IN THE HIGH COURT LAGOS
IN THE LAGOS JUDICIAL DEVISION
HOLDING IN LAGOS

2/2/2022

AFFIDAVIT IN SUPPORT OF FINANCIAL STATEMENT

I, **AFOLABI MARTINS,** male, Christian and a citizen of Nigeria of 43 Ademola Street Off Awolowo Road, Ikoyi Lagos, do solemnly and sincerely make oath and depose as follows: -

1. That I am the Group Executive Director (Finance and Strategy) of **CITITRUST HOLDINGS PLC.**

2. That **CITITRUST HOLDINGS PLC** is a Public Limited Company registered with the Corporate Affairs Commission (CAC).

3. That the 2021 Unaudited Financial Statement for the period ended 31st December 2021 is a true and correct position of **CITITRUST HOLDINGS PLC.**

4. That I depose to this affidavit in good faith and in accordance with the Oaths Law of Lagos State 2004.

DEPONENT

Sworn to at the High Court Registry, Lagos.

This ...2nd... day of ......Feb......2022

BEFORE ME

BALOGUN U.
COMMISSIONER FOR OATH
HIGH COURT LAGOS

COMMISIONER OF OATHS

HIGH COURT OF LAGOS STATE
2 — 2 — 2022
CASH OFFICE IGBOSERE

JUDICIARY
LAGOS STATE
FEDERAL REPUBLIC OF NIGERIA
Nº B4048866

CITITRUST HOLDINGS PLC
UNAUDITED GROUP FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

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CORPORATE INFORMATION

Directors and advisors

Directors

Ifiabor Ohio Akoudo	Chairman
Yemi Adefisan	Group Chief Executive
Afolabi Martins	Group Executive Director
Lawal Danladi Yaro	Non-Executive Director
Ajila Oluwaseun Bolanle	Non-Executive Director
Olaoye Oyelakin	Non-Executive Director
Adebayo Adeleke	Non-Executive Director
Babafemi Lawal	Non-Executive Director
George Otieno	Non-Executive Director
Ogochukwu Temitope Kehinde	Non-Executive Director
Phillip Oshotse	Non-Executive Director

Bankers and other professional advisors

Secretary:	Mr. Chike Onwuka 43, Ademola Street off Awolowo street, Ikoyi, Lagos
Registered Office:	43, Ademola Street off Awolowo street, Ikoyi, Lagos
Prepared by	CFO Cititrust Holdings Plc
Registrar	Meristem Registrars & Probate Services Limited 213, Herbert Macauley Way, Yaba, Lagos State.
Bankers:	Access Bank Plc,Nigeria Ecobank Kenya, Kenya FGH Bank Limited, Malawi First National Bank, South Africa Guaranty Trust Bank Plc Keystone Bank Limited, Nigeria Providus Bank Limited, Nigeria Sterling Bank Plc, Nigeria Zenith Bank Plc, Nigeria Fidelity Bank Plc, Nigeria
Certificate of incorporation number	RC 1550836
Date of incorporation	3rd January 2019

REPORT OF THE DIRECTORS

The Directors present their Year to Date report on the affairs of Cititrust Holdings Plc ("the Company") together with the financial statements for the period ended 30 September 2021.

Legal form and principal activity

The Company was incorporated in Nigeria as a Public Liability Company with the Corporate Affairs Commission (CAC) on 3rd January 2019 as a Holding Company.

CITITRUST HOLDINGS PLC is well positioned to be high performing investment holding company driven to create value for funders, shareholders and business partners. With a solid track record shaped over decade, we actively seek out investment partnerships with high quality privately and publicly owned businesses across a range of strategic sectors.

Our services include Commercial Banking, Investment Banking, Wealth Management, Pension Management, Insurance andAlternative Investments.

All our services are carried out through our various subsidiaries seventeen (12) Countries in Africa and beyond namely Nigeria, Ghana, South Africa, Kenya, Botswana, Cote D'Ivoire, Malawi, Rwanda, Uganda, Tanzania, Benin Republic, Liberia and United Kingdom

Operating results

Highlights of the Company's operating results were as follows:

In thousands of Naira	31-Dec-20	31-Dec-21	% YoY
Gross Income	4,009,947	9,510,388	137%
Profit before income tax	(137,364)	2,880,900	2197%

REPORT OF THE DIRECTORS - Continued

Human resources:

Health, safety and welfare at work

The Company places a high premium on the health, safety and welfare of its employees in their place of work. Medical facilities are provided for employees and their immediate families at the Company's expense, up to stated limits. The Company also operates a contributory pension scheme in line with the Pension Reform Act, 2014 as amended for its employees.

Employment of disabled persons

The Company has no disabled person in its employment. However, applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee involvement and training

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. In line with this, formal and informal channels of communication are employed in keeping the staff abreast of various factors affecting the performance of the Company. The Company organises in-house and external training for its employees.

ACQUISITION OF OWN SHARES

The Company did not purchase any of its own shares during the year (2020: Nil).

BY ORDER OF THE BOARD

Company Secretary

Date: 29 January 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF FINANCIAL STATEMENTS

The Companies and Allied Matters Act 2020 requires the Directors to prepare financial statements for each financial year that presents a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the Company:

- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company, and comply with the requirements of the Companies and Allied Matters Act 2020, the Investment and Securities Act 2007 and the Financial Reporting Council of Nigeria Act, No. 6, 2011.

- establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities and;

- prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with, relevant International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, the Investment and Securities Act 2007 and the Financial Reporting Council of Nigeria Act, No. 6, 2011.

The Directors are of the opinion that the financial statements presents a true and fair view of the financial position and the financial performance of the Company as of and for the year ended 31 December 2020. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Yemi Adefisan
Group Chief Executive

Date: 29 January 2022

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE 0PERIOD ENDED 31 DECEMBER 2021

Further to the provisions of section 405 of the Companies and Allied Matters Act 2020, we, the undersigned, hereby certify the following with regards to our audited financial statements for the year ended December 31, 2020 that:

(i) We have reviewed the report and to the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact, or

- Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;

- To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the years presented in the report.

(ii) We

- are responsible for establishing and maintaining internal controls.

- have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;

- have evaluated the effectiveness of the Company's internal controls as of date of the report;

- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

(iii) We have disclosed to the auditors of the Company

- all significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and

- Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Yemi Adefisan	Afolabi Martins
Group Chief Executive	**Group Executive Director**
Date: 29 January 2022	Date: 29 January 2022

CITITRUST HOLDINGS PLC

CONSOLIDATED & SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31-DECEMBER-2021

in thousands of Nigerian Naira	Notes	The Group YTD 2021	FY 2020(audited)	% Change	The Company YTD 2021	FY 2020(audited)	% Change
Gross Earnings		9,510,388	4,009,947	137%	1,109,230	1,316,510	-16%
Interest and similar income	6	3,911,421	1,705,448	129%	930,000	-	
Interest and similar expense	11	(2,623,742)	(922,339)	184%	(21,012)	-	
Net interest income		**1,287,679**	**783,109**	**64%**	**908,988**	-	
Fee and commission income	7	1,833,449	104,589	1653%	3,096	-	
Fee and commission expense	7	(232,345)	(5,681)	3990%	(1,932)	-	
Net fee and commission income		1,601,103	98,908	1519%	1,163	-	
Other operating income	8	3,765,518	2,199,910	71%	176,134	1,316,510	-87%
Total operating income		**6,654,301**	**3,081,927**	**116%**	**1,086,286**	**1,316,510**	**-17%**
Credit loss expense		645,766	353,512	83%	-	22,858	-100%
Impairment losses on Other assets		-	-	0%	-	-	0%
Impairment losses on Non current assets held for sale		-	-	0%	-	-	0%
Finance Cost		5,267	352,029	-99%	301,173	757,340	-60%
Net operating income		**6,003,268**	**2,376,386**	**153%**	**785,113**	**536,312**	**46%**
Personnel expenses	10	1,115,317	1,040,619	7%	153,614	156,857	-2%
Directors' Cost		231,099	203,153	14%	108,865	60,157	81%
Depreciation of property and equipment		82,317	134,621	-39%	45,883	11,494	299%
Amortisation of intangible assets		41,597	8,892	368%	-	-	
Other operating expenses	12	1,652,039	1,126,465	47%	344,579	294,051	17%
Total operating expenses		**(3,122,368)**	**(2,513,750)**	**24%**	**(652,941)**	**(522,559)**	**25%**
(Loss)/Profit before tax		2,880,900	(137,364)	2197%	132,172	13,753	861%
Total Income		**2,880,900**	**(137,364)**	**2197%**	**132,172**	**13,753**	**861%**
Other Comprehensive Loss		(2,440)	21,494	-111%	-	-	
Impairment losses on Financial investments-AFS							
Total Comprehensive Income		**2,878,460**	**(115,870)**	**2584%**	**132,172**	**13,753**	**861%**
Tax Provision		(921,107)	(110,769)	732%	(42,295)	58,034	-173%
Profit After Tax		**1,957,353**	**(226,639)**	**964%**	**89,877**	**71,787**	**25%**

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

CITITRUST HOLDINGS PLC

CONSOLIDATED & SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

in thousands of Nigerian Naira	Note	The Group Dec-21	The Group FY 2020(audited)	% Change	The Company Dec-21	The Company FY 2020(audited)	% Change
Assets							
Cash and bank balances		5,767,970	3,508,966	64%	1,178,901	1,069,065	10%
Trade receivables		10,548,511	7,521,745	40%	-	1,405,263	-100%
Other Investments		8,667,172	5,614,397	54%	-	203,960	-100%
Financial investments-AFS		8,660,990	-		-	-	
Investment in Subsidaries		-	-		8,125,938	11,212,910	-28%
Other assets		1,575,958	309,408	409%	369,510	-	
Net Loans and Advances		10,658,085	7,148,246	49%	-	-	
Intangible assets		173,121	285,499	-39%	-	-	
Property Plant & equipment		1,246,061	960,407	30%	425,413	341,615	25%
Deferred tax assets		1,833	-		-	-	
Non current assets held for sale		183,351	268,051	-32%	-	-	
Total assets		**47,483,052**	**25,616,719**	**85%**	**10,099,762**	**14,232,813**	**-29%**
Liabilities							
Due to customers		23,397,976	13,477,815	74%	-	-	
Debt issued and other borrowed funds		4,988,306	9,530,509	-48%	1,849,993	12,941,490	-86%
Current tax liabilities & Deferred tax liabilities		1,136,642	404,686	181%	42,295	-	
Accruals & Other Payables		2,409,553	3,214,159	-25%	406	720,534	-100%
Other liabilities		5,802,825	-	-	232,382	19,605	1085%
Total liabilities		**37,735,303**	**26,627,169**	**42%**	**2,125,076**	**13,681,629**	**-84%**
Equity							
Issued share capital		1,250,000	500,000	150%	1,250,000	500,000	150%
Preference Shares		-	-		-		
Share premium		7,026,127	-		6,400,671		
Statutory reserve		110,732	30,084	268%	-	-	
Regulatory Risk Reserve		65,065	67,490	-4%	-	-	
Available for Sales Reserve		(7,317)	(2,461)	-197%	-	-	
Transalation Reserve		-	(18,701)		-	-	
Retained earnings		1,303,141	(2,662,539)	149%	324,014	51,184	-533%
Non-controlling Interest		-	1,075,677	-	-	-	-
Total equity		**9,747,749**	**(1,010,450)**	**1065%**	**7,974,685**	**551,184**	**-1347%**
Total liabilities and equity		**47,483,052**	**25,616,719**	**85%**	**10,099,762**	**14,232,813**	**-29%**

These financial statements and the accompanying notes to the financial statements were approved on 29th January 2022, authorised for issue by the Board of Directors and were signed on its behalf by:

Group Chief Executive
Yemi Adefisan

Group Executive Director
Afolabi Martins

The accompanying notes to the financial statements are an integral part of these financial statements.

HIGH COURT OF LAGOS STATE
Sign: ________ Date ________
CASH OFFICE IGBOSERE

STATEMENT OF CHANGES IN EQUITY

In thousands of Nigerian Naira

The Group *in thousands of Nigerian Naira*	Note	Share capital	Share premium	Retained earnings	Fair value & other reserves	Total equity
At 1 January 2021		1,250,000	-	(654,212)	(3,612)	592,176
Profit for the year		-	-	1,957,353		1,957,353
Other comprehensive income, net of tax		-	-	-		-
Net realised loss on sale of equities to retained earnings						
Total other comprehensive income for the year		-	-	1,303,141	(3,612)	2,549,529
Transactions with equity holders:						
Dividend paid		-	-	-	-	-
Total transactions with owners of the Company		-	-	-	-	-
At 31 December 2021		1,250,000	-	648,929	(7,224)	3,141,705

The Company *in thousands of Nigerian Naira*	Note	Share capital	Share premium	Retained earnings	Fair value reserves	Total equity
At 1 January 2021		1,250,000	6,400,671	234,137		7,884,808
Profit for the year		-	-	89,877		89,877
Other comprehensive income, net of tax		-	-	-		-
Net realised loss on sale of equities to retained earnings						
Total other comprehensive income for the year		-	-	89,877	-	89,876
Transactions with equity holders:						
Dividend paid		-	-	-	-	-
Total transactions with owners of the Company		-	-	-	-	-
At 31 December 2021		1,250,000	6,400,671	324,014	-	7,974,684

CITITRUST HOLDINGS PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31-DECEMBER-2021

in thousands of Nigerian Naira	Dec-21	Other Subsidiaries Dec-21
Gross Earnings	7,778	4,511,253
Interest and similar income	-	412,306
Interest and similar expense	(1,665)	(257,620)
Net interest income	(1,665)	154,686
Fee and commission income	1,332	580,199
Fee and commission expense	(444)	(1,032)
Net fee and commission income	888	285,470
Other operating income	6,446	3,518,748
Total operating income	5,669	3,958,904
Credit loss expense	-	17,927
Impairment losses on Other assets		-
Impairment losses on Non current assets held for sale	-	-
Finance Cost	25,116	-
Net operating income	(19,447)	3,940,977
Personnel expenses	22,601	198,074
Directors' Cost	1,850	33,386
Depreciation of property and equipment	-	13,410
Amortisation of intangible assets	-	3,808
Other operating expenses	28,580	222,049
Total operating expenses	(53,031)	(470,728)
(Loss)/Profit before tax	(72,478)	3,470,249
Income tax credit/(expense)		
Total Income	(72,478)	3,470,249
Other Comprehensive Loss		(2,440)
Impairment losses on Financial investments-AFS		
Total Comprehensive Income	(72,478)	3,467,810

CITITRUST HOLDINGS PLC

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

In thousand of Nigerian Naira	Company	Other Subsidiaries
Assets	Dec-21	Dec-21
Cash and balances	-	1,354,674
Due from banks	1,178,901	3,234,394
Trade receivables	-	10,548,511
Investment Securities	-	5,101,405
Financial investments-AFS	-	8,660,990
Investment in Subsidiaries	10,125,938	-
Other assets	369,510	1,206,448
Net Loans and Advances	-	10,658,085
Intangible assets	-	173,121
Property Plant & equipment	425,413	820,648
Deferred tax assets	-	1,833
Non current assets held for sale		183,351
Total Assets	12,099,762	41,943,461
Liabilities and Equity		
Liabilities		
Due to customers	-	23,397,976
Debt issued and other borrowed funds	1,849,993	3,138,313
Current tax liabilities & Deferred tax liabilities	-	215,535
Accruals & Other Payables	406	2,409,147
Other liabilities	2,232,382	3,299,322
Related Parties Payable-Liberia	-	-
Total liabilities	4,082,782	32,460,293
Equity		
Issued share capital	1,250,000	6,560,170
Preference Shares	-	-
Share premium	6,400,671	625,456
Statutory reserve	-	110,732
Regulatory Risk Reserve	-	65,065
Available for Sales Reserve	-	(7,317)
Transalation Reserve	-	-
Retained earnings	366,309	2,129,061
Unappropriated Profit	-	-
		-
Total equity	8,016,980	9,483,168
Total liabilities and equity	12,099,762	41,943,461

NOTE TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Reporting entity

Cititrust Holdings Plc ("the Company") is a company domiciled in Nigeria. The address of the Company's registered office is 43, Ademola Street off Awolowo street, Ikoyi, Lagos State. The Company started operations in 2019. CITITRUST HOLDINGS PLC is well positioned to be high performing investment holding company driven to create value for funders, shareholders and business partners. With a solid track record shaped over decade, we actively seek out investment partnerships with high quality privately and publicly owned businesses across a range of strategic sectors.

Our services include Commercial Banking, Investment Banking, Wealth Management, Pension Management, Insurance andAlternative Investments.

All our services are carried out through our various subsidiaries seventeen (17) Countries in Africa and beyond namely Nigeria, Ghana, South Africa, Kenya, Botswana, Cote D'Ivoire, Malawi, Rwanda, Sierra Leone, Uganda, Tanzania, Benin Republic, Liberia, Mauritius, United Kingdom and USA.

2 Basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act 2020, Investment and Securities Act 2007 and Financial Reporting Council of Nigeria Act, 2011.

(b) Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention as modified by the measurement of certain financial assets and liabilities at fair value.

(c) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional and presentation currency. All financial information presented in Naira has been rounded to the nearest thousands, except otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving higher degrees of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

3.1 Changes in accounting policies

No changes in the company accounting policies for the period under review.

3.2 Significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Foreign currency differences arising on translation are generally recognised in profit or loss.

For the purpose of recognising foreign exchange differences, assets classified as measured as FVOCI are treated as monetary items and as if they are measured at amortised cost in the foreign currency. Accordingly, the foreign exchange difference arising from changes in amortised cost are recognized in profit or loss and not in other comprehensive income.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

(b) **Interest and similar income**

Interest and similar income comprises of interest income on fixed placements, private credit investments etc

(c) **Investment income**

Investment income is recognized on an accrual basis.

(d) **Interest income and expenses**

Interest Income and Expenses comprises dividend income and income from realised profits on sale of securities, realised foreign exchange gains and other sundry income and are recognised when earned.

The calculation of the effective interest rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Fair value changes on other financial assets and liabilities carried at fair value through profit or loss, are presented in net income on other financial instruments carried at fair value in the statement of profit or loss and other comprehensive income.

(e) **Other income**

Other income comprises dividend income and income from realised profits on sale of securities, realised foreign exchange gains and other sundry income and are recognised when earned.

(f) **Expenses**

All expenses are recognised in the profit or loss on an accrual basis.

(g) **Cash and cash equivalents**

Cash and cash equivalents include notes and coins in hand and highly liquid financial assets with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

(h) **Financial Instruments**

i. Recognition and initial measurement

Fee receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

ii. Classification and subsequent measurement

Financial assets:

The Company classifies its financial assets as subsequently measured at amortised cost or fair value through other comprehensive income.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following condition and is not designated as FVTPL:
- it is held within a business model whose objective is to acheived by collecting both contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the buriness model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Investment at FVOCI	These assets are subsequently measured at fair value. Dividend are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

No financial liabilities have been classified as fair value through profit or loss at any of the reporting dates covered by this set of financial statements.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

iv. Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

v. Derecognition of financial instruments

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

vi. Fair value

'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 company has access at that date. The fair value of a liability reflects its non performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

vii. Impairment

(i) Non derivative financial assets (including receivables)

The Company recognizes loss allowance for ECL on debt investment securities - bonds and treasury bills.

The company measures loss allowance at an amount equal to lifetime ECL, except for the following, for which are measured at 12 month ECL:

-Debt investment securities that are determined to have low credit risk at the reporting date: and
-Other financial instruments on which credit risk (i.e the risk of default occuring over the expected life of the fiinancial instrument) has not increased significantly since initial recognition.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12 month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the life of the instrument is less than 12 months).

Measurement of ECLs

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

An impairment loss is calculated as the difference between an asset's carrying amount and exposure at default multiplied by the loss given default and the probability of default.

The exposure at default is an estimate of the exposure at a future default date, it considers the principal and interest due as at the reporting date. Exposure at default in the ECL calculation is the initial cost at purchase and subsequently, the carrying value of the asset as at the reporting date.

The probability of default was obtained from transition matrices for time horizon of one year, published by S&P rating agencies.

ECLs are discounted at the effective interest rate of the financial assets.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are charged to profit or loss and deducted from the gross carrying amount of the assets.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

(ii) Impairment of non-financial assets

At each reporting date, the carrying amount of non-financial assets (other than investment property and deferred tax assets) are reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Additionally, assets that have an indefinite useful life (including goodwill) and are not subject to amortisation are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Value in use is based on the estimated future cash flows, 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. Impairment charges on financial and non- financial assets are included in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Property and equipment

(i) Recognition and measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bring the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful lives for the current and comparative period are as follows:

Computer equipment	5 years
Furniture and fittings	5 years
Office equipment	5 years
Motor vehicles	4 years
Leasehold improvements	5 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell or the value in use.

(iv) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(j) Intangible assets

Purchased software

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use, since this most closely reflects the pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years. Amortisation methods, useful life and residual values are reviewed at each financial year-end and adjusted if appropriate.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

(k) Current and deferred tax

Current Tax

Income tax expense comprises current and deferred taxes. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Company offsets the tax assets arising from withholding tax credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and it intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit will be realised.

Minimum Tax

Minimum tax is calculated using the tax rate applicable based on certain parameters stipulated in the Nigerian tax law. Any amount by which this minimum amount payable exceeds company income tax is shown as minimum tax expenses and presented separately in the statement of profit or loss and other comprehensive income.

Deferred Tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(l) Employee benefits

Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due in respect of service rendered by employees before the end of the reporting period. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates a contributory pension scheme in line with the provisions of the Pension Reform Act 2014. The contributions of 8% for the staff and 10% for the Company are based on the current salaries and designated allowances. Employee contributions are funded through payroll deductions while the Company's contribution is charged to the profit or loss.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

(m) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(n) Share capital

i. Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction of from equity, net of any tax effects. The excess of the amount realised as capital over the nominal value of the shares issued is recognised by the Company as share premium.

ii. Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

iii. Fair value reserves

The fair value reserves comprises:

the cumulative net changes in the fair value of equity securities designated at FVOCI and the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognized or reclassified. This amount is reduced by the amount of loss allowance.

(o) Basic and diluted earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

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

(p) Portfolio under management

(i) *Fiduciary activities*

The Company manages funds on behalf of clients. These funds are regulated by the Securities and Exchange Commission ("SEC") and have separate Trustees and Custodians in line with the SEC rules and regulations. Thus, the Company is not in custody of the funds it manages. Consequently, the assets and liabilities of the funds under management are not reflected on the statement of financial position, as these do not belong to the Company. The values of these items are disclosed in note 25 to the financial statements. However, fee income earned and fee expenses incurred by the Company relating to the Company's responsibilities from fiduciary activities are recognised in the statement of profit or loss.

(ii) *Fixed income liability*

These are funds managed by the Company on behalf of its clients. The interest rate on these liabilities are agreed with the client at the inception of the investment. The Company invests these funds in finanacial instruments in order to generate at the minimum, the agreed rate of returns. The interest spread on these investments is the return to the Company.

These liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these laibilities are measured at amortised cost using the effective interest method.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

(q) **Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Board of Directors (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

All operations and activities, performance monitoring, evaluation and decision making are executed on a single segment basis with no distinguishable unit that meets the requirements for disclosure as a reportable segment in line with IFRS 8.

Standards issued but not yet effective, New and amended standards and interpretations issued and effective in 2020 and Critical accounting estimates and judgments

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. Effective for annual periods beginning on or after 1 January 2021

The amendments provide temporary reliefs which address the financial reporting effects when an intercompany offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments is not expected to have a significant impact on the Company's financial statements.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements. Effective for annual periods beginning on or after 1 January 2022.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments to IFRS 3 is not expected to have a significant impact on the Company's financial statements.

Standards issued but not yet effective

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

Effective for annual periods beginning on or after 1 January 2022.

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments to IFRS 16 is not expected to have a significant impact on the Company's financial statements.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. Effective for annual periods beginning on or after 1 January 2022.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgement will be required in determining which costs are "directly related to contract activities", but we believe that guidance in IFRS 15 Revenue from Contracts with Customers will be relevant.

The amendments to IAS 37 is not expected to have a significant impact on the Company's financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards: Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the Company.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the Company.

IAS 41 Agriculture: Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. Effective for annual periods beginning on or after 1 January 2022.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument

The amendments to IAS 1 is not expected to have a significant impact on the Company's financial statements.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

New and amended standards and interpretations

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated 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 output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

The Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

3.3 Financial risk management

Risk associated with the business of the Company include financial risks, namely: credit risk, liquidity risk and market risk (which includes currency risk, interest risk, equity and commodity price risk) as well as other risks such as capital management, operational risk, strategic risk, legal risk, reputational risk, taxation risk and regulation risk.

Risk appetite

The Company's risk appetite is reviewed by the Board of Directors annually, at a level that minimises erosion of earnings or capital due to avoidable losses or from frauds and operational inefficiencies. This reflects the conservative nature of the Company as far as risk taking is concerned.
The Company employs a range of quantitative indicators to monitor the risk profile. Specific limits have been set in line with the Company's risk appetite.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board Risk Management Committee is assisted in its oversight role by the Risk Management unit. This unit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board Risk Committee.

a Credit risk

Credit risk is the risk arising from counterparty's inability or unwillingness to fulfill contractual obligations to the Company. Key areas where the Company is exposed to credit risk are:

Investment in financial instruments: such as treasury bills, short term deposits and other bank balances. The risk of these exposures are tied to the financial health of these institutions, mainly comprised of the Central Bank of Nigeria and top tier banks.

Trade and other receivables: these exposures represent fees receivable from managed portfolios yet to be approved for payment, staff loans and other receivables. The allowance for impairments on trade and other receivables represents specific impairment made.

4 Financial risk management - Continued

a Credit risk management - Continued

The carrying amount of financial assets represents the company's maximum exposure, which at the reporting date, was as follows:

In thousands of Nigerian Naira	31 December 2021	31 December 2020
Cash and bank balances	5,767,970	1,069,065
Investment amortised at cost	17,328,162	8,125,938
	23,096,131	9,195,003

The amount reported above is gross of impairment allowance recognised.

Managing credit risk

The risk management function has responsibility for assessing, monitoring and managing credit risk within the Company, in line with the set credit rating limits and prescribed counterparty exposure limits contained in the internal counterparty policy and regulatory investment guidelines. The guidelines are designed to minimise counterparty concentration risk.

Credit risk exposure

The Company monitors concentrations of credit risk by industry sector. An analysis of concentrations of credit risks at 31 December 2021 and 31 December 2020 respectively are set out below:

31 December 2021 *In thousands of Nigerian Naira*	Financial services	Government	Staff loan	Other	Total
Cash and bank balances	5,767,970	-	-	-	5,767,970
Fixed Placements	8,660,990				8,660,990
Other assets- receivables	10,548,511				10,548,511
	24,977,471	-	-	-	24,977,471

31 December 2020 *In thousands of Nigerian Naira*	Financial services	Government	Staff loan	Other	Total
The Company monitors concentrations of credit risk by industry sector. An analysis of concentrations of credit risks at 31 December 2021 and 31 December 2020 respectively are set out below:	1,178,901	-	-	-	1,178,901
Fixed Placements	5,614,397				5,614,397
Other assets- receivables	7,521,745	-	-	-	7,521,745
	14,315,043	-	-	-	14,315,043

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

b **Liquidity risk**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall doe under both normal and stressed circumstances. To limit this risk, management maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. The Company has developed internal control processes for managing liquidity risk.

Liquidity in the context of our business, does not extend to Client funds which are managed by the Company, under an agency relationship. It refers to the Company's own funding activities.

Liquidity risk is the risk that the company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost.

c **Liquidity risk management**

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company reputation.

4 **Financial Risk Management - Continued**

c **Market risk**

Market risks can arise from adverse changes in interest rates, foreign exchange rates, equity prices, commodity prices and other relevant factors such as market volatilities. Market risk is the risk that these volatilities will affect the Company's income. The objective of market risk management activities is to continually manage and control market risk exposure within acceptable parameters, while optimizing the return on risks taken.

Management of market risk

Market risk is the risk that movements in market factors, including foreign exchange rates, interest rates, and equity prices will reduce the Company's income or the value of its portfolios.

Overall authority for market risk is vested by the board in Executive Management which sets up limits for each type of risk in aggregate. They are responsible for tracking exposure and reporting to the Board of Directors.

IFRS 7 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 Company'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 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This includes financial instruments, for which fair value could not be determined.

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

Debt instrument at amortised cost - Nigerian Treasury Bills and FGN bonds

The fair value of treasury bills and FGN bonds are determined by reference to quoted yield to maturities of the instrument as published on the Financial Market Dealer Quotation (FMDQ) website. The fair values of the Nigerian Treasury Bills, US Treasury bonds and FGN bonds are classified under Level 2 in the fair value hierarchy. The FMDQ and Bloomberg publishes the market yields on a daily basis, and the unadjusted yields are used to determine the prices.

Quoted equities

The fair values of quoted equities are derived from quoted market prices in active.

5 **Capital management**

The Securities and Exchange Commission of Nigeria sets the required minimum capital to be maintained by the Company at ₦150 million. The Company's shareholders' fund for 2020 was ₦2.03 billion (2019: ₦3.05 billion). Hence, the Company adequately manages its capital.

The Board of Directors is responsible for:

- Ensuring the Company fully complies with minimum regulatory capital adequacy requirements and remains a going concern.
- Ensuring the Company is adequately capitalized - that the Company has enough capital to support its level of risk exposures.
- Ensuring disciplined and selective asset growth.
- Maintaining expected losses within defined limits as a direct consequence of selective and disciplined asset growth.
- Driving overall Company performance.

NOTE TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change if the change affects that period only or in the period of change and future period, if the change affects both.

Estimates and judgements

Income taxes

The Company is subject to income taxes in Nigeria. Significant estimates are required in determining the provision for income taxes. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes be due. 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 provision in the period in which such determination is made.

For recognition of deferred tax assets, judgment is exercised to assess the availability of future taxable profit against which tax losses carried forward can be used. When in the judgement of management, it is not probable that future taxable profit will be available against which the Company can use the benefits there from, deferred tax assets is un-recognised (see note 14.3). Unrecognised deferred tax asset are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Valuation of financial instruments

The Company's accounting policy on fair value measurements is discussed under note 3(h)(vi). The Company measures fair values using the following hierarchy of methods.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments e.g quoted equity securities. These items are exchange traded positions.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Allowance for expected credit losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy Note 3(h)(vii) The specific counterparty component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counter party's financial situation and the net realizable value of any underlying collateral.

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 31 DECEMBER 2021

6 Interest income calculated using the effective interest method

in thousands of Nigerian Naira	Note	2021
Interest Income from alternative Investments		1,432,167
Interest Income from Fixed Placement		2,406,635
Interest income on current Account		72,619
		3,911,421

These are mainly interest income earned on funds made available to credit worthy individuals and corporate entities. These funds are made available at an agreed interest rate.

7 Fees and commission income

in thousands of Nigerian Naira	Note	2021
Fees		1,833,449
		1,833,449

This relates to fees earned for management and advisory services rendered to customers

Timing of revenue recognition:		
Services transferred over time		-
Services transferred at a point in time		1,833,449
		1,833,449

By geographical location:		
Domestic		1,741,776.31
International		91,672
		1,833,449

8 Other income

in thousands of Nigerian Naira	Note	2021
Gain on disposal of equity Investment		3,109,330
Sundry income		240,981
Fair value gains on equity investment		411,953
		3,762,264

9 Impairment expense

in thousands of Nigerian Naira	Note	2021
Impairment loss on investments		645,766
		645,766

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 31 DECEMBER 2021

10 Personnel expenses

in thousands of Nigerian Naira	Note	2021
Wages & Salaries		1,115,317
		1,115,317

Employees other than non-executive directors whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

	2021
₦2,000,000 and below	15
₦2,000,001 - ₦5,000,000	78
₦5,000,001- ₦10,000,000	76
₦10,000,001 and above	67
	236

ii *The number of persons in employment as at period end is as follows:*

Management staff	29
Non-management staff	207
	236

iii *Directors' remuneration*

in thousands of Nigerian Naira	Note	2021
Fees and sitting allowance		-
Other emoluments		-
		-

Executive Director's renumeration	
Executive compensation	-
	-

11 Interest expense calculated using the effective interest method

in thousands of Nigerian Naira	Note	2021
Interest expense on deposits from customers	(i)	2,623,742
		2,623,742

(i) This represents interest paid/payable to depositors of funds(investors) which are High Networth Individuals (HNI) or Corporate Entities

12 Other expenses

in thousands of Nigerian Naira	Note	2021
Audit fees		35,000
Gift & Donations		12,000
Professional fees		236,875
Transport & Traveling		101,334
Bank Charges		99,651
Repairs & Maintainance		12,306
Fuel Purchases		23,432
Dues & Subscription		56,213
Insurance		23,456
Staff Training		56,431
Legal Fees		12,986
Registration Fees		56,852
Email Domain		11,128
Cleaning Exp		4,587
Medical		45,678
Other Expenses		818,641
Printing & Office Stationery		45,469
		1,652,039

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE PERIOD ENDED 31 DECEMBER 2021

13 Income tax

13.1 *Amount recognised in profit or loss*

i Income tax expenses

in thousands of Nigerian Naira	Note	2021
Company Income Tax		850,253
Education tax		70,854
		921,107
Deferred tax charged		-
		921,107

The Directors believe that the accrual for tax liabilites are adequate for all open tax years, based on its assessment of relevant factors including the interpretation of tax laws and tax practices in the determination of obligation for income taxes.

13 Income tax

13.2 Tax Liability

in thousands of Nigerian Naira	Note	31 December 2021
The movement in this account during the period was as follows:		
Balance, beginning of the period		-
Charge for the period		850,253
		850,253
Payment during the period		-
		850,253

13 Income tax - continued

13.3 Deferred tax liabilities

Balance, beginning of the period	-
Charge for the period	-
	-

The Company's tax expense in the period has been assessed based on the requirements of the new Finance Act 2020.

14 Cash and cash equivalents

in thousands of Nigerian Naira	Note	31 December 2021
Bank balances		5,767,970
		5,767,970

Bank balances represent current account balances kept with Nigerian banks

15 Investment securities

in thousands of Nigerian Naira	Note	
Investment securities at FVPL		1,575,958
		1,575,958

This relates to the Company's investments in equities of different quoted companies as at 31 December 2020.

FINANCIAL SUMMARY	Group		Company	
	31 December	31 December	31 December	31 December
in thousands of Nigerian Naira	2021	2020	2021	2020
Statement of financial position				
Assets				
Cash and cash equivalents	5,767,970	3,508,966	1,178,901	1,069,065
Investment securities at amortised cost	27,986,247	12,762,643	8,125,938	11,416,870
Property and equipment	1,602,533	1,513,957	425,413	341,615
Other Assets	12,126,302	7,831,153	369,510	1,405,263
Total assets	47,483,052	25,616,719	10,099,762	14,232,813
Liabilities				
Deposit Liabilities	7,712,971	7,712,971	7,712,971	7,712,971
Other Liabilities	1,025,666	1,025,666	1,025,666	1,025,666
Tax Liability	69,651	69,651	69,651	69,651
Deferred tax liability	2,282	2,282	2,282	2,282
Total liabilities	8,810,570	8,810,570	8,810,570	8,810,570
Equity				
Share capital	5,000	5,000	5,000	5,000
Share Premium	45,000	45,000	45,000	45,000
Retained earnings	(175,611)	(175,611)	(175,611)	(175,611)
Total equity	(125,611)	(125,611)	(125,611)	(125,611)
Total equity and liabilities	8,684,959	8,684,959	8,684,959	8,684,959
Statement of profit or loss and other comprehensive income				
Gross Income	9,510,388	4,009,947	1,109,230	1,316,510
Profit/(loss) before income tax expenses	2,878,460	(115,870)	132,172	13,753
Income tax expense	(921,107)	(110,769)	(42,295)	58,034
Loss for the period	1,957,353	(226,639)	89,877	71,787
Basic and diluted loss per share (kobo)	1.96	-0.23	0.09	0.07
Diluted loss per share (kobo)	1.96	-0.23	0.09	0.07