	3,131,646	3,788,877	4,557,818	4,659,874
Equity					
Share capital	4,133,349	2,572,685	2,572,685	2,572,685	2,572,685
Share premium account	2,690,936	2,690,936	2,690,936	2,690,936	2,690,936
Retained earnings	(597,786)	(1,408,971)	(3,124,904)	(928,926)	(948,352)
Other component of equity	(45,524)	(45,524)	(45,524)	(190,883)	1,887
Shareholders' funds	6,180,976	3,809,126	2,093,193	4,143,813	4,317,156
Total equity and liabilities	8,805,326	6,940,775	5,882,071	8,701,631	8,977,030

Statement of Profit or Loss and Other Comprehensive Income

In thousands of Naira	30-Jun-24	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20
Net income	935,104	629,294	76,450	131,848	124,113
Profit/(Loss) before taxation	799,393	(175,807)	(163,126)	20,252	(149,525)
Income tax expense	-	(2,963)	(34)	(832)	(419)
Profit/(Loss) after taxation	799,393	(178,770)	(163,160)	19,420	(149,943)

BALANCE SHEET AS AT 30 JUNE 2024

	2023	2023	2023	2023
	REFCO	ROYAL EXCHANGE PLC	CONSOLIDATION ADJUSTMENT	CONSOLIDATED
	N'000	N'000	N'000	N'000
ASSETS				
Cash and Cash Equivalent	598,198	904,366		1,502,564
Loans and Advances	1,021,139	-	(235,202)	785,937
Advance under finance lease	102,129	-	(15,892)	86,238
Financial Assets:	31,708	8,385		40,093
Trade Receivables	-	-		-
Reinsurance Assets	-	-		-
Deferred acquisition costs	-	-		-
Other Receivables	18,070	154,415	-	172,485
Investment in Associate	-	6,702,083		6,702,083
Investment properties	-	-		-
Right of Use Asset	-	0		0
Property and Equipment	9,500	1,993		11,492
Intangible Assets	0	-		0
Employees Retirement Benefits/LSA	-	-		-
Deferred Tax Assets	-	-		-
Statutory deposit with CBN	-	-		-
Investment in subsidiaries	-	509,389	(509,389)	-
Deposit for Investment in subsidiaries	-	-		-
Assets classified as held for sale	-	-		-
Trustee Assets	-	485,695		485,695
Deposit for shares	-	39,000		39,000
TOTAL ASSETS	**1,780,744**	**8,805,326**	**(760,483)**	**9,825,587**
LIABILITIES				
Borrowings	1,220,981	634,421		1,855,402
Deferred Income	-	-		-
Trade Payables	-	-		-
Provisions and Other payables	3,288	1,230,554	(235,202)	998,640
Depositors' funds	-	-		-
Insurance Contract Liabilities	-	-		-
Investment Contract Liabilities	-	-		-
Dividend payable	-	-		-
Income Tax Liabilities	2,289	235,558		237,847
Employees Retirement Benefits/LSA	3,541	974		4,515
Unclaimed Dividend	-	-		-
Deferred Tax Liability	-	-		-
Finance Lease Obligations	-	16,059	(15,892)	168
Trustee Liabilities	-	506,783	-	506,783
Deposit for shares	1,985	-		1,985
TOTAL LIABILITIES	**1,232,084**	**2,624,349**	**(251,094)**	**3,605,339**
NET ASSETS	**548,660**	**6,180,977**	**(509,389)**	6,220,248
Share capital	217,888	4,133,349	(217,888)	4,133,349
Contingency reserve	-	-		-
Treasury Share capital				-
General reserve	(666,523)	(597,783)	268,413	(995,893)
Share premium account	559,914	2,690,936	(559,914)	2,690,936
Other Component of Equity	437,381	(45,524)	-	391,857
OTHER RESERVES	-	-	-	-
NCI				-
Shareholders' funds	**548,660**	**6,180,979**	**(509,389)**	**6,220,250**
				-
TOTAL LIABILITIES AND EQUITY	**1,780,744**	**8,805,328**	**(760,483)**	**9,825,589**
CHECK	**0**	**2**	**0**	**2**

ROYAL EXCHANGE PLC				
STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30 JUNE 2024	**ROYAL EXCHANGE FINANCE COMPANY LTD**	**ROYAL EXCHANGE PLC**	**CONSOLIDATION ADJUSTMENT**	**ROYAL EXCHANGE GROUP**
	N'000	**N'000**		**N'000**
Gross premium written:		-		-
Unearned premium				-
Gross Premium Income	-	-	-	-
Reinsurance Expenses				
Non-life reinsurance premiums:				
Gross written reinsurance premiums				-
				-
	-	-	-	-
Life reinsurance premiums:				-
Insurance Premium ceded to reinsurers				-
Total Reinsurance Expenses	-	-	-	-
Net Premium Income	-	-	-	-
Fees and commission income				
Reinsurance commissions on Non-life Business				-
Reinsurance commissions on Life Business				-
Non risk commissions on Health Business				-
	-	-	-	-
Net Underwriting Income	-	-	-	-
Insurance claims and benefits incurred				
Insurance claims and benefits incurred on Non-life busines:				
Motor and Accident				-
Fire and IAR				-
Marine				-
Engineering				-
Bond				-
Special Risk				-
Agric				-
	-	-	-	-

Insurance claims and benefits incurred on life busines:				
Short term insurance contract				-
Long term insurance contract				-
Increase/ Decrease in Outstanding claims short term insurance contract				-
Increase/ Decrease in Outstanding claims long term insurance contract				-
Increase/ Decrease in outstanding claims-IBNR				-
Increase/ Decrease investment contract liabilities				-
	-	-	-	-
Insurance claims and benefits incurred on Healthcare business:				
Short term insurance contract				-
Increase/ Decrease in Outstanding claims short term insurance contract				-
	-	-	-	-
Total Insurance claims and benefits incurred	-	-	-	-
Insurance claims and benefits incurred - recoverable from reinsurers				
Insurance claims and benefits incurred on Non-life busines:				
Motor and Accident				-
Fire and IAR				-
Marine				-
Engineering				-
Bond				-
Special Risk				-
Agric				-
	-	-	-	-
Insurance claims and benefits incurred on life busines:				
Short term insurance contract				-
Long term insurance contract				-
Increase/ Decrease in Outstanding claims short term insurance contract - IBNR				-
Increase/ Decrease in Outstanding claims long term insurance contract				-
Increase/ Decrease investment contract liabilities				-
	-	-	-	-
Insurance claims and benefits incurred on Healthcare business:				-
Short term insurance contract				-
Increase/ Decrease in Outstanding claims short term insurance contract				-
	-	-	-	-

				-
Total Insurance claims and benefits incurred - recoverable	-	-	-	-
				-
Net claims expenses	-	-	-	-
Increase /(decrease) in long term insurance contract liabilities				-
Increase /(decrease) in short term insurance contract liabilities				-
			-	-
Underwriting Expenses				
Acquisition costs: Non-life business				-
Accomodation costs				-
Communication costs				-
Business & Administration expenses				-
Amortisation of insurance contracts deferred acquisition costs				-
Acquisition costs: Life				-
Acquisition costs: Healthcare				-
Salaries & Allowances - Underwriting employees				-
Guaranteed interest on Life products				-
Other commissions				-
	-	-		-
				-
Total Underwriting Expenses	-	-		-
				-
Underwriting Profit/(Loss)	-	-		-
Net Interest Income				
Gross Interest Income:				
Interest income on placement with local banks	34,105	30,616		64,722
Interest income on placement with others	317			317
Interest on Treasury bills	45	1,638		1,683
Interest on bonds	-	-		-
Interest income on loans and receivables	90,942	-		90,942
Interest income on advances under finance lease	1,068	-	6,295	7,364
	126,478	32,254	6,295	165,028
Interest expense:				
Interest expense on placement with local banks	-	-	-	-
Interest expense on loans and receivables	-	-	-	-
Interest expense on advances under finance lease	-	-	-	-
Interest expense on lease obligation	-	-	-	-
Interest expense on borrowings	(73,805)	(6,295)	(6,295)	(86,395)
Net interest income	52,673	25,959	-	78,633
Fees and commission income				
Fees and commission income	3,655	-		3,655

Investment and other income

Dividend income	-	-		-
Sundry income	-	-		-
*Financial asset at amortised cost				-
Equity Securties:	-			-
Dividend from Investment securities				-
Dividend from Investment in Susidiaries			-	-
Loss on disposal of equity investment in subsidiaries				-
Income on disposal of Investment securities				-
Income on disposal of Investment in Associates				-
*At fair value through OCI				-
*At fair value through profit/loss				-
Derivative financial instruments:				-
Cash and cash equivalents interest income				-
Deposits with credit institutions			-	-
Income on annuity				-
Disposal of Annuity portfolio				-
Investment management income			-	-
Finance Income		-		-
	-	-	-	-

Share of profit/loss on investment in associate	-	913,170	-	913,170

Net fair value gain or loss on financial assets

Equity Securties:				-
At fair value through profit/loss	(2,853)	(5,052)		(7,905)
Fair value gain/(loss) on disposal of investment	-	-		-
	(2,853)	(5,052)	-	(7,905)

Write-back/(charge) of impairment allowance

Allowance on premium receivables				-
Write back of impairment on premium receivables				-
Allowance on reinsurance receivables -				-
Allowance on financial assets - cash and cash equivalent				-
Allowance on Loans and advances				-
Allowance on advance under lease				-
Allowance on other receivables	-			-
Write back of impairment on other receivables	-	-		-
Allowance on dividend receivables				-
				-
Impairment on WHT credit notes receivables on rental income				-
	-	-	-	-

ECL Impairment Allowance

Cash & cash equivalent				-
Treasury bills				-
FGN bonds				-
Mortgage loan				-
Trade receivables				-
Intercompany				-
Other Assets (impairment)	-			-
	-	-	-	-

Other operating income				
Rental Income		-		-
Profit on disposal of property and equipments		-		-
(Loss)/profit on disposal of Investment in equities/securities		-		-
Interest on loan & advances		-		-
Trustee fees income		475		475
Management fee income from subsidiaries		-	-	-
Income from Associates: Diivdend		-		-
Other income	8,290	552		8,842
Other commission income		-		-
Guaranteed interest on Deposit Admin and Royal Products(RPP and ISA)		-		-
Recoveries from previously written off assets		-		-
Fees for services rendered		-		-
	8,290	1,027	-	9,317
Net Loss/(Income)	61,765	935,104	-	996,870
Foreign Exchange (Gains)/Losses		-	-	-
Management expenses				
Salaries and allowances of other employees	43,991	31,430		75,421
Professional fees	764	2,943		3,707
Redundancy Cost	-	-		-
Terminal Benefits	-	-		-
Audit fee expenses	774	1,019		1,793
Audit Fee Payable	-	-		-
Amortization	-	-		-
Depreciation on property and equipment	2,376	452		2,828
Depreciation on Right of use (MOTOR VEHICLE)	-	-		-
Depreciation on Right of use (RENT REPAYMENT)	-	-		-
Promotional and advert expenes	2,313	3,079		5,391
Rent and Rates	319	-		319
Directors' fees	4,029	2,090		6,118
Directors' Sitting allowances	-	2,880		2,880
Directors' Other allowances	-	-		-
Interest expense accounts	-	25,930		25,930
Bank Charges	239	155		394
Legal fee	97	532		629
Judgement Sum	-	-		-
PROVISION FOR CONTINGENT LIABILITIES ON LEGAL CASE	-	-		-
PROVISION FOR Capital Raising fees refundable from Enterprise Ca	-	5,434		5,434
Insurance Premium	445	-		445
Accounting Consultancy Fee	-	-		-
Finance cost	-	-		-
Sec Fee	-	1,494		1,494
Investment Expenses	-	-		-
Electricity	5,321	-		5,321
Entertainment	514	-		514
Value Added tax scheme account	-	-		-
Printing & Stationeries	714	158		872
Telephone	-	178		178
Internet	2,704	536		3,240
Repairs and maintenance	3,651	194		3,844
Transport expenses	4,457	3,770		8,227
Software expenses	1,516	-		1,516
Subscription and journals	530	2,538		3,068
Office expenses	1,973	-		1,973
Fine paid (Contravention)	-	-		-
Rights Issue Expenses	-	32,853		32,853
LSG-IRS WHT A/C & PAYE	-	4,560		4,560
WHT Payable - LIRS	-	-		-
FGN-FIRS VAT & WHT A/C	-	13,163		13,163
Other operating expenses	3,273	324		3,597
	79,999	135,711	-	215,709
Total Expenses	(79,999)	(135,711)	-	(215,709)
Profit/(Loss) Before Tax	(18,234)	799,393	-	781,161

Income taxes				
Income tax	-	-	-	-
(Over)/under provision in prior years				-
Capital gains Tax				-
Police Trust Fund Levy				-
Education Tax			-	-
Technology Tax				-
WHT Expense				-
	-	-	-	-
Deferred tax credit				-
Total Income Taxes	-	-	-	-
Minimum tax	-	-		-
Recognised in other comprehensive income				
Deferred tax on remeasurement of defined benefit scheme	-	-	-	-
Loss/(Profit) after Taxation	**(18,234)**	**799,393**	-	781,161
Profit attributable to:				
Owners of the company				781,161
Non-Controlling Interest				-
				781,161
Other Comprehensive Income, net of tax				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation Surplus on PPE				-
Net Actuarial Gains/(Losses) of Defined Benefit Obligations		-		-
Tax Effects on Other Comprehensive Income			-	-
				-
Items that may be reclassified subsequently to profit or loss:				-
Fair value changes on FVOCI				-
Share of OCI in associates		-	-	-
Tax Effects on Other Comprehensive Income				-
Other Coprehensive income net of Taxes	-	-	-	-
Total Comprehensive Income for the Year	**(18,234)**	**799,393**	**-**	**781,161**
Total Comprehensive Income attributable to:				
Owners of the company				781,161
Non-Controlling Interest				-
				781,161

ROYAL EXCHANGE PLC

BALANCE SHEET AS AT 30 JUNE 2024

Notes		2024 REFCO N'000	2024 ROYAL EXCHANGE PLC N'000	2024 CONSOLIDATION ADJUSTMENT	2024 ROYAL EXCHANGE PLC CONSOLIDATED N'000
Notes	**ASSETS**				
1	**Cash and Cash Equivalent**				
	Cash	1,716	74		1,790
	Bank balances	86,528	654,292	-	740,820
	Short-term deposits (including demand and time deposits)	509,954	250,000		759,954
	Write back/(charge) of impairment allowance on Short term deposits		-		-
	Cash and cash equivalents (as per statement of financial position)	**598,198**	**904,366**	**-**	**1,502,564**
	Bank overdraft	-	-	-	-
	Cash and cash equivalents (as per statement of cash flows)	**598,198**	**904,366**	**-**	**1,502,564**
2	**Loans and Advances**				
	Loans and advances to customers	1,021,139	-	(235,202)	785,937
		-	-	-	-
		1,021,139	**-**	**(235,202)**	**785,937**
	Specific Impairment	-	-	-	-
	ECL Impairment Allowance	-	-	-	-
		1,021,139	**-**	**(235,202)**	**785,937**
3	**Advance under finance lease**				
	Finance lease	117,689	-	(15,892)	101,798
	Impairment - Finance lease	(15,560)	-	-	(15,560)
		102,129	-	(15,892)	86,238
3(a)	Analysis of advances under finance lease by maturity				
	1-30 days	-	-	-	-
	31-90 days	-	-	-	-
	91-180 days	-	-	-	-
	181-360 days	-	-	-	-
	Over 360 days	-	-	-	-
		-	-	-	-
3(b)	The movements in impairment allowance on advance under lease is analyzed below;				
	Balance, beginning of year	-	-	-	-
	Write-back during the year	-	-	-	-
	Impairment allowance recognised during the year	-	-	-	-
	Balance, end of year	-	-	-	-
4	**Financial Assets:**				
4(a)	**Measured at Fair Value Through Other Comprehensive Income (FVOCI)**				
	Listed equities	-	-	-	-
	Federal Government Bonds	-	-		-
	Corporate Bonds				-
	Treasury bills	-	-		-
	Corporate Commercial paper				-
	Unlisted equities at cost (see 4 (a) (i) below	-	-		-
	Bonds & Treasury Bills: Annuity fund (see note 2(b(i)) below)				-
	Specific impairment allowance (see note 4(a)(iii) below)	-	-	-	-
	Changes in Fair Value	-	-	-	-
	Total Available-for-Sale	-	-	-	-
4(b)	**Fair value through profit or loss (FVTPL)**				
	Federal Government Bonds	-	-		-
	Treasury bills	-	6,573	-	6,573
	Listed equities	31,708	1,812	-	33,520
	Total Fair value through profit or loss	31,708	8,385	-	40,093
4(c)	**Amortized Cost**				
	Federal Government Bonds	-			-
	Treasury bills	-	-		-
	Individual loans	-	-	-	-
	Staff mortgage loans	-	-	-	-
	Policy Holders Loan	-	-	-	-
	Staff Car Loan				-
	Placements	-	-	-	-
	Total Amortised cost	-	-	-	-
	Allowance for impairment see note 4(c) (i)	-	-		-
	Total Amortized Cost	-	-	-	-
4(c)(i)	Movement in specific impairment allowance				
	Balance, beginning of year	-	-	-	-
	Write-back during the year	-	-	-	-
	Write-off during the year	-	-	-	-
	Impairment allowance recognised during the year	-	-	-	-
	Balance, end of year	-	-	-	-
	Total financial assets	31,708	8,385	-	40,093
	Within one year		-	-	-
	More than one year	31,708	8,385	-	40,093
		31,708	8,385	-	40,093
5	**Investment in subsidiaries**				
	Royal Exchange General Insurance Coy Ltd	-	-	-	-
	Royal Exchange Prudential Life Assurance Plc	-	-	-	-
	Royal Exchange Finance Company Limited	-	509,389	(509,389)	-
	Royal Exchange Healthcare Coy Ltd	-	-	-	-
	Royal Exchange Microfinance Bank Ltd	-	-	-	-
	Allowance for Impairment in Investment in subsidiaries		-	-	
	Total investments in subsidiaries	-	509,389	(509,389)	-
5.2	**Deposit for Investment in subsidiaries**	-	-	-	-
	Investment in Associate				
	Investment in associates		6,702,083		6,702,083
	Total investments in subsidiaries		**6,702,083**		**6,702,083**
6	**Trade Receivables**				
6(a)	**Due from agents**				
	Gross receivable from agents	-	-	-	-
	Less: Impairment allowance (see note 6a(ii) below)	-	-	-	-
		-	-	-	-
6(b)	**Due from reinsurers**				
	Reinsurance Receivables	-			-
	Less: Impairment allowance (see note b(i) below)	-			-
		-	-	-	-
	Total Trade Receivables	-	-	-	-
	Within one year	-	-	-	-
	More than one year	-	-	-	-
	Total trade receivables	-	-	-	-

6a(ii) The movements in impairment allowance on amount due from agents is analysed below;

Balance, beginning of year	-	-	-	-
Allowance made during the year	-	-	-	-
Write off	-	-	-	-
Reversal during the year	-	-	-	-
Re-measurement				-
Balance, end of the year	-	-	-	-

6b(i) The movements in impairment allowance on reinsurance receivables is analysed below;

Balance, beginning of year	-	-	-	-
Allowance made during the year	-	-	-	-
Write off	-	-	-	-
Reversal during the year	-	-	-	-
Balance, end of the year	-	-	-	-

7 Reinsurance Assets

Unearned premiums Non life business	-	-	-	-
Reinsurance claims recoverable non life	-	-	-	-
Reinsurance share of incurred but not reported				-
Reinsurance asset(Actuary valuation)	-	-	-	-
Reinsurer and Facultative asset	-	-	-	-
Unearned Premium on Reinsurancce	-	-	-	-
Less: Impairment allowance (see note b(i) below)				-
Total Reinsurance assets	-	-	-	-

8 Deferred acquisition costs

At 1 January 2023	-	-	-	-
Additions in the year	-	-	-	-
Amortization in the year	-	-	-	-
At 31 December	-	-	-	-

9 Other receivables

Prepayments	10,239	24,454		34,693
Intercompany	7,831	9,431	-	17,263
Accrued income	-	38,047	-	38,047
Management fee receivable	-	-	-	-
Withholding tax receivables	-	81,005	-	81,005
Trustee fees receivable	-	1,001	-	1,001
Other assets	-	68,724	-	68,724
Other receivables	-	5,583	-	5,583
Impairment - Other assets	-	(73,831)	-	(73,831)
Total	18,070	154,415	-	172,485
Within one year	10,239	112,044	-	122,283
More than one year	7,831	42,371	-	50,202
	18,070	**154,415**	**-**	**172,485**

9(c)(i) The movements in impairment allowance on other receivables is analysed below;

Balance, beginning of year	-	-		-
Allowance made during the year	-	(73,831)	-	(73,831)
Reclassifications	-	-	-	-
Write off	-	-	-	-
Write back	-	-	-	-
Interest in suspense	-	-	-	-
Balance, end of year	-	(73,831)	-	(73,831)

10 Investment in Associate

Balance, beginning of the year		5,728,914		5,728,914
Additional investment during the year	-	60,000		60,000
Disposals during the year (within the Group)	-			-
Disposals during the year (External investee company)				-
			-	-
				-
	-	5,788,914	-	5,788,914
Dividend income	-	-	-	-
Share of current year result in P and L	-	913,170	-	913,170
Share of current year result in OCI		-	-	-
Share of cumulative unrecognized results				-
Profit/loss on equity accounted investee	-	913,170	-	913,170
Balance, end of the year	-	6,702,083	-	6,702,084

11 Investment properties

At 1 January	-	-	-	-
Additions during the year	-	-	-	-
Disposals during the year	-	-	-	-
Reclassification				-
Fair value Gains	-	-	-	-
Transfer to Property and Equipment	-	-	-	-
				-
At 31 March	-	-	-	-

11 Assets classified as held for sale

At 1 January		-	-	-
Additions during the year	-	-	-	-
Disposals during the year	-	-	-	-
Fair value Gains	-	-	-	-
Transfer to Property and Equipment	-	-	-	-
				-
At 31 March	-	-	-	-

Right of Use Asset

RIGHT OF USE ASSET- MOTOR VEHICLE		44,963		44,963
ACCUMULATED DEPRECIATION- RIGHT OF USE ASSET (MOTOR VEHICLE)		(44,963)		(44,963)
Total Right of Use Asset		**0**		**-**

12 Right of Use Asset- Motor Vehicle Lease

Cost				
Balance at 1 January	-	44,963		44,963
Reclassification	-	-		-
Additions	-	-		-
Disposals	-	-		-
Balance at 31 March	-	44,963	-	44,963
Depreciation				
Balance at 1 January	-	44,963		44,963
Charge for the year	-	-		-
Transfers	-	-		-
Disposals	-	-		-
Reclassification				-
Balance at 31 March	-	44,963	-	44,963
Carrying amounts:				
Balance at 31 March	-	-	-	-

Right of Use Asset- Rent Prepayment

At 1 January 2023	-	-		-
Addition	-	-		-
Prepayments amortisation on long term leases	-	-		-
At 31 March	-	-	-	-
Total Carrying Amount	-	-	-	-

Property and Equipment

PROPERTY PLANTS AND EQUIPMENT- COMPUTER EQUI	16,466	22,068		38,533
PROPERTY PLANTS AND EQUIPMENT- FURNITURE & FIT	26,485	26,073		52,558
IMPAIRMENT OF FIXED ASSET ACCOUNT	-	-		-
PROPERTY PLANTS AND EQUIPMENT-MOTOR VEHICLE	9,700	57,847		67,547

PROPERTY PLANTS AND EQUIPMENT-PLANT AND MACH	11,306			11,306
PROPERTY PLANTS AND EQUIPMENT-OFFICE EQUIPMEN	13,948			13,948
ACCUMULATED DEPRECIATION	-	-		-
ACCUMULATED DEPRECIATION - COMPUTER EQUIPMEN	(16,060)	(20,216)		(36,276)
ACCUMULATED DEPRECIATION - FURNITURE & FITTING	(25,088)	(25,933)		(51,021)
ACCUMULATED DEPRECIATION - MOTOR VEHICLES	(8,442)	(57,847)		(66,288)
ACCUMULATED DEPRECIATION - PLANT & MACHINERY	(11,306)	-		(11,306)
ACCUMULATED DEPRECIATION - OFFICE EQUIPMENT	(7,509)	-		(7,509)
Total Property and Equipment	9,500	1,993		11,492

Intangible Assets				
INTANGIBLE ASSETS	6,434	9,375		15,809
AMORTISATION OF INTANGIBLE ASSETS	(6,434)	(9,375)		(15,809)
Total Intangible Assets	0	-		-

13 Property and Equipment

a Land

Cost				
Balance at 1 January	-	-		-
Reclassification	-	-		-
Additions	-	-		-
Disposals	-	-		-
Revaluation	-	-		-
Reversals				-
Balance at 31 March	-	-	-	-
Depreciation				
Balance at 1 January	-	-		-
Charge for the year	-	-		-
Transfers	-	-		-
Disposals	-	-		-
Reclassification				-
Balance at 31 March	-	-	-	-
Carrying amounts:				
Balance at 31 March	-	-	-	-

b Freehold buildings

Cost				
Balance at 1 January	-	-	-	-
Transfer from investment properties	-	-	-	-
Reclassification	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
				-
Balance at 31 March	-	-	-	-
Depreciation				
Balance at 1 January	-	-	-	-
Charge for the year	-	-	-	-
Reclassification	-	-	-	-
Disposals	-	-	-	-
Balance at 31 March	-	-	-	-
Carrying amounts:		-		
Balance at 31 March	-	-	-	-

c Computer Equipment

Cost				
Balance at 1 January		21,883	-	21,883
Reclassification	-	-	-	-
Additions		185	-	185
Disposals	-	-	-	-
Revaluation	-	-	-	-
Balance at 31 March	-	22,068	-	22,068
Depreciation				
Balance at 1 January		19,795	-	19,795
Charge for the year		421		421
Reclassification	-	-		-
Disposals	-	-		-
Balance at 31 March	-	20,216	-	20,216
Carrying amounts:				
Balance at 31 March	-	1,852	-	1,852

d Furniture and Fittings

Cost				
Balance at 1 January		26,073	-	26,073
Transfer from prepaid expenses	-	-	-	-
Reclassification	-	-	-	-
Additions		-		-
Disposals			-	-
Balance at 31 March	-	26,073	-	26,073
Depreciation				
Balance at 1 January		25,902		25,902
Charge for the year		31		31
Reclassification/transfer	-	-	-	-
Disposals	-	-	-	-
Balance at 31 March	-	25,933	-	25,933
Carrying amounts:				
Balance at 31 March	-	140	-	140

e Motor Vehicle

Cost				
Balance at 1 January		57,847		57,847
Reclassification		-	-	-
Additions		-	-	-
Disposals		-	-	-
Balance at 31 March	-	57,847	-	57,847
Depreciation				
Balance at 1 January		57,847		57,847
Charge for the year		-		-
Reclassification	-	-		-
Disposals		-	-	-
Balance at 31 March	-	57,847	-	57,847
Carrying amounts:				
Balance at 31 March	-	-	-	-
Total Carrying Amount	-	1,992	-	1,992
Total Depreciation charge	-	452	-	452

14 Intangible assets				
Cost:				
At 1 January		9,375		9,375
Additions		-		-
Reclassification		-		-
Disposal				-
Balance at 31 March	-	9,375	-	9,375
Accumulated amortisation:				
At 1 January		9,375		9,375
Charge for the year		-	-	-
At 30 September	-	9,375	-	9,375
Carrying Amount as at 31 March	-	-	-	-
Deposit for Shares				
DEPOSIT FOR SHARES IN SUBSIDIARIES	1,985	39,000		40,985
SALARY SUSPENSE		-		-
Total Deposit for Shares	1,985	39,000		40,985
Intercompany Balances				
ROYAL EXCHANGE HEALTH CARE	-	9,431		9,431
ROYAL EXCHANGE MICROFINANCE	-	-		-
IMPAIRMENT ON OTHER ASSETS BS - INTERCOMPANY R	-	-		-
Total Intercompany Balances	-	9,431		9,431
15 Employee Benefit				
Pensions net assets	-	-		-
Gratuity (Outstanding Liability)				-
Long Service Award (Outstanding Liability)				-
Other pension obligations		-		-
Net Employees' Retirement Obligations	-	-	-	-
15(a) Company's Asset for:-				
– Pension benefits (Note 14.4)	-			-
– Gratuity (Note 14.5)	-			-
– Long Service Award (Note 14.6)	-			-
Total	-	-	-	-
15(b) Company's obligations for:-				
– Pension benefits				-
– Gratuity	-	-		-
– Long Service Award	3,541	974		4,515
Total in the Statement of financial position	**3,541**	**974**	-	4,515
16 Deferred Taxation				
16(a) Net Deferred tax assets				
Property and equipment, and software	-	-		-
Allowances for loans and receivables	-	-	-	-
Foreign exchange losses	-			-
Unrelieved loss	-	-		-
Employee benefits	-	-		-
Investment properties				-
	-	-	-	-
16(b) Deferred tax liabilities				
Property and equipment, and software	-	-	-	-
Allowances for loans and receivables	-	-	-	-
Foreign exchange losses	-	-	-	-
Unrelieved loss	-	-	-	-
Employee benefits	-	-	-	-
Investment properties	-	-	-	-
	-	-	-	-
16(c) Unrecognized deferred tax assets				
Property and equipment	-	-	-	-
Impairment of premium receivables	-	-	-	-
(Write back) on other receivables	-	-	-	-
Employee benefit liabilities	-	-	-	-
Unrelieved tax losses	-	-	-	-
	-	-	-	-
16(c) The movement in the unrecognized deferred tax asset during the year was as follows:				
Balance, beginning of year	-	-		-
Credit for the year	-	-		-
	-	-	-	-
17 Statutory deposit with CBN	-	-	-	-
18 Trustee Assets	-	**485,695**		485,695
TOTAL ASSETS	**1,780,744**	**8,805,325**	**(760,483)**	**9,825,587**
	-	**(1)**		
LIABILITIES				
Borrowings				
Borrowings	1,220,981	634,421	-	1,855,402
Total Borrowings	1,220,981	634,421		1,855,402
18 Deferred Income				
Deferred Rental Income (see 17(a) below)	-	-	-	-
Deferred Acquisition Income (see 17(b) below)	-	-	-	-
	-	-	-	-
18(a) Deferred Rental Income				
At 1 January	-	-	-	-
Additions during the year	-	-	-	-
Amortised for the year	-	-	-	-
At 31 December	-	-	-	-
18(b) Deferred Acquisition Income				
Balance at start of the year	-	-	-	-
Additions in the year	-	-	-	-
Amortization in the year	-	-	-	-
At 31 December	-	-	-	-
19 Trade Payables				
Reinsurance payables	-	-		-
Premium payables to co-insurance	-	-	-	-
Trade Payables				-
Individual life payables	-	-	-	-
Premium received in advance	-	-	-	-
	-	-	-	-
20 Provisions and Other payables				
Unearned income		-		-
Accruals		47,151		47,151
Staff payables	-	21,222		21,222
Other payables	3,288	19,439	(235,202)	(212,476)
Provision for Litigation & Claims	-	612,544		612,544
REPLC ABSORPTION OF WALE BANMORE LOANWEF 01/09/2(	-	19,184		19,184
Intercompany Payable	-	252,969	-	252,969
Intercompany Account for Group Shared Services		17,657		17,657
PAYE and WHT payables	-	1,127		1,127
VAT Payable	-	25,422		25,422
Commission Payable	-	79,173		79,173
Trustee fund	-	-		-
Sundry creditors		1,964	-	1,964
Unpaid Solicitors Fees	-	67,289		67,289
Unpaid Judgement Sum	-	150		150
Unclaimed dividend	-	47,240		47,240
Dividend Payable withheld as Collateral	-	-	-	-
Other Liabilities - Renovation of 31 Marina	-	15,707		15,707
Discontinued Gratuity	-	2,314		2,314
	3,288	1,230,554	(235,202)	998,637

	Within one year	3,288	860,313	-	863,601
	More than one year	-	370,241	(235,202)	135,039
		3,288	1,230,554	(235,202)	998,640
20b	**Borrowings**	-			-
	At 1 January	-	750,048		750,048
	Additions	1,220,981	-		1,220,981
	Repayments	-	(115,628)		(115,628)
	Reclassification	-	-		-
	At 31 December	1,220,981	634,420		**1,855,401**
	Finance Lease Obligations		16,059	(15,892)	168
21	**Depositors' funds**				
	Savings	-	-	-	-
	Demand	-	-	-	-
	Time & call	-	-	-	-
	Royal Prudential Annuity fund	-			-
	Iplan	-	-	-	-
	High yield investment papers	-	-	-	-
	Royal investment note	-	-	-	-
	Interest Payable	-	-	-	-
		-	-	-	-
22	**Insurance Contract Liabilities**				
	Unexpired risk	-	-	-	-
	Claims outstanding	-	-	-	-
	Capitation (REHEALTH)				-
	IBNR	-	-	-	-
	Claims outstanding group life	-	-	-	-
	Claims outstanding individual life	-	-	-	-
	Life insurance contract	-	-	-	-
		-	-	-	-

23	**Investment Contract Liabilities**				
	Deposit administered funds see 23 (a) below	-	-	-	-
	Investment managed funds see 23(b) below	-	-	-	-
		-	-	-	-
23(a)	Deposit administered funds				
	Beginning of the year	-	-	-	-
	Deposits received in the year	-	-	-	-
	Interest paid	-	-	-	-
	Withdrawals	-	-	-	-
	Closing balance	-	-	-	-
	Current	-	-	-	-
	Non current	-	-	-	-
		-	-	-	-
23(b)	**Investment management funds**				
	Beginning of the year	-	-	-	-
	Deposits	-	-	-	-
	Interest accrued thereon	-	-	-	-
	Movement in investment contract liabilities	-	-	-	-
	Withdrawals	-	-	-	-
	Closing balance	-	-	-	-
24	Dividend payable	-	-	-	-
	Unclaimed dividend	-	-	-	-
	Income Tax Liabilities				
	Current income tax liability	2,289	235,558		237,847
	Total Income Tax Liabilities	2,289	235,558		237,847
	Employee Benefit				
	Employees retirement benefit liability	3,541	974		4,515
	Total Employee Benefit	3,541	974		4,515
	Finance Lease				
	Finance Lease - Motor Vehicle		-		-
	Total Finance Lease		-		-

25 Income Tax Liabilities				
Opening balance		235,558		235,558
Prior year adjustment		-		-
Paid during the year		-		-
Withholding Tax Credit Note Utilized				-
Provision during the year	2,289	-	-	2,289
Police Trust Fund Levy				-
Minimum Tax		-	-	-
Education tax		-	-	-
Capital Gains Tax	-			-
	2,289	235,558	-	237,847
26 Trustee Liabilities	-	506,783		506,783
Total Liability	**1,232,084**	**2,624,349**	**(251,094)**	**3,605,337**
	-	-		
Reconciliation of effective tax rate				
Profit/(loss) after tax	(18,234)	799,393		781,159
Income tax using the domestic corporation tax rate	-	-	-	-
Non-deductible expenses	-	-	-	-
Tax exempt income	-	-	-	-
Recognition of previously unutilized tax losses	-	-	-	-
Prior year adjustments (under provisions)	-	-	-	-
Capital gains tax	-	-	-	-
Information technology tax levy	-	-	-	-
Tertiary education tax	-	-	-	-
Company income tax	-	-	-	-
	-	-	-	-
CAPITAL AND RESERVES				
26 Share capital				
Share capital	217,888	4,133,349	(217,888)	4,133,349
Share premium	559,914	2,690,936	(559,914)	2,690,936
Retained earnings	(666,523)	(597,783)	268,413	(995,893)
Deposit for shares	-	-		-
Other component of equity	437,381	(45,524)		391,857
	548,660	6,180,979	(509,389)	6,220,250
27 Contingency reserve				
Opening balance	-	-		-
Transfer from profit or loss	-	-		-
NCI	-			-
NCI Transfer from profit or loss	-			-
NCI	-			-
Closing balance	-	-	-	-
29 Other Component of Equity				
Opening Balance	437,381	(45,524)		391,857
Gratuity reserve				-
Net Actuarial gain/loss				-
Tax Effects on Other Comprehensive Income		-		-
Fair value reserve on FVOCI		-		-
Fair value reserve on AFS				-
Share of OCI in associates		-		-
Transfer to Regulatory Reserve		-		-
Transfer to Profit or Loss	-	-		-
Loan write-off (REFCO)	-			-
Actuarial Valuation Reserve	-			-
Other reserve				-
Re-measurement on trade receivables	-	-		-
Adjustment made on investment properties	-	-		-
Deposit for Shares	-	-		-
Other component of equity	-	-		-
Closing	437,381	(45,524)	-	391,857
30 Share premium account				
Opening Balance	559,914	2,690,936		3,250,850
Additions during the year	-			-
Closing	559,914	2,690,936	-	3,250,850

31 General reserve

Balance as at 1 Jan	(648,289)	(1,408,968)	268,413	(1,788,845)
				-
Prior year adjustment		11,792		11,792
Prior year tax paid (REFCO)		-		-
Prior year adjustment - IFRS 9 adjustment				-
Provision Written back	-			-
Transfer from profit and loss	(18,234)	799,393		781,159
Transfer to contingency reserve	-	-		-
Actuarial Gains	-	-		-
Dividend paid during the year TO REPLC	-	-	-	-
Dividend paid during the year TO REPLC				-
Dividend paid during the year TO NCI			-	-
Transfer to regulatory reserve		-		-
OTHER RESERVES				-
				-
At end of the year	(666,523)	(597,783)	268,413	(995,894)
Shareholders' funds	**548,660**	**6,180,979**	**(509,389)**	6,220,249

a Balance as at 1 Jan				-
Fair value reserve	-	-		-
Share of returns in associates	-	-		-
Net actuarial gains/losses	-	-		-
Loss/(profit) for the year	-	-		-
Dividend Received during the year	-	-		-
Contigency reserve	-	-		-
Other component of equity	-	-		-
Retained earnings	-	-		-
NCI	-	-		-

33 Other Reserves

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