VFD GROUP

Navigating a very **Uncertain World**

VFD Group Plc

2020 Annual Report & Financials

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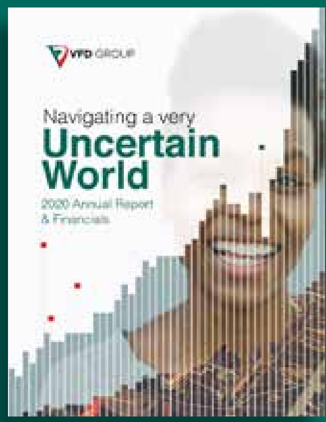

HIGHLIGHTS

96%
GROSS EARNINGS
N6.7bn from N3.4bn in 2019

173%
PROFIT BEFORE TAX
N4.1bn from N1.5bn in 2019

85%
YOY GROWTH
Total Asset closed at N81.7bn from N44.2bn in 2019

37%
OPERATING EXPENSES
N2.6bn from N1.9bn in 2019

VFD MICROFINANCE BANK · EVERDON · VFD BRIDGE · ANCHORIA · Atiat · DRE
premiumgreen · Boardroom APARTMENTS · KAIROS CAPITAL · ANCHORIA · 360 · abbey

FOR MORE INFORMATION:

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01
CHAPTER

Corporate Profile

ABOUT US

VFD Group Plc is a proprietary investment company that focuses on building positive and socially conscious ecosystems by aggregating potentially viable businesses with the objective of creating innovative products and solutions that are accessible to the everyday Nigerian citizen and entrepreneur.

> "We aim to creatively and consistently build our capacity to provide financial solutions that cater to every need an individual or small business might have

VFD Group Plc was founded by skilled professionals with diverse experience, qualifications, and backgrounds. As a team, we identified the gap between both individuals and small businesses and their banking experiences and set out to bridge the divide.

We discovered that despite the size of the formal financial sector, the informal sector is greater and that there are immense opportunities for value creation within this informal sector.

Considering that, we developed a business model that allows us to operate in major sectors of the economy through our portfolio, providing Financial Advisory, Asset Management, Currency, Real Estate, Debt Services and Private Funds Management Services, taking deposits and providing loans at very competitive rates.

In all our endeavours, we are fully cognizant of the risks that come with pioneering innovation and working within the informal sector.

The diverse backgrounds and combined expertise of our Management and Board has enabled us to develop a versatile team of in-house risk managers, thoroughly enabling us to mitigate these risks.

Founded on the values of integrity and good governance, and built on the strength of innovation and network, the goal of VFD Group is to establish a firm foothold in various ecosystems on the continent through our subsidiary companies. Through these companies, we aim to creatively and consistently build our capacity to provide financial solutions that cater to every need an individual or small business might have, leading us to becoming the foremost financial services brand in Nigeria and on the continent.

VFD Group was incorporated with the Corporate Affairs Commission (CAC) on 7th July 2009 and commenced business operations effectively on the 1st of January 2011.

VISION

To be a commercially viable investment company with global influence focused on building positive and socially conscious ecosystems.

MISSION

To build sustainable ecosystems by aggregating potentially viable businesses through investments and collaborations.

CORE VALUES

INTEGRITY
We are thorough, honest, and accountable in every area of business.

INNOVATION
We are continually creating innovative ways to serve our customers better, even as we remain on top of the foremost financial technologies.

ENTREPRENEURSHIP
We act on opportunities as they are presented and take ownership of a process, activity, or engagement with the ultimate objective to create value for all involved.

EMPATHY 360
We take into consideration the feelings and interests of all our stakeholders, with priority on the company and its shareholders, before making decisions for our stakeholders.

TEAMWORK
We believe in the importance of collaboration to achieve value for our stakeholders.

AWARDS AND RECOGNITION

VFD GROUP

Business Day 8th Banks' and other Financial Institutions Awards (BAFI)

- Best Investor Relations of the Year
- Alternative Investment Manager of the Year

ISO 27001:2013 Certification in Information Security Management System

ANCHORIA ASSET MANAGEMENT LIMITED

Fixed Income Manager of the year at the 2021 Mutual Fund Outlooks and Awards organized by Business A.M

ANCHORIA INVESTMENT AND SECURITIES LTD

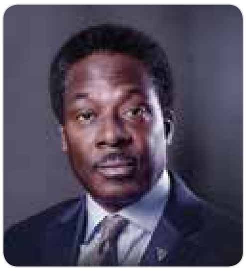
Anchoria Investment and Securities Ltd came first on the NASD trading Platform as the highest trader for Week 3 ended 22nd January 2021.

- Units traded - ₦93.1million

CORPORATE INFORMATION

DIRECTORS:		
	MR. OLATUNDE BUSARI (SAN)	Chairman
	MR. NONSO OKPALA	Group Managing Director
	MR. ADENIYI ADENUBI	Executive Director
	MR. GBENGA OMOLOKUN	Executive Director
	MR AZUBIKE EMODI	Executive Director
	MR MOBOLAJI ADEWUMI	Non- Executive Director (Appointed NED on 11 August 2020)
	MRS. NGOZI AGHANYA	Non- Executive Director
	MR. VICTOR FAGBAMILA	Non- Executive Director
	MR. SULEIMAN LAWAL	Non- Executive Director
	MS. JEWEL OKWECHIME	Non- Executive Director
	MR. AYODELE ONAWUNMI	Non- Executive Director
	MR. CHUKS OZIGBO	Non- Executive Director
	DR. SAMUEL MADUKA ONYISHI	Independent Non-Executive Director
RC No.		RC 829196
COMPANY SECRETARY		Ms. Oluwagbeminiyi Shoda
REGISTERED OFFICE:		**Foresight House** 163/165 Broad Street Lagos
PRINCIPAL BANKER		**United Bank for Africa Plc** 57, Marina, Lagos Island, Lagos.
AUDITORS:		**Deloitte & Touche** Plot GA 1 Civic Towers, Ozumba Mbadiwe Avenue Victoria Island, Lagos, Nigeria

DIRECTORS' PROFILE



OLATUNDE BUSARI (SAN)

Chairman

OLATUNDE BUSARI (SAN) is the Chairman of VFD Group Plc. He holds a B.Sc. degree in Political Science from the University of Ife (now Obafemi Awolowo University, Ife), Nigeria (1984). He also obtained the bachelor's degree (LL.B) in Law from the University of Ibadan, Nigeria (1988), and Master's degree (LL.M) in Law from the University of Lagos, Nigeria in (1989). Mr. Busari was called to the Nigerian Bar in 1989 and is a Senior Advocate of Nigeria. He is a highly resourceful legal specialist with vast experience in company management. He started his career in 1990 at Babalakin & Co from where he progressed to Akinwunmi & Busari in 1993 where he has been till date.

NONSO OKPALA

Group Managing Director

NONSO OKPALA is the Group Managing Director/CEO of VFD Group Plc. He started his career in 2004 at KPMG Professional Services as a Auditor. In 2008 he moved to BGL Plc working in their corporate finance and wealth management teams. In 2010 he joined Heirs Holding Ltd, an African proprietary investment company. Charged with the design and implementation of Heirs Holdings' financial strategy, he played a pivotal role in implantation the turnaround/establishment strategy of its investee companies as Chief Financial Officer. Nonso is a graduate of Marketing from the University of Nigeria, Enugu Campus (2003). He is a member of the Institute of Chartered Accountants of Nigeria (ICAN).

ADENIYI ADENUBI

Executive Director

ADENIYI ADENUBI is the Executive Director, Investment Management & Investor Relations of VFD Group Plc. He has over eight years of hands-on experience in Private Equity, Venture Capitalism, and Financial Advisory. His previous work experience includes Royal Bank of Scotland (2005-2007), ATOS Consulting (2007-2008), and as Financial Adviser to numerous firms in London and also in Nigeria. In 2009 he joined PremiumGreen Nigeria Limited as the Vice Chairman. Niyi left PremiumGreen in 2016 to join VFD group as an Executive Director. Niyi has specific oversight of Corporate Governance at VFD. Niyi is a graduate of Sociology from the University of Ibadan (2004)

AZUBIKE EMODI

Executive Director

AZUBIKE EMODI is the Group Commercial Director of VFD Group Plc. He is a resourceful financial service specialist with experience in Retail and Commercial Banking Investment, Financial Planning and Advisory across African and European Markets. Azubike is a member of Investment Funds in Canada (IFC) (2017) and also an associate member of the Chartered Institute of Bankers of Nigeria (CIBN) (2015). He holds a B.Sc. in Banking and Finance (2003), MBA in Management (2008) and M.Sc. in Banking and Finance (2010) all from the University of Nigeria, Nsukka. Azubike started his career at Catholic Relief Services (CRS) Abuja as Finance Assistant Data Entry Officer in 2004. He left CRS in 2005 to join Zenith Bank Plc until 2016 when he joined VFD Microfinance Bank Ltd as Managing Director. He is a Fellow of the Institute of Credit Administrators.

GBENGA OMOLOKUN

Executive Director

GBENGA OMOLOKUN is the Executive Director, Risk Compliance and Technology at VFD Group Plc. He has developed specific skill in business process and technology management on various client projects across a number of industries. Gbenga started his career as an Executive Trainee at Zenith Bank Plc in 2008. He then joined KPMG Advisory Services, Lagos as an Experienced Analyst in 2010. Whilst at KPMG, Gbenga acted as the program manager on a systems implementation project for a large manufacturing company across eight countries in Africa and ten project locations. Gbenga has worked on various business process/technology issues with numerous clients across a number of industries including the Public sector, Pharmaceuticals, Manufacturing and Financial Services. He left KPMG in 2016 to join VFD as an Executive Director/ COO VFD Group. Gbenga holds a degree in Mathematics from Obafemi Awolowo University (OAU), Ile-Ife (2006).

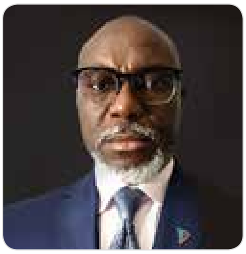
MOBOLAJI ADEWUMI

Non-Executive Director

MOBOLAJI ADEWUMI is a Non-Executive Director of VFD Group Plc. He holds a B.Sc. in Management and Accounting from the Obafemi Awolowo University, Ile Ife and an MBA specializing in Finance from the Judge Business School, University of Cambridge. He is a member of the Association of Chartered Certified Accountants (ACCA) with over ten years post-qualification experience. Prior to joining VFD Group Plc, he worked with the Managing Director of First Bank of Nigeria Limited. Prior to that, he was the Special Adviser to the Managing Director of ASO Savings and Loans Plc while doubling as Head of Strategy. Bolaji has deep financial services experience and expertise, having worked with regional and global leaders in the financial services sector, such as United Bank for Africa and KPMG Nigeria.

NGOZI AGHANYA
Non-Executive Director

NGOZI AGHANYA is a Non-Executive Director of VFD Group Plc. She is a lawyer with over a decade of legal experience. A graduate of law from Nnamdi Azikiwe University, Awka, she holds a post-graduate diploma in Strategic Management from the Institute of Strategic Management, Strategic Business School and an International Advanced Certificate in Compliance from Manchester Business School. Ngozi comes with a wealth of experience in commercial legal transactions, particularly within the finance industry, notably with Greenwich Trust Group Ltd; a boutique investment bank and more recently, corporate advisory experience from Templars Law Firm, advising in both international and domestic transactions. She is a member of the Nigerian Bar Association (NBA) and Institute of Chartered Secretaries and Administrators (ICSA). Ngozi assists with legal advice on the Board.



VICTOR FAGBAMILA
Non-Executive Director

VICTOR FAGBAMILA is a Non-Executive Director of VFD Group Plc. He has over twenty five years of work experience in Professional Practice, Business and Financial Analysis, Project Management, Management Consulting, Commerce and Industry. His work experience spans across Africa and European countries and he is a Certified Public Accountant (CPA) in New York, USA.

Victor is a member of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITN).

SULEIMAN LAWAL
Non-Executive Director

SULEIMAN LAWAL is a Non-Executive Director of VFD Group Plc. He is a business strategist with vast experience in project management and proven leadership and management skills in challenging, multicultural and fast- paced environments.

He holds a B.Sc. in Information Systems (2010) and an MBA (2013) both from Strayer University, Washington, DC. He worked in SAGEM for many years where he garnered relevant management, sales and operations experience.

JEWEL OKWECHIME
Non-Executive Director

JEWEL OKWECHIME is a Non-Executive Director of VFD Group Plc. She holds a Master of Engineering in Chemical and Bio-Process Engineering from the University of Surrey, United Kingdom. She has experience in Chemical and Environmental Engineering, developing and leading long-term strategic objectives that resulted in positive growth and innovation. Jewel is recognized for excellence, serving in demanding leadership roles, maintaining flexibility through change and creativity to solve problems, with a record of achievements that surpasses expectations. She worked at Heirs Holdings Limited as a Senior Executive Assistant (2014 – 2014), and at Transcorp Nigeria Plc as Head of Administration & Business Development (2014 – 2017). She is the Managing Director and an Environmental Leader at J&R Environmental Services Ltd . Jewel joined the board of VFD Group Plc as a Non-Executive Director in 2018.

AYODELE ONAWUNMI

Non-Executive Director

AYODELE ONAWUNMI is a Non-Executive Director of VFD Group Plc. He is currently the Managing Partner, 213 Capital, Lagos. Prior to starting 213 Capital, he was Partner, Consulting Group- FDHL Group where he spent 7 years. He was previously the Head of Business Development & Strategy, Acorn Petroleum Plc. He joined Acorn Petroleum after working in Leadway Assurance Company as Head, Investment Management Group. Before joining Leadway Assurance, Ayodele was Assistant Vice-President, Investment Banking Group- Chapelhill Denham Group, Lagos. His work experience includes heading the Asset Management Group of Pensure PFA, Lagos. He started his career as a foreign currency trader in Access Bank Plc. Ayodele is a graduate of Basic Medical Services from the University of Ibadan, Nigeria and a Postgraduate in Business Administration from Heriot-Watt University, Edinburgh Business School, Edinburgh, UK. He has a master's degree in finance from the London Business School.

CHUKS C. OZIGBO

Non-Executive Director

CHUKS OZIGBO

Chuks Ozigbo is a Non-Executive Director of VFD Group Plc. Chuks is currently a Director in Lyca Digitals Ltd. Prior to joining Lyca Digitals, he worked at United Bank for Africa Plc for three years where he rose to the position of Group Head, Corporate Banking. He was responsible for heading and managing the bank's business relationships with many major multinationals and large corporate organisations. He was previously Branch Manager, ASPMDA, BBA and Onipanu Branches, First Inland Bank Plc. He joined First Inland Bank after spending four years in First Atlantic Bank Plc. Chuks started his career in Fidelity Bank Plc. Chuks is a graduate of Banking and Finance from the University of Nigeria. He has an MBA from the University of Lagos.

DR. SAMUEL MADUKA ONYISHI

Independent Non-Executive Director

DR. SAMUEL MADUKA ONYISHI is an Independent Non-Executive Director of VFD Group Plc. He holds a B.Sc. in Social Work from the University of Nigeria, Nsukka.

He also has a Masters in Business Administration.

He is a highly resourceful entrepreneur, Dr. Samuel chairs a number of corporate boards with diverse experience in Petroleum, Capital Market, Banking, Transportation and Logistics.

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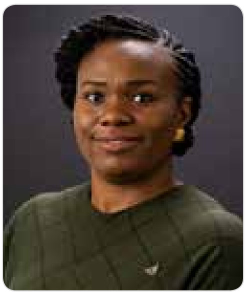
OUR SUBSIDIARY MDs



ETE OGUN

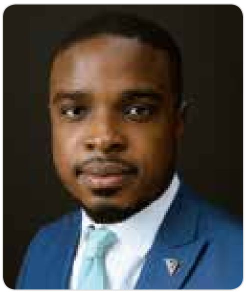
Managing Director, Anchoria Asset Management Limited

ETE OGUN

Ete Ogun is the Managing Director of Anchoria Asset Management Limited. She is a graduate of Accounting from the University of Benin and has an M.Sc in Finance and Investment from University of Exeter, Exeter, UK.

Ete has over 16 years professional experience in the financial services industry. She began her career in 2000 as an Audit Trainee with Ernst and Young Chartered Accountants. She proceeded to the former Intercontinental Bank Plc in 2002 to join the operations team where she served as Customer Service Officer and Funds Transfer Officer in various branches of the bank. In 2007, after she returned from her study leave, she joined Stanbic IBTC Asset Management as a Portfolio/Relationship Manager. She rose through the ranks and became the Head of Fund Operations as well as Head of Relationship Management at Stanbic IBTC Asset Management Limited before her departure in 2013.

Prior to her appointment, she worked with PlanetCap Asset Management Limited. She is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN).



OLAPOSI LAWORE

Managing Director, Dynasty Real Estate

OLAPOSI LAWORE

Olaposi is the Managing Director of Dynasty Real Estate Limited.

Olaposi is an astute architect and social entrepreneur with about 10 years' experience in project development, management, and transaction structuring. He is a graduate of the prestigious University of Lagos with a First-class degree in Architecture, a Masters with Distinction in Environmental Design and a certification in Entrepreneurial Management from the Enterprise Development Centre, Pan-Atlantic University.

He started his career with Spaceframes Architects, where he was involved in the design and execution of multiple residential developments and commercial projects for Standard Chartered Bank, Domino's & Coldstone creamery, and other corporate clients in Lagos and Abuja. Olaposi later joined Previs Developments - a subsidiary of James Cubitt Group, as the pioneer staff and Head of the project's unit, where he led the project team in the conceptualisation and development of multiple residential communities valued over N25billion.

In 2018, he received commendation from the Federal Government of Nigeria for a community-based project focused on the use of alternative building materials in construction.

THERESA EZEH

Managing Director, Everdon Bureau de Change

THERESA EZEH

Theresa Ezeh is the Managing Director of Everdon Bureau de Change Limited. She holds an MBA in Finance from London School of Business and Finance, a PGD in Strategic Management from Stratford Academy, United Kingdom and a B.Sc. in Management Information System from Covenant University, Ota.

Theresa played a critical role in the Retail Banking Unit of Oceanic Bank, (now Ecobank) and was Head of the Customer Service Unit of a branch at Zenith Bank. She has experience in operations, relationship management and intelligence gathering. Before becoming the Managing Director of Everdon Bureau de Change, she was the Head of VFD Group Treasury Unit.

AZUBIKE EMODI

Managing Director, VFD Microfinance Bank

AZUBIKE EMODI

Azubike Emodi is the Managing Director of VFD Microfinance Bank. He is a resourceful financial service specialist with experience in retail and commercial banking.

He worked with Zenith Bank before joining Maxxon Pro Service Inc. in Canada where he worked as an Investment Advisor/Financial Planner. Until this appointment at VFD Microfinance Bank, he was a Client Advisor (Personal and Commercial Banking) with the Royal Bank of Canada.

He is a member of IFC (Investment Funds in Canada) and an Associate member of the Chartered Institute of Bankers of Nigeria. He holds a B.Sc. in Banking and Finance, an MBA in Management and an M.Sc. Banking and Finance all from the University of Nigeria, Nsukka.

Azubike is also an Executive Director of VFD Group Limited and oversees the Commercial Directorate. He is a Fellow of the Institute of Credit Administrators.

MANAGEMENT TEAM

AS AT DECEMBER 2020

NONSO OKPALA

Group Managing Director/CEO

Nonso is the Group Managing Director/CEO of VFD Group Plc, a proprietary investment company focused on financial services, asset management, hospitality, to name a few, tailored for the Nigerian Market.

He was previously the Chief Financial Officer (CFO) of Heirs Holding Limited, an African proprietary investment company. Charged with the design and implementation of the company's financial strategy, he was also pivotal in executing turnaround and establishment strategies for its investee companies.

Replete with vast experience in the Nigerian financial services industry garnered while working with reputable firms like KPMG, BGL and United Bank for Africa Plc (UBA), Nonso is adept in key financial competences from Audit, Finance and Administration, to Investment Banking and Management.

Nonso is a member of the Institute of Chartered Accountants of Nigeria (ICAN) and holds a B.Sc. in Marketing from the prestigious University of Nigeria, Nsukka.

ADENIYI ADENUBI

Executive Director, Investment Management & Investor Relations

Adeniyi is the Executive Director of Investment Management & Investor Relations, VFD Group Plc. He is a Financier and an investor with about fifteen (15) years of experience in the Institutional banking, Investment management and consulting sectors.

He holds a degree in Sociology from the University of Ibadan. He has certifications in Finance and Business Management from the Tanaka Business School.

Niyi's vast experience in the financial sector comes from working in Private equity, Venture Capital, and Financial Advisory.

His previous work experience includes Royal Bank of Scotland, ATOS Consulting, and as Financial Adviser to numerous firms in London and also in Nigeria.

He is the Chairman of Anchoria Asset Management and also serves on the Boards of several companies including VFD MFB, Kairos Capital, Everdon Bureau de Change and Premium Green where he works on providing strategic direction for the needs of companies he is directly involved with to operate at full potential and efficiency.

Niyi is also currently a Managing Partner and Cofounder of Paragon Partners. He is passionate about Corporate Governance and brings this to bear on all the boards that he serves on.

Niyi is also a member of The Institute of Directors.

GBENGA OMOLOKUN

Executive Director, Risk, Compliance and Technology

Gbenga is the Executive Director, Group Risk Compliance and Technology of VFD Group Plc. He holds a degree in Mathematics from Obafemi Awolowo University (OAU), Ile-Ife. He has over twelve years of business process, technology and strategy experience across various industries including Manufacturing, Financial Services, Public Sector, and pharmaceuticals.

He previously worked with KPMG Advisory Services as a manager in the Technology division where he oversaw numerous projects, the most notable of which was the ERP implementation for a large manufacturing company across 11 locations and 9 countries. Gbenga has oversight of the Risk, Compliance and Technology objectives of the Group as well as its subsidiaries and has full responsibility for the conceptualization and development of the digital banking infrastructure for the Microfinance Bank.

Gbenga currently oversees the establishment of the Risk, Compliance and Technology function of VFD Group and its function of VFD Group and its portfolio entities in line with the Group's focus as a proprietary investment company. He is a member of several professional associations including The Institute of Directors (IOD).

AZUBIKE EMODI

Group Commercial Director

Azubike is the Group Commercial Director of VFD Group Plc. He is a resourceful financial service specialist with experience in retail and commercial banking. He worked with Zenith Bank before joining Maxxon Pro Service Inc. in Canada where he worked as an Investment Advisor/Financial Planner.

Until this appointment at VFD Microfinance Bank, he was a Client Advisor (Personal and Commercial Banking) with the Royal Bank of Canada.

He is a member of IFC (Investment Funds in Canada) and an Associate member of the Chartered Institute of Bankers of Nigeria. He holds a B.Sc. in Banking and Finance, an MBA in Management and an M.Sc. Banking and Finance all from the University of Nigeria, Nsukka.

Azubike is also an Executive Director of VFD Group Limited and oversees the Commercial Directorate.

FOLAJIMI ADELEYE

Group Financial Controller

Folajimi is the Group Financial Controller for VFD Group Plc. He has experience spanning over 12 years in audit and advisory services, financial reporting, and financial management including set up of finance function for start up companies in the financial services industry.

His industry experience cuts across commercial banks, primary mortgage institutions, asset management, pension fund administrators, microfinance banks, discount houses, not for profit organizations etc.

Prior to being at VFD Group Plc, Folajimi has served as Finance Manager with One Finance and Investments Limited – now Carbon (2014-2018) and as Senior Audit Associate with KPMG (2008-2014).

Folajimi joined VFD Group Plc in 2018. He is a graduate of Economics from ABU Zaria and a member of The Institute of Chartered Accountants of Nigeria (ICAN).

GBEMINIYI SHODA

Group Company Secretary/Legal Adviser

Gbeminiyi is the Group Company Secretary/Legal Adviser at VFD Group Plc. She is a seasoned Legal Practitioner with solid experience in all facets of Corporate and Commercial Law Practice.

She is skilled with high capacity for smart work with excellent planning, integrity, commitment, communication, and leadership skills. She was an associate in McPherson Barristers & Solicitors before joining VFD Group Plc.

She is a member of the Nigerian Bar Association (NBA), Financial Reporting Council of Nigeria (FRCN) and the Institute of Directors (IOD). She holds a Bachelor of Law form the Lagos State University and has been called to the Nigerian Bar.

TOYIN ABEL

Head, Business Development and Sales

Toyin is the Head of Business Development and Sales, VFD Group Plc. She has proven relationship management skills, market intelligence gathering prowess, strong negotiation ability and strong leadership qualities. She has several years of experience from working with major players in the financial services industry.

Prior to her current role, she was the Head of Business Development at Everdon Bureau de Change. She was a Relationship Manager in UBA for several years before she progressed to the Electronic Banking Sales Manager of the same bank in 2014. She is also a former Regional Retails Sales Coordinator at Fidelity Bank Plc.

Toyin holds a BSc in Economics from Babcock University, Ilishan, Ogun State and a Leadership Certification from the Lagos Business School.

DAMOLA ANDAH

Head, Human Resources

Damola is the Head, Human Resources at VFD Group Plc. She holds an M.A. in Human Resource Management from the University of Leeds Business School, Leeds, United Kingdom (2010) and a BSc. in Mass Communication from Babcock University, Ilishan, Nigeria (2004).

She started her career in 2005 as an Operations Officer with Diamond Bank. In 2012, she joined First City Monument Bank on the Management Development Programme and went on to hold various roles which includes Human Resources Project Officer (2013), Performance and Talent Management Officer (2014), Senior Talent Management Officer (2015), Human Resource Business Partner, Lagos, and South West Regions (2017) and Head, Talent & Succession Programme Management (2019). Damola joined VFD Group Plc in 2020.

TOSIN DABIRI

Head, Institutional Funding and Investors Relations

Tosin is the Head, Institutional Funding, and Investors Relations at VFD Group Plc. Her key experiences include Corporate Banking, Product Development and Fund Raising (Debt and Equity).

Prior to VFD Group Plc, Tosin worked as Head, Alternative Funding Desk and Investor Relations at Purple Capital Partners Ltd and in different roles at Guaranty Trust Bank.

Tosin joined VFD Group Plc in 2019.

She is currently an EMBA student at the University of Chicago, Booth School of Business, has an M.A in Economics from Old Dominion University, Norfolk, Virginia, and a B.Sc. In Economics and Finance from the same university.

OLU SALAMI

Head, Strategy and Business Performance

Olu is the Head, Strategy and Business Performance at VFD Group Plc.

Prior to VFD Group Plc, he has worked in different capacities at First Bank Plc (2011-2018, 2019) and Veritas Kapital (2018) ranging from trade officer, to Head, Strategy, Research and Development.

Olu has a B.Sc. in Economics from Bowen University (2008).

EFETURI DOGHUDJE

Head, Marketing and Corporate Communications

Efeturi is the Head of Marketing and Corporate Communications at VFD Group Plc.

She is a Marketing and Corporate Communications Specialist with an educational background in Media and Communication, and over fourteen years of experience in marketing, public relations, digital media strategy, branding, and management, spanning various industries including broadcast media, advertising, banking, and civil service.

Prior to joining VFD Group, she was the Head of Marketing & Corporate Communications at United Capital Plc (2018-2020), Head, Communications & Stakeholder Management at Lagos State Employment Trust Fund (LSETF) (2016-2018) and Digital Marketing Specialist & Media Relations Specialist at First Bank Nigeria Ltd (2010 - 2016).

Efeturi has an M.Sc. in Media and Communication Studies from the Pan Atlantic University, Lagos (2009) and a B.Sc. in Mass Communications from Ahmadu Bello University, Zaria, Kaduna State (2004).

Efeturi is an associate member of the Advertising Practitioners Council of Nigeria (APCON); a global affiliate, Chartered Institute of Public Relations (CIPR); and a member, International Association of Business Communicators (IABC).

OBIAAJUM CHIMBO

Head, Risk Management and Compliance

Obiaajum is the Head, Risk Management and Compliance at VFD Group Plc.

He has 18 years proven experience in Risk Management, Branch Operations, Internal Control and Customer Experience Management.

Prior to VFD Group Plc, he has worked in different capacities across Nova Merchant Bank (2018-2020), Access Bank Plc (2005-2018) and Universal Trust Bank (2001-2005).

He has an M.Sc. In Economics from the University of Ibadan (2002), completed a management program at Wharton (2016) and has a B.Sc. in Mathematics from the University of Ibadan (1999).

Obi is a member of ACI (Treasury dealer certificate), a Certified Risk Specialist (CRS) and an FRM (Financial Risk Manager) Candidate.

ANCHORIA
INVESTMENT & SECURITIES LTD

Your investment and securities partner

Anchoria Investment and Securities Limited is a provider of investment and financial services tailored to satisfy the needs of individual and institutional clients; operating in both primary and secondary markets.

FOR MORE INFORMATION

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info@anchoriaonline.com, www.anchoriaonline.com

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02

CHAPTER

Strategic and Business Report

GROUP CHAIRMAN'S REPORT

GMD/CEO'S REPORT

CHAIRMAN'S STATEMENT

Distinguished Shareholders, Members of the Board of Directors, Ladies and Gentlemen, I am pleased to welcome you to the 5th Annual General Meeting of our company.

It would be cliché to say that 2020 was a year like none other, but this is true, nonetheless. As with many companies, the Covid-19 global pandemic presented significant challenges during the year however, I am pleased to report that VFD Group Plc adapted well to those challenges while creating a roadmap towards building a resilient brand.

In line with our practice, I will give an overview of the business environment, outline our performance for the past year and conclude with our outlook for 2021.

-4.9%

PROJECTED GDP DECLINE FROM AN ANNUAL GROWTH RATE OF 2.9% IN 2019

N360

NGR / $1 IN Q1 2020, BUT CLOSED AT N410/$1 IN DECEMBER 2020

MACROECONOMIC OUTLOOK & OPERATING ENVIRONMENT

Globally, GDP was projected to fall to a 44-year low of -4.9% in 2020 from an annual growth rate of 2.9% in 2019. The impact of the pandemic was felt in economies around the world, with the US economy contracting by -3.5% in 2020, its lowest in 74years while OECD countries GDP growth fell by -5.8% during the year.

Nigeria continues to contend with external liquidity pressures that were magnified by the pandemic. Early gains in the economy as compared to 2019 were quickly eroded, giving way to an economic recession by Q3 2020 as GDP fell to -3.2%. Continued border closure, rising exchange rate and extended period of government enforced lockdown resulted in food inflation of 19.56%, a major factor as headline inflation rose to 15.75% in 2020. Crude oil prices tanked at a 10-year low of $11.26, with year-end average price at c.$40. Fluctuation in crude prices increased the pressure on Nigeria's foreign exchange portfolio and invariably, the value of Naira to US Dollar across various markets. Trading at N360/$1 in Q1 2020, the Naira closed at N410/$1 on the last bidding window in Dec 2020. Parallel market also moved from c.N370/$1 in Q1 2020 to c.N470/$1 by Dec 2020.

During the year, government also introduced varying measures to curb the impact of the pandemic; notably encouraging Banks to grant moratorium for loan repayment, as the financial sector struggled with potential of rising credit losses.

96%

GROSS EARNINGS

N6.7bn from N3.4 bn in 2019

173%

PROFIT BEFORE TAX

N4.1bn from N1.5bn in 2019

85%

YOY GROWTH

Total asset closed at N81.7bn from N44.2bn in 2019

37%

OPERATING EXPENSES

N2.6bn from N1.9bn in 2019

FINANCIAL PERFORMANCE

Distinguished Shareholders,we have delivered yet again, record levels of revenue and profit. Gross earnings grew by 97% to N6.7bn (2019: N3.4bn), while the Group's PBT grew year on year by 173% to close at N4.1bn (2019: N1.5bn).

The higher growth rate of PBT vis-a-vis gross earnings was a result of the Business' ability to keep expense growth rate lower than earnings; as operating expense for the year grew by 37% to N2.6bn (2019: N1.9bn).

Growing year on year by 85%, total asset closed at N81.7bn (2019: N44.2bn), a reflection of the Group's ambition.

OTHER KEY HIGHLIGHTS

In the year under review, the Group embarked on varying activities that are important to the journey ahead. We continue to expand our business focus into industries & sectors that allow us to build a second-to-non ecosystem. During the year, we finalized acquisition of significant stake in Anchoria Investment Securities Limited and Atiat Insurance Brokers Limited. Leveraging on their expertise and structure, and layering our own competences, these two companies provide access to new markets and allow us ringfence customer value chain as we grow.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to good corporate governance and ethical business practices, promoting the long-term interests of shareholders.

In 2020, our social responsibility plan prioritized providing relief to communities and families within our business areas most affected by the impact of Covid-19; hence palliatives and other cash donations were given to families in Olowogbowo and community representatives during the year.

GROWTH & 2021 FOCUS

Looking ahead to our priorities for 2021, we will continue with our progress towards becoming a commercially viable proprietary investment company with global influence focused on building positive and socially conscious ecosystem. Hence, cross-border expansion, investment in new industries that helps us aggregate service offerings of our existing portfolio companies and collaborations with companies that provide platform for exponential growth.

As the world adjusts to the new realities set by the pandemic, we have proven the strength of our business model and remain confident that we are well equipped to face any challenges while delivering comparable results.

APPRECIATION

As we finish this period with a compelling set of results, I want to take this opportunity to thank everyone for your unwavering resolve in a year filled with uncertainties.

On behalf of the Board, I would like to express our sincere gratitude to our shareholders and business partners, we are grateful for your support. To the Management, Staff, and the Board, I say a big thank you for your diligence and commitment to achieving our collective goals.

Thank you.

Olatunde Busari,
SAN, FCIS, C.Arb

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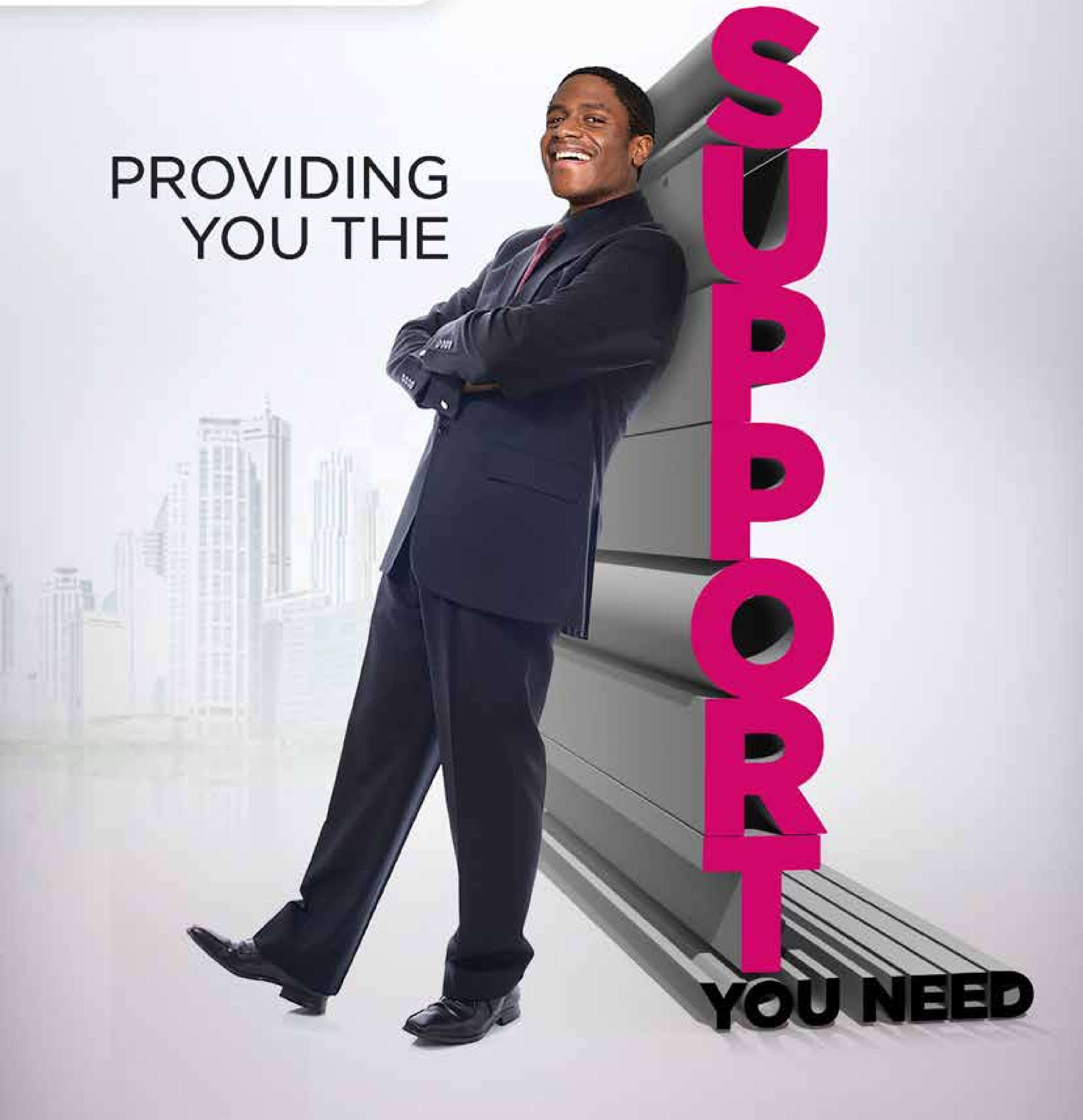

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Nonso Okpala

Group Managing Director/CEO, VFD Group

GROUP CEO'S STATEMENT

Dear Esteemed Shareholders,I am delighted to welcome you all to the 5th Annual General Meeting (AGM) of our Company. It is my pleasure to present to you, the performance and business activities of our company and its subsidiaries for the year ended 31 December 2020.

2020 was the second year in our current strategic plan which runs from 2019 to 2023. Within this 5-year cycle, we had laid out an ambitious plan that would guide our growth. Having achieved our objective of becoming a public company in 2019, the outstanding objectives in our 5-year plan coming into 2020 were:

- Balance sheet growth
- Strategic business acquisition (Insurance & Commercial Bank)
- Fintech company establishment
- Financial service expansion

MAJOR CONTRIBUTORS TO OUR LANDMARK PERFORMANCE

INVESTMENT INCOME FROM OUR EUROBOND PORTFOLIO

INTEREST INCOME FROM LENDING ACTIVITIES

FX VALUATION GAINS

EARNINGS FROM OTHER SUBSIDIARIES

In 2020, we recorded significant milestone across several of these objectives. Our first Fintech company was set up in May 2020 as we further deepened our investment within the Fintech space. We also achieved substantial mileage in our financial service expansion with the addition of Anchoria Investment Securities Limited, Atiat Insurance Brokers Limited and Abbey Mortgage Bank Plc during the year. While we are yet to conclude our plans of acquiring a commercial bank and an insurance company, we are well placed to achieve these way ahead of the timeframe of 2023.

As we continue to deliver on some key elements of this plan, I am happy to report that 2020 witnessed record levels of revenue, profit, and balance sheet growth.

Despite the record performance level, we have had little or no time to celebrate our success because of the coronavirus pandemic and its devastating effect on the world. Instead, we have focused our attention and time on supporting our employees, customers in our portfolio value chain, and our community as we see through what we hope, are the last days of this pandemic. In addition, we would leverage the experience and knowledge gained during the year to ensure we keep building a sustainable business that will deliver similar and better outstanding results even in the face of another economic crises.

Let us now review the Group's financial performance and operational activities while I provide some insights on the factors that aided our success and drove other key strategic activities during the year.

OUR 2020 FINANCIAL SCORECARD

2020 was another exceptional year for the Group as we delivered on all key financial indicators, a validation of the Group's strategic direction.

The Group delivered gross earnings of N6.65 billion in 2020, a 96% increase from 2019's N3.39 billion and growth in other income by 32% from previous levels to N5.33 billion in 2020. This growth in earnings culminated in a PBT of N4.08 billion, a 173% growth from the previous year.

Total assets grew by 85% from N44.23 billion in 2019 to N81.68 billion in 2020 whilst shareholders' funds grew by 71% from N5.21 billion in 2019 to N8.91 billion in 2020.

The major factors that contributed to this landmark performance are:

- Investment income from our Eurobond portfolio
- Interest income from lending activities
- Earnings from other subsidiaries
- FX valuation gain

AN ASSESSMENT OF OUR STRATEGIC ACTIVITIES

Amidst what will be remembered as a year like no other, we recorded significant mileage in delivering on our strategic objectives. From investments in new sectors to consolidation on existing businesses, we have a good report to render. I will highlight the most significant of these achievements below:

1. **Expansion of our Technology Business Focus:**
   Consolidating on our investment in Xerde Limited, we established our own fully owned technology-focused subsidiary, VFD Tech Limited in May 2020. VFD Tech has been at the forefront of providing IT support services to the Group. Currently, it is the lead technical service provider for our digital banking offering, V Bank. At full capacity, the business would also develop solutions for other companies via the Business-to-Business (B2B) model. A major focus for us with the business in the coming years is the massive opportunity that exists in the Banking as a Service (BAAS) space. This model would allow us deliver service offering of all entities within the VFD ecosystem to customers of other businesses thereby expanding our market size significantly.

#242,576
REGISTERED USERS
#11,700 Jan 2020

N6.6bn
CUSTOMER DEPOSIT
N0.6bn Jan 2020

#607,000
MONTHLY TRANSACTION COUNT
#15,700 Jan 2020

N25.2bn
MONTHLY TRANSACTION VOLUME
N2.12bn Jan 2020

2. **Investment in Minerva Technologies:**
   In the fourth quarter of 2020, we invested in Minerva Technologies. Formerly called Dartpay, Minerva is a financial technology start-up with key focus on enabling electronic commerce checkouts and payments via Electronic Funds Transfer (ETF) from customers to merchants. With increased focus on payment solutions demand across the fintech space in Africa, this represents a strategic investment for the Group. The company has been at the forefront of developing and delivering our recent payment solution, VPay.

35%

ACQUISITION OF STAKE IN ABBEY MORTGAGE BANK

51.1%

TOTAL ASSET GROWTH TO CLOSE AT N18.5BN.

3. **Investment in NASD:**
During the year, we acquired a 6.5% stake in NASD Plc. NASD is the leading securities exchange platform for investors seeking to access funds in the secondary market. While the Group is currently listed in the NASD exchange, our consideration for this investment lies on our assessment of the business being undervalued, and potential for considerable growth and profitability when fully optimized by leveraging technology and partnering with Fintech companies for scale.

4. **Milestone of the V Bank Digital Application:**
While we released the beta version of our digital banking application in December 2019, a market ready version was launched in March 2020 to much acclaim. Below are some of the numbers achieved as at 31 December 2020:

- #242,576 Registered Users (#11,700 Jan 2020)
- N6.6bn Customer Deposit (N0.6bn Jan 2020)
- #607,000 Monthly Transaction Count (#15,000 Jan 2020)
- N25.2bn Monthly Transaction Volume (N2.12bn Jan 2020)

These numbers amongst others reflect the significant growth we have made in driving the adoption of this product. We also launched some of our support channels during the period. These include:

- ChatBanking (WhatsApp)
- V Cards
- V USSD Channel

On the base of V Bank and our existing IT infrastructure, we intend to build a dominant, customer centric and inclusive Fintech ecosystem.

5. **Restructuring of Abbey Mortgage Bank Plc:**
Following the acquisition of a 35% stake in Abbey Mortgage Bank Plc, we embarked on a restructuring exercise focused on resolving legacy issues and creating a master plan to bring long-term value to all stakeholders.

We commenced the restructuring process by reinforcing the Board with the addition of Mr. Nonso Okpala (Non-Executive Director), Professor Marius Umego (Non-Executive Director), Brig-General John Obasa (Rtd) (Non-Executive Director), Mr. Mobolaji Adewumi (Executive Director) and Mr. Oladipupo Adeoye (Executive Director). With their leadership, we have been able to take critical decisions on legacy issues that have set the business on path to profitability from the current year. We have also seen significant growth in the business as Total Assets grew by 51.1% to close at N18.5bn (2019: N12.2bn) on the back of strong liability mobilization during the year.

The business also embarked on a capital raise in Q4 2020 with a rights issue of 4 for 7 amounting to N3.69bn units of ordinary shares of 50k at 82 kobo per share. Proceeds of the rights issue are with the issuing house awaiting CBN verification.

Given the extensive work done over the last 12 months, the business would focus on driving balance sheet growth and gaining market share in 2021 through product differentiation and release of its first mobile and corporate banking platforms.

6. **Investment & Business Acquisitions:**
As part of our strategy to remain industry agnostic while building a first of its kind ecosystem, we acquired and made investments in two companies in 2020:

- **Anchoria Investment & Securities Limited ("AISL"):** During the year, we acquired 60% stake in AISL. AISL is a member of The Nigerian Stock Exchange licensed to deal in shares and stocks on all trading floors of the Exchange.
- **Atiat Insurance Brokers Limited ("AIB"):** Similarly, we acquired a 60% stake in AIB in 2020. The company is licensed by the National Insurance Commission (NAICOM) to transact all classes of insurance (Life & General). AIB is a registered member of the Nigerian Council of Registered Insurance Brokers (NCRIB), the umbrella body for Insurance Brokers in Nigeria and has a team of qualified professionals that manage and direct its affairs.

These two companies would form an integral part of our planned fintech driven ecosystem.

7. **DRE Inaugural Debt Note:**
Dynasty Real Estate Limited issued its inaugural debt note during the year. This was a strategic drive by the business to raise liquidity to drive expansion of its real estate development projects. Funds raised have been deployed to ongoing projects, and the progress of these projects puts us in a good position to redeem the debt notes when they mature.

These are some of the achievements that made it a successful year for us at VFD Group Plc. We intend to leverage and consolidate on these successes in the coming years.

COVID-19

COVID-19 has significantly changed the world and the way we do business, but as a flexible and resilient company, we have adapted and outperformed expectations.

Proactively, we made a company-wide switch to working from home on the 23rd of March 2020, a week before government-imposed lockdown. However, as restrictions eased up, we kept our offices open for those who could not work remotely. This move helped prevent the spread of the virus within the Group.

I would like to express gratitude to all employees of the Group. While working remotely, they maintained high levels of service to our customers and stakeholders as well as supporting the well-being of their families and fellow colleagues. It is a credit to them that we have been able to operate so effectively despite the challenging times, putting us in a strong position to maintain the bright prospects of the Group. We also held our first virtual AGM and several virtual board meetings as we adapted to a changing world.

Seeing the devastation outside, we could not focus our effort on internal parties only. As a responsible company, we felt that we had to lend a helping hand, hence, all our corporate social responsibility for the year focused on providing support to the community closest to us. During the year, we provided palliatives & relief materials to the people of Olowogbowo community in Lagos Island; Festac, Apapa and Okota.

Business wise, some of our subsidiaries felt the impact more than others. Government imposed lockdown during the year meant a total halt in development activities for the real estate business between Quarter 2 and Quarter 3 of 2020. Similar impact was felt by the hospitality business with imposed restrictions on gatherings and business activities. A third business also affected by the pandemic was the currency business with the Central Bank of Nigeria halting the sale of foreign currency to Bureau De Change companies for eight (8) months within the year. Lastly, loan loss impairment trended upwards for our lending businesses because of debt restructuring and customer default. Despite all these, we maintained a healthy asset quality ratio and we are confident of significant recoveries in the current year.

While we cannot yet conclusively assess the full impact of the pandemic, I am pleased with the pace of actions we have taken to mitigate the effects of the pandemic on our team members, customers, and businesses.

OUR FOCUS FOR 2021

Leveraging on the achievements recorded in 2020, we have begun taking actions that bring us closer to our strategic objectives. I would begin by providing updates on some ongoing activities and layout further plans for the year.

OUR FOCUS FOR 2021: UPDATES ON 2021 STRATEGIC ACTIONS

- **Launch of Project Valiant:**
  In March 2021, we rolled out one of the first output of Project Valiant, the updated V Bank application. Giving insight to what Valiant is meant to deliver, the updated V Bank application was released with features that make it easily the most competitive digital banking solution in Nigeria. With Project Valiant, we are designing IT Architecture and building infrastructure that will allow us to connect all our offerings to a single platform (ecosystem), while giving us the required leverage to scale exponentially. In its final form, Project Valiant would support processes that include Lending, Investment Management, Insurance, Stock Brokerage, Risk Management, Banking as a Service, etc.

- **VFD Capital Raise:**
  To support ongoing expansion plans, the Group has begun the process of raising additional capital through a Rights Issue and Private Placement. Engagement with regulatory authorities is at an advanced stage and we expect to conclude this by May 2021. The injection of additional capital into the business would primarily support our commercial banking license acquisition as well as our expansion initiatives and other investment opportunities.

- **Offshore Technical Partnership:**
  In February 2021, we entered a partnership agreement with a microfinance company in Ghana. Under this partnership, we would be providing support for development of the company's IT Infrastructure and assist in deployment of digital banking solution to its customers.

- **Optimization of the Group's Operating Structure for Efficiency:**
  During the Group's strategy session for the year 2021, one of our key priorities was reviewing our operating structure to ensure optimal utilization of resources, especially when business lines are similar. This strategy would likely result in mergers of some portfolio and subsidiary companies soon. We will keep our esteemed shareholders duly informed as this initiative unfolds.

- **Piggyvest Investment:**
  In March, we signed an investment partnership with Piggyvest Limited. This collaboration gives the Group access to the clientele, market, and product knowledge of Piggyvest, the leading savings aggregator in the Nigerian market. Amongst other things, we would also leverage our investment and treasury expertise to optimize the business portfolio to guarantee optimal returns.

- **Reorganization of our Hospitality Business:**
  The extended period of lockdown afforded us an opportunity to rethink the approach to our pioneer hospitality business, Boardroom Apartments. Hence, the last couple of months came with some structural, brand and strategic changes. With phased launch planned for April 2021, our customers would enjoy best-in-class services and experience in our facility.

OUR FOCUS FOR 2021: FURTHER PLANS FOR THE YEAR

- **Refocusing the MFB to a Full Digital Bank:**
  Learning from the past 12 months, it is instructive that we refocus our customer facing businesses to become dynamic, leveraging technology to create omni-channel experience that will meet our customers' needs while allowing us to be lean and efficient. Hence, our micro-finance bank will begin the transition to a full digital entity offering diverse innovative financial solutions to our esteemed customers.

- **Commercial Banking License Acquisition:**
  Our application for a commercial banking license remains in the works and at an advanced stage. We are in constant engagement with the regulatory authorities, and we would provide update to all stakeholders as we make progress.

- **Rollout of Special Investment:**
  One of the businesses undergoing changes within the Group is Anchoria Asset Management Limited. Included in our strategy for the business is the set-up of structured investment products that will help drive the Group's growth ambition, increase revenue for Anchoria and provide opportunities for our partners and stakeholders. The focus of these investments includes:

  - Real Estate
  - Arts & Collectibles
  - Public Listed Entities
  - Venture Capital Investments
  - Public Asset Acquisition

- **Global Remittance Business:**
  We have also begun conversations to establish a global remittance structure that allows us to expand the service offerings within our FX & Currency Exchange business. Conversations with a UK based remittance company are at an advanced stage and we hope to conclude this in the second quarter of 2021.

- **Investment in the Energy Sector:**
  We are on track to make worthwhile investments in the power sector with the capitalization of Asfalizo Acquisition Limited by VFD Group Plc.

  Through this company, we plan to invest and acquire some key power asset while collaborating with other strategic partners.

- **Oil & Gas Business (Marginal Fields):**
  In Q4 2020, we sought out strategic partnership amongst the 2020 Marginal Fields Bid Round applicants. We have identified some successful applicants with sizeable stake awarded in the just concluded bid round and conversations are ongoing as regards investment opportunities and participation structure for the Group. Beyond the significant financial upside that this presents, it is an opportunity to diversify our investment portfolio in line with our strategy.

VALUE CREATION

Year 2020 marked the end of the fifth year of our 13-year Strategic Plan - a significant milestone in our journey to repositioning the Group. We have strengthened our existing businesses, finalized acquisitions of new businesses, and completed key initiatives to address critical business enablers such as risk management, technology, people, and processes. We have also laid the foundation for driving profitable growth across all our subsidiary companies.

Over this 5-year period (2016 – 2020), we have recorded significant growth across several key metrics. Specifically, in 2019, the Group's PBT grew year on year by 115% and in 2020 by 173%. Similarly, our dividend payout between 2018 and 2019 grew by 50% from N2.2 to N3.3 per share. Shareholders' fund has grown 5.9x from N1.5bn to N8.9bn (with retained earnings accounting for N5bn), our average return on equity over this period stands at c.38%.

At the pinnacle of the 13-year strategic plan is Balance Sheet Growth, Africa Focused Expansion, and Global Influence & Recognition. Achieving these not only enhances the Group's value significantly, but it would also increase our shareholders value, and create a rewarding place to work for our employees.

We remain committed to achieving these by 2028 and the success we have recorded thus far further fuels our confidence in achieving these objectives.

CLOSING ADDRESS

We are not complacent about the task ahead. However, we are convinced that given the dedication of our employees and the depth of leadership on the Board, we will record another impressive performance in FY2021, deliver value to our esteemed shareholders, and continue to build a resilient brand for the future.

We appreciate your unwavering support throughout 2020 and look forward to the same in 2021.

Thank you.

Nonso Okpala
Group Managing Director/CEO, VFD Group

03

CHAPTER

Corporate Governance

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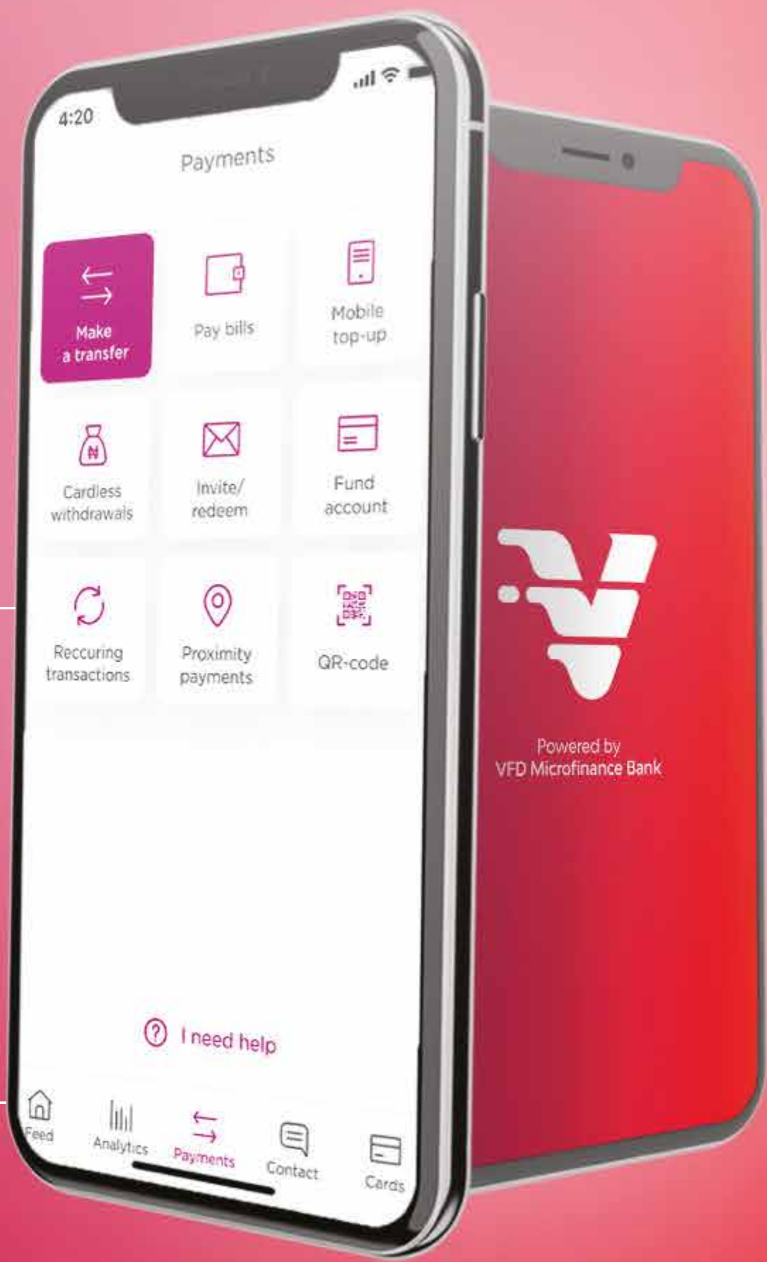

INTEREST RATES

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TARGET SAVINGS

JOINT ACCOUNT

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CORPORATE GOVERNANCE REPORT

INTRODUCTION

VFD Group Plc holds good governance as one of its fundamental pillars and confirms its commitment to the implementation of effective corporate governance principles in its business operations.

The Board of Directors of the Company is cognizant of its responsibilities under the Code of Corporate Governance issued by the Securities and Exchange Commission and the Nigerian Code of Corporate Governance in the administration of the Company and is ensuring that the Company consistently complies with the Codes.

In order to promote effective governance of VFD Group, the following structures have been put in place for the execution of VFD Group's corporate governance strategy:

- Board of Directors
- Board Committees
- Executive Management Committees

COMMITMENT TO CORPORATE GOVERNANCE

The Company remains committed to institutionalizing Corporate Governance principles.

The Board operates in line with its responsibilities as contained in Regulatory Codes of Corporate Governance, the Articles of Association and the Companies and Allied Matters Act. Its oversight of the operations and activities of the Company are carried out transparently without undue influence.

Essentially, fair value Corporate Governance depends on the quality and integrity of the Directors. Consequently, the Company has undertaken to create the institutional framework conducive for defending the integrity of its Directors and is convinced that on account of this, the Board of the Company is functioning in a highly effective manner. It is intended that Directors and Management would be continuously challenged to improve in areas where the need for improvement is identified.

THE BOARD

As at 31 December 2020, the Board comprised a Chairman, seven (7) Non-Executive Directors, one (1) Independent Non-executive Director and four (4) Executive Directors (which include the Group Managing Director/CEO), all of whom bring a wide range of skills and experience to the Board. The Non-Executive Directors have the requisite integrity, skills, and experience to bring independent judgment to bear on Board deliberations and discussions. The members of the Board have competence and experience in Accounting, Risk Management, Legal, Planning and Strategy, Corporate Finance, Compliance, Logistics, Information Technology and Administration.

The Board of Directors carries out its responsibility through its standing Committees. These are the Board Corporate Governance Committee, Board Finance & General-Purpose Committee, Board Risk Management & Compliance Committee, Board Investment Committee, and the Board Remuneration Committee. Through the workings of these committees, the Board sets broad policy guidelines and ensures the proper management and direction of the group.

In addition to the Board Committees, there are a number of Management Committees which ensure effective and good corporate governance at the managerial level.

The Guiding Principles of the Company's Code of Corporate Governance remain as follows:

- All power belongs to the shareholders.
- Delegation of authority by the owners to the Board and subsequently to Board Committees and Executives is clearly defined and agreed.
- Institutionalized individual accountability and responsibility through empowerment and relevant authority.
- Clear terms of reference and accountability for Committees at Board and Executive levels.
- Effective communication and information sharing outside of meetings.
- Actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the Company and Shareholders.
- Enhancing compliance with applicable laws and regulations and the interest of the stakeholders. Where there is any conflict between the Company's rules, the local laws and legislation supersede.
- Conformity with overall Company strategy and direction.
- Transparency and full disclosure of accurate, adequate and timely information regarding the personal interest of directors in any area of potential conflict regarding the Company's business.

RESPONSIBILITY

The roles of the Chairman and Chief Executive Officer are separated and clearly defined. The Chairman is primarily responsible for the working of the Board whilst the Group Managing Director/ Chief Executive Officer is responsible for the running of the business and implementation of Board strategy and policy. The Chief Executive Officer is assisted in managing the business of the Group on a day-to-day basis by the Executive Management Committee, which he chairs and comprises all Executive Directors. The Board's primary responsibility is to increase shareholder wealth. The Board is accountable to shareholders and is responsible for the management of the relationships with its various stakeholders.

The Board regularly reviews group performance, matters of strategic concern and any other matters it regards as material. The Board is also responsible for the group's structure and areas of operation, financial reporting, ensuring there is an effective system of internal control and risk management and appointments to the Board. The Board has the authority to delegate matters to Directors, Board Committees and the Executive Management Committee.

The Board of Directors of the company as at December 31, 2020 comprises of the under listed individuals:

S/N	NAME OF DIRECTOR	POSITION
1	Mr. Olatunde Busari (SAN)	Chairman
2	Mr. Nonso Okpala	Group Managing Director
3	Mr. Adeniyi Adenubi	Executive Director
4	Mr. Gbenga Omolokun	Executive Director
5	Mr. Azubike Emodi	Executive Director
6	Mr. Mobolaji Adewumi	Non-Executive Director
7	Mrs. Ngozi Aghanya	Non- Executive Director
8	Mr. Victor Fagbamila	Non- Executive Director
9	Mr. Suleiman Lawal	Non-Executive Director
10	Ms. Jewel Okwechime	Non-Executive Director
11	Mr. Ayodele Onawunmi	Non-Executive Director
12	Mr. Chuks Ozigbo	Non-Executive Director
13	Dr. Samuel Maduka Onyishi	Independent Non- Executive Director

BOARD COMMITTEES

During the financial year ended December 31, 2020, the Board delegated some of its responsibilities to its Committees as follows:

I. Board Finance and General-Purpose Committee

The functions of the Finance & General Purpose Committee include reviewing the Company's global budgets, strategy and financial objectives and monitoring the implementation of those strategies and objectives, reviewing and approving proposals for the allocation of capital and other resources, consideration and approval of major capital projects being proposed by Management as well as review of extraordinary business initiatives of Management on behalf of the Board and other ancillary duties as may be assigned by the Board from time to time.

Composition:

1. Dr. Samuel Maduka Onyishi – Chairman
2. Mr. Victor Fagbamila - Member
3. Mr. Mobolaji Adewumi - Member
4. Mr. Azubuike Emodi - Member
5. Mr. Adeniyi Adenubi - Member

II. Board Remuneration Committee

Its functions include, nominating and making recommendations to the Board on Board's appointments as well as recruitment, promotion, compensation and remuneration policy for the Company, overseeing Board performance and evaluation and succession planning for key positions on the Board.

Composition:

1.	Ms. Jewel Okwechime	–	Chairman
2.	Mrs. Ngozi Aghanya	-	Member
3.	Mr. Chuks Ozigbo	-	Member

III. Board Corporate Governance Committee

Its functions include, reviewing and making recommendations for improvement to the company's Corporate Governance framework while ensuring adequate Corporate Governance disclosures are made in the Annual Report and to relevant regulatory authorities.

Composition:

1. Mr. Ayodele Onawunmi – Chairman
2. Mrs. Ngozi Aghanya - Member
3. Mr. Suleiman Lawal - Member
4. Ms. Jewel Okwechime - Member

IV. Board Risk and Compliance Committee

Its function includes overseeing Enterprise Risk Management's vison, goals and objectives in line with best practice, monitoring the Company's risk profile against set targets (risk appetite), approving and periodically reviewing the Company's risk appetite and portfolio strategy, ensuring that appropriate risk management policies, processes and methodologies are in place for managing the various risks to which the Company may be exposed, establishing a Management structure that is capable of implementing the Company's Risk Management framework and ensure that qualified and competent person(s) at senior levels are employed to manage the various risk areas.

Composition:

1. Mr. Victor Fagbamila - Chairman
2. Mr. Nonso Okpala
3. Mr. Gbenga Omolokun
4. Mr. Ayodele Onawunmi

V. Board Investment Committee

Under the delegated powers of the Board of Directors, the Board Investment Committee is responsible for the review and approval of all investment recommendations that are above the approving threshold of ExCos subject to a maximum cumulative threshold of 30% of Shareholders Fund. All investments approved by the BIC shall be ratified by the Board of Directors "BoD" in the subsequent Board meetings.

Composition:

1. Mr. Ayodele Onawumi – Chairman
2. Mr. Victor Fagbamila – Member
3. Mr. Nonso Okpala - Member
4. Mr. Gbenga Omolokun - Member
5. Mr. Niyi Adenubi - Member

APPOINTMENTS

There was no new appointment during the year under review.

RETIREMENTS

In accordance with the provision of Section 285 of the Companies and Allied Matters Act 2020, one third of the directors of the Company shall retire from office. The directors to retire every year shall be those who have been longest in office since their last election. In accordance with this provision Mrs. Ngozi Aghanya, Mr. Ayodele Onawunmi, Mr. Mobolaji Adewumi, and Mr. Chuks Ozigbo retire by rotation and being eligible offer themselves for re-election.

PROFESSIONAL INDEPENDENT ADVICE

All Directors are aware that they may take independent professional advice at the expense of the group, in the furtherance of their duties. They all have access to the advice and services of the group Secretary, who is responsible to the Board for ensuring that all governance matters are complied with and assists with professional development as required.

TRAINING AND INDUCTION

The Board ensures the regular training and education of Board members to improve their decision-making capacity, thereby contributing to the overall effectiveness of the Board. New directors are given a personalized induction program which includes one-on-one meetings with Executive Directors and Senior Executives. Such sessions focus on the challenges, opportunities and risks facing the business areas. The induction program covers an overview of all the units as well as Board processes and policies.

During the period under review, the Director's attended various training programs.

BOARD EVALUATION

To ensure effectiveness of the Board and the Directors, a Board evaluation was undertaken covering the financial year under review by an independent Corporate Governance consulting firm. The performance of the Board, Board Committees and individual directors were adjudged satisfactory and necessary feedback was communicated to directors arising from the exercise.

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Board has presented a balanced assessment of the group's position and prospects.
The Board is mindful of its responsibilities and is satisfied that in the preparation of its Financial Report, it has met its obligation under the Group's Code of Corporate Governance.

The Directors make themselves accountable to the shareholders through regular publication of the Group's financial performance and annual reports. The Board has ensured that the Group's reporting procedure is conveyed on the most recent infrastructure to ensure accuracy. This procedure involves the monitoring of performance throughout the financial year, in addition to monthly reporting of key performance indicators.

Messrs. Deloitte & Touche acted as external auditors to the Group during the 2020 financial year.

INTERNAL CONTROL

The Group has consistently improved its internal control system to ensure effective management of risks. The Directors review the effectiveness of the system of internal control through regular reports and reviews at the Board Risk & Compliance Committee. The Group is currently in the process of hiring skilled professionals to build a robust internal control team.

CONTROL ENVIRONMENT

The Board has continued to place emphasis on risk management as an essential tool for achieving the Group's objectives. Towards this end, it has ensured that the Group has in place robust risk management policies and mechanisms to ensure identification of risk and effective control.
The Board approves the annual budget for the Group and ensures that a robust budgetary process is operated with adequate authorization levels put in place to regulate capital expenditure.

SHAREHOLDER RIGHTS

The Board has always placed considerable importance on effective communication with its shareholders, it recognizes the importance of ensuring the flow of complete, adequate and timely information to existing and potential shareholders and regulators to enable them make informed decisions about the Group. The Board is committed to maintaining high standards of corporate disclosure. It ensures that the rights of shareholders are always protected. Notice of meetings and all other statutory notices and information are communicated to the shareholders regularly. The group always ensures the protection of statutory and general rights of shareholders, particularly their right to vote at general meetings. All shareholders are treated equally regardless of their equity interest or social status.

The General Meeting of Shareholders is the highest decision-making body of the Group and meetings are conducted in a fair and transparent manner that gives shareholders the opportunity to express their opinion.

Going forward, the Group will maintain an investor relations unit which would routinely attend to shareholders' enquiries and ensures that shareholders' views are appropriately escalated to the Management and Board on a continuous basis. In addition, shareholders are encouraged to continuously communicate their opinions and recommendations whenever they see the need to do so, to the group Secretary.

ACCESS TO INFORMATION AND RESOURCES

Management ensures the free flow of complete, adequate and timely information to the Director's to enable them to make informed decisions in the discharge of their responsibilities. Directors have unrestricted access to Management and company information in addition to the necessary resources to carry out their responsibilities.

WHISTLE BLOWING POLICY

The Company has a Whistle Blowing Policy in place. This was extensively reviewed by the Board and it covers among other things, the procedures for the receipt, retention and treatment of information received from whistle blowers and the custodian of the dedicated line

ACQUISITION OF OWN SHARES

The Company did not purchase any of its own shares during the year.

BY ORDER OF THE BOARD

GBEMINIYI SHODA
FRC/2015/NBA/0000011768
Company Secretary
163/165 Broad Street, Lagos Island Lagos.

Dated: May 7, 2021

Atiat

Your productivity
Our priority

At Atiat, we believe you should focus on the things that matter most while you trust us with the rest.

OUR SERVICES:

- STRUCTURED FINANCE
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- FINANCE LEASE
- FLEET MANAGEMENT
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DIRECTORS' REPORT

The Directors are pleased to present their report on the affairs of the Company, together with the Audited Financial Statements and independent Auditor's Report for the year ended December 31, 2020.

LEGAL FORM AND PRINCIPAL ACTIVITIES

VFD Group Plc was originally incorporated as ViadazFD Limited in July 2009. The Company subsequently changed its name to VFD Group Limited in February 2016.

VFD Group Limited was converted to a Public Company and the name was changed to VFD Group Plc following a special resolution passed by the Members in General Meeting on 28 January 2019 in order to broaden our shareholder base and further enhancing our ability to raise required capital for growth and expansion.

VFD Group Plc carries on the business of a proprietary investment Company either in its name or the name of any nominee in accordance with its Memorandum and Articles of Association.

RESULTS FOR THE YEAR

The following is the summary of the performance of the Company during the year under review as compared with the previous year:

	GROUP		COMPANY	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
Profit Before Taxation	4,075,653	1,478,144	2,987,167	930,399
Taxation	(728,360)	(237,589)	(387,462)	(52,027)
Profit After Taxation	**3,349,293**	**1,240,555**	**2,599,705**	**878,372**

DIVIDEND

The Directors recommend to the Shareholders, the payment of a dividend of N8.51K per share (31 December 2019: N3.30) payable to Shareholders on the Company's Register of Members as at 14th of May, 2021. The dividend is subject to the deduction of appropriate withholding tax.

DIRECTORS

The Board of Directors of the company as at December 31, 2020 comprises of the under listed individuals:

S/N	NAME OF DIRECTOR	POSITION
1	Mr. Olatunde Busari (SAN)	Chairman
2	Mr. Nonso Okpala	Group Managing Director
3	Mr. Adeniyi Adenubi	Executive Director
4	Mr. Gbenga Omolokun	Executive Directo
5	Mr. Azubike Emodi	Executive Directo
6	Mr. Mobolaji Adewumi	Non-Executive Director
7	Mrs. Ngozi Aghanya	Non- Executive Director
8	Mr. Victor Fagbamila	Non- Executive Director
9	Mr. Suleiman Lawal	Non- Executive Director
10	Ms. Jewel Okwechim	Non-Executive Director
11	Mr. Ayodele Onawunmi	Non- Executive Director
12	Mr. Chuks Ozigbo	Non-Executive Director
13	Dr. Samuel Maduka Onyishi	Independent Non- Executive Director

RECORD OF DIRECTORS' ATTENDANCE AT MEETINGS

Pursuant to Section 284(2) of the Companies and Allied Matters Act 2020, the records of Director's attendance at Board meetings during the year under review will be available for inspection at the Annual General Meeting. Provided below are the details of the Board meetings held in 2020 showing frequency of the meetings and attendance of members.

Key:	P	= Present
	AWA	= Absent with Apology
	NYA	= Not yet Appointed

S/N	DIRECTORS	31/03/2020	16/7/2020	10/10/2020	31/12/2020
1	Mr. Olatunde Busari (SAN)	P	P	P	P
2	Mr. Nonso Okpala	P	P	P	P
3	Mr. Adeniyi Adenubi	P	P	P	P
4	Mr. Gbenga Omolokun	P	P	P	P
5	Mr. Mobolaji Adewumi	P	P	P	P
6	Mrs. Ngozi Aghanya	P	P	P	P
7	Mr. Victor Fagbamila	P	P	P	AWA
8	Mr. Suleiman Lawal	P	P	P	P
9	Mr. Azubike Emodi	P	P	P	P
10	Ms. Jewel Okwechime	P	P	P	P
11	Mr. Chuks C. Ozigbo	P	P	P	P
12	Mr. Ayodele Onawunmi	P	P	P	P
13	Dr. Samuel Maduka Onyishi	P	P	P	P

BOARD CHANGES

Mr. Mobolaji Adewumi was initially appointed on April 5, 2019 as the Executive Director, Finance, but is currently a non-executive Director effective August 11, 2020.

DIRECTORS INTERESTS IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act 2020 of any declarable interest in Contracts in which the Company is involved.

DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY.

Directors' interests in the issued share capital of the Company as recorded in the Register of Members and/or as notified by the Directors in compliance with Section 301 of the Companies and Allied Matters Act 2020 were as follows:

Number of Ordinary Shares of 50k each held as at 31 December

	2020		2019	
DIRECTORS	DIRECT	INDIRECT	DIRECT	INDIRECT
Mr. Olatunde Busari (SAN)	146,594	-	100,000	-
Mr. Nonso Okpala	-	25,985,071	-	25,299,094
Mr. Adeniyi Adenubi	1,779,339	8,511,232	1,779,339	8,208,256
Mr. Gbenga Omolokun	200,000	2,758,838	200,000	2,714,789
Mr. Mobolaji Adewumi	1,781,787	7,568,314	1,781,787	7,390,243
Mrs. Ngozi Aghanya	100,000	8,715,924	100,000	8,715,924
Mr. Victor Fagbamila	-	9,272,485	-	9,272,485
Mr. Suleiman Lawal	4,552,820	-	4,552,820	-
Mr. Azubike Emodi	-	1,564,934	-	1,531,945
Ms. Jewel Okwechime	143,320	193,359	50,000	-
Mr. Chuks Ozigbo	-	11,454,451	-	11,454,451
Mr. Ayodeji Onawunmi	-	4,878,048	-	4,878,048
Dr. Samuel Maduka Onyishi	-	-	-	-

ALTERNATE DIRECTORSHIP

There was no alternate directorship during the year under review.

SHAREHOLDING AND SUBSTANTIAL SHAREHOLDERS

The current Authorized capital of the Company is N150,000,000 (One Hundred and Fifty Million Naira) divided into 300,000,000 (Three Hundred Million) ordinary shares of N0.50k each out of which 119,232, 856 (One Hundred and Nineteen Million Two Hundred and Thirty-two Thousand, Eight Hundred and Fifty six) ordinary shares have been issued and fully paid up.

In terms of significant shareholding (5% and above), the table below is instructive.

SHAREHOLDER	SHARES HELD AS AT 31 DECEMBER 2020		SHARES HELD AS AT 31 DECEMBER 2019	
	NUMBER	PERCENTAGE (%)	NUMBER	PERCENTAGE (%)
Premium Green Limited	49,648,688	41.64	48,920,478	41.03
Expoze International	11,454,451	9.61	11,454,451	9.61
McGreen Settlement Limited	9,272,485	7.78	9,272,485	7.78
Three Seas Investment Limited	8,715,924	7.31	8,715,924	7.31

SHAREHOLDERS STRUCTURE AS AT DECEMBER 31, 2020

S/N	HOLDER TYPE	HOLDER COUNT	HOLDINGS
1	CORPORATE	24	95,997,652
2	INDIVIDUAL	84	21,708,934
3	JOINT	3	1,526,270
4	**Total**	**111**	**119,232,856**

ANALYSIS OF SHAREHOLDINGS

The details of shareholding of the Company as at December 31, 2020 is as stated below;

VFD GROUP PLC

RANGE ANALYSIS AS AT 31-12-2020

RANGE	NO. OF HOLDERS	HOLDERS %	HOLDERS CUM.	UNITS	UNITS %	UNITS CUM.
1 - 5,000	16	14.68	16	45,013	0.04	45,013
5,001 - 10,000	11	10.09	27	109,451	0.09	154,464
10,001 - 50,000	23	21.10	50	821,842	0.69	976,306
50,001 - 100,000	18	16.51	68	1,577,134	1.32	2,553,440
100,001 - 500,000	21	19.27	89	5,105,630	4.28	7,659,070
500,001 - 1,000,000	6	5.50	95	4,723,200	3.96	12,382,270
1,000,001 - 5,000,000	10	9.17	105	27,759,038	23.28	40,141,308
5,000,001 - 10,000,000	2	1.83	107	17,988,409	15.09	58,129,717
10,000,001 - 50,000,000	2	1.83	109	61,103,139	51.25	119,232,856
Grand Total	**109**	**100**		**119,232,856**	**100**	

DONATIONS

Donation during the year ended 31 December 2020 was N17,192,000 (2019: N32,770,637)

PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment is given in Note 18 to the Financial Statements.

HUMAN RESOURCES

The Company makes it a paramount objective to hire individuals based on standards of merit and competence. Also, the Company upholds a sound culture of providing continued development and training for its Staff to address knowledge gaps and provide new skill sets along the Company's lines of responsibilities. Annually, trainings are identified for staff and followed through in accordance with an approved training plan meant to ensure that this objective is achieved. The Company encourages easy interaction between Management and other staff of the Company so as to foster an atmosphere of warmth at work and also to kindle the necessary synergy required for the Company's success.

EMPLOYMENT OF DISABLED PERSONS

The Company operates a non-discriminatory policy on recruitment. Applications by disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicants concerned.

During the year under review, there was no disabled person in the Company's employment.

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

The Company approaches Health, Safety and Welfare issues affecting Staff with every sense of seriousness and therefore maintains an insurance health care scheme with Avon, a Health Maintenance Organization (HMO), licensed by the National Health Insurance Scheme (NHIS) to provide health insurance to employees in the private sector. Through this arrangement, each employee, their respective spouses, and dependents below the age of eighteen (18) years are entitled to medical treatments in well-equipped, qualitative network of hospitals under the scheme. Safety regulations are in place within the Company's premises and employees are regularly informed of the regulations.

There are contributory retirement benefit schemes for both management and employees of the Company in conformity with the Pensions Reform Act 2004.

EMPLOYEES' INVOLVEMENT AND TRAINING

The Company has an effective employer/employee communication system aimed at enhancing industrial harmony. Employees are kept fully informed as much as practicable of the Company's activities which particularly affect them as employees and are also encouraged to communicate any information useful to management through use of suggestion boxes and other channels.

Regular training programmes are usually arranged for employees locally and where applicable, overseas for the improvement of skills and enhancement of career prospects.

POST BALANCE SHEET EVENTS

There were no post balance sheet events which could have a material effect on the financial position of the Company as at 31 December 2020 and results attributable to equity holders.

FIXED ASSETS

In the opinion of the Directors, the market value of the Company's fixed assets is not less than as shown in the Balance Sheet.

AUDIT COMMITTEE

The Company has an Audit Committee as follows:

• Mr. John Okonkwo	Shareholder- (Chairman)
• Mr. Adeyemi Lawal	Shareholder
• Mr. Chuks Ozigbo	Member
• Mr. Victor Fagbamila	Member

The Committee has adopted the functions of the Audit Committee as laid down in Section 404(7) of the Companies and Allied Matters Act, 2020

AUDITORS

The Auditors, Messrs. Deloitte & Touche has indicated their willingness, to continue in office as the Company's Auditors in accordance with Section 401 (2) of the Companies and Allied Matters Act 2020.

BY ORDER OF THE BOARD

GBEMINIYI SHODA
FRC/2015/NBA/0000011768
Company Secretary
163/165 Broad Street, Lagos Island
Lagos.

Dated: May 7, 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of VFD Group Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2020, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act 2011 and the Investments and Securities Act CAP S124 LFN 2007.

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

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance;

GOING CONCERN:

The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group will not remain a going concern in the year ahead.

CERTIFICATION OF FINANCIAL STATEMENTS

In accordance with section 405 of the Companies and Allied Matters Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

(i) Audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

(ii) Audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;

We have disclosed:

i. All significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the group's auditors any material weaknesses in internal controls, and

ii. Whether or not, there is any fraud that involves management or other employees who have a significant role in the group's internal control; and

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

The consolidated and separate financial statements of the Group for the year ended 31 December 2020 were approved by directors on 7 May 2021.

On behalf of the Directors of the Group

Mr. Nonso Okpala
Group Managing Director
FRC/2013/
ICAN/00000004697

Folajimi Adeleye
(Group Chief Finance Officer)
FRC/2017/ICAN/00000017043

STATEMENT OF THE EXTERNAL CONSULTANTS ON THE BOARD EVALUATION

VFD Group Plc has a stated commitment to high standards of Corporate Governance. The company has adopted several "best practice" guidelines on Corporate Governance. For example, The Nigerian Code of Corporate Governance, SEC Code of Corporate Governance as well as OECD and IFC related guidelines. The group as part of its desire to achieve the highest standards of Corporate Governance has adopted some global principles as part of their guiding principles.

THE BOARD

The Board is the leader and takes full responsibility for the Company's and Management's activities as well as its performance to create sustainable improvement and value for the shareholders and other stakeholders. The Board also exercised its oversight responsibilities over executive Management and continuously undertake evaluation of its performance as required by the Nigerian Code of Corporate Governance 2018.

As at 31st December 2020, the Directors of the company were;

S/N	NAME OF DIRECTOR	POSITION
1	Mr. Olatunde Busari (SAN	Chairman
2	Mr. Nonso Okpala	GMD/CEO
3	Mr. Gbenga Omolokun	Executive Director
4	Mr. Adeniyi Adenubi	Executive Director
5	Mr. Azubike Emodi	Executive Director
6	Mr. Mobolaji Adewumi	Non-Executive Director
7	Mr. Victor Fagbamila	Non-Executive Director
8	Mrs.Ngozi Aghanya	Non-Executive Director
9	Mr. Suleiman lawal	Non-Executive Director
10	Mr. Ayodele Onawunmi	Non-Executive Director
11	Mr. Chuks Ozigbo	Non-Executive Director
12	Ms. Jewel Okwechime	Non-Executive Director
13	Dr. Samuel Maduka Onyishi	Independent Non-Executive Director

BOARD OF GOVERNORS: Dr Ebun Sonaiya (Chairman), Mr Bola Adeeko, Hajiya Saratu Iya Aliyu, Mr Bamidele Alimi, Mr Tarfa M. Makyur, Alhaji Shuaibu Idris, Mr Oluseye Awojobi, Mrs Gertrude Akalonu, Mrs Olayemi Oyeniyi

The responsibilities and appointments of the key officers of the Board such as Chairman, Managing Director/Chief Executive, Independent Non-Executive Directors, Non-Executive Directors, Executive Directors and the Company Secretary are well understood and carried out in compliance with laid down codes and statutes. These appointments were properly documented with the terms of engagement clearly spelt out. However, we observed the company has one Independent Non-Executive Director as opposed to the requirement of CAMA 2020, which now requires 3 non- executive independent directors.

Section 275 of CAMA 2020 mandates every public company to have at least three independent Directors. This provision is in line with the Securities and Exchange Commission Code of Corporate Governance (for public companies) and the NCCG which provides that companies should have a minimum of one independent director. Although the requirement of CAMA 2020 in this regard is greater. Appropriate measures need to be put in place to address this provision.

RESPONSIBILITIES OF THE BOARD

The role, duties and responsibilities are in accordance with the provisions of the Companies and Allied Matters Act 2004 (as amended 2020) as well as the Company's Board Charter and Governance Manual.

The Board has primary responsibility for determining the strategic objectives and policies of the group to deliver long-term value by providing overall strategic direction within a framework of rewards, incentives and controls.

CHAIRMAN

The roles of the Chairman and Chief Executive are separate and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities.

APPOINTMENT OF DIRECTORS

The appointment of directors is governed by the provisions of the Companies and Allied Matters Act 2004 (as amended 2020) and the Company's Board Charter and Governance Manual for an initial term of one (1) year subject to re-election but will not exceed a total of three (3) terms.

TERMS AND CONDITIONS OF SERVICE

The terms and conditions of engagement are well defined in the appointment letters of the Directors.

CONFLICT OF INTEREST

The company acknowledges that Directors may have other business interest. However, they are required to declare any appointment and interest to the board in writing as soon as they become apparent before commencing their appointment. The Directors are to inform the board of any external appointment to avoid conflict with their current position in the Company.

BOARD OF GOVERNORS: Dr Ebun Sonaiya (Chairman), Mr Bola Adeeko, Hajiya Saratu Iya Aliyu, Mr Bamidele Alimi, Mr Tarfa M. Makyur, Alhaji Shuaibu Idris, Mr Oluseye Awojobi, Mrs Gertrude Akalonu, Mrs Olayemi Oyeniyi

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28, Cameron Road, Ikoyi, Lagos.
Tel: +234 703 792 7814
E-mail: info@iodccg.com
Website: iodccg.com.ng

PARTNERS:

REMUNERATION

Remuneration is enclosed in the terms of engagement of directors and is disclosed in the annual report as required by the Code of Corporate Governance and other relevant statutes.

TENURE AND RE-ELECTION

The Directors' appointment letters also guide the tenure of Directors. The continuation of a director's appointment is contingent on them getting re-elected by the shareholders in accordance with provisions of the Companies and Allied Matters Act and the Articles of Association of the Company from time to time in force.

RETIREMENT BY ROTATION

Pursuant to section 285 of CAMA, the Directors who are oldest in office are required to retire by rotation at every AGM, and may be re-elected.

COMPANY SECRETARY

The Company Secretary ensures smooth administration of the company's Board activities working with the Chairman especially with regard to compliance on Corporate Governance and other financial and legal regulations, management of shareholder communication and provision of strategic advice to the board.

BOARD MEETINGS

Board meetings were properly convened and attended. The meetings were well conducted by the Chairman and Directors participated effectively. Reports of the Board Committees and affairs of the subsidiaries were appropriately considered and decisions taken and largely followed through. Board members participated and were evidently well prepared for meetings.

BOARD COMMITTEES

The Group operates with the following Board Committees with clearly defined terms of reference:

CORPORATE GOVERNANCE COMMITTEE

This Committee oversees and advises the Board on its oversight responsibilities in relation to Board composition, design, appointment and/or removal of directors, Corporate Governance framework for the Company, Directors' orientation and continuing education programmes, policies on nomination and remuneration of Directors and other human resource matters, reporting and disclosure of the Company's corporate governance to stakeholders, recruitment, compensation, promotion, disciplinary matters and succession planning. The committee met several times during the year and attendance by members was satisfactory.

BOARD OF GOVERNORS: Dr Ebun Sonaiya (Chairman), Mr Bola Adeeko, Hajiya Saratu Iya Aliyu, Mr Bamidele Alimi, Mr Tarfa M. Makyur, Alhaji Shuaibu Idris, Mr Oluseye Awojobi, Mrs Gertrude Akalonu, Mrs Olayemi Oyeniyi

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E-mail: info@iodccg.com
Website: iodccg.com.ng

PARTNERS:

The Corporate Governance Committee had the following members during the year under review:

1. Mr. Ayodele Onawunmi – Chairman
2. Mrs. Ngozi Aghanya
3. Mr. Suleiman Lawal
4. Ms. Jewel Okwechime

FINANCE AND GENERAL-PURPOSE COMMITTEE

The Finance and General-Purpose Committee provides assistance to the Board of Directors in fulfilling its responsibility to the shareholders in respect of the policies, practices, and strategies that relate to the management of the financial affairs of the Company. The Finance Committee also performs such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors.

The Finance and General-Purpose Committee had the following members during the year under review:

1. Dr. Samuel Maduka Onyishi – Chairman
2. Mr. Victor Fagbamila
3. Mr. Mobolaji Adewumi
4. Mr. Azubuike Emodi
5. Mr. Adeniyi Adenubi

BOARD RISK AND COMPLIANCE COMMITTEE

This Committee assists the Board in fulfilling its oversight responsibility in relation to integrity of the financial statements and financial reporting process, activities of the internal and external audit functions, management of risk, compliance with legal and regulatory requirements and ensuring the effectiveness of the system of internal controls, accounting and operating procedures.

The Board Risk and Compliance Committee had the following members during the year under review:

1. Mr. Victor Fagbamila - Chairman
2. Mr. Nonso Okpala
3. Mr. Gbenga Omolokun
4. Mr. Ayodele Onawunmi

REMUNERATION COMMITTEE

This committee is tasked with the responsibility of overseeing and advising the Board on its oversight responsibilities in relation to remuneration of Directors and senior management and oversight of the compensation of senior officers of the Company. The committee had the following members during the year and met adequately during the year in question.

BOARD OF GOVERNORS: Dr Ebun Sonaiya (Chairman), Mr Bola Adeeko, Hajiya Saratu Iya Aliyu, Mr Bamidele Alimi, Mr Tarfa M. Makyur, Alhaji Shuaibu Idris, Mr Oluseye Awojobi, Mrs Gertrude Akalonu, Mrs Olayemi Oyeniyi

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PARTNERS:

1. Ms. Jewel Okwechime – Chairman
2. Mrs. Ngozi Aghanya
3. Mr. Chuks Ozigbo

BOARD INVESTMENT COMMITTEE

Under the delegated powers of the Board of Directors, the Board Investment Committee is responsible for the review and approval of all investment recommendations that are above the approving threshold of ExCos subject to a maximum cumulative threshold of 30% of Shareholders Fund. All investments approved by the BIC shall be ratified by the Board of Directors "BoD" in the subsequent Board meetings. Members during the year were;

1. Mr. Ayodele Onawumi – Chairman
2. Mr. Victor Fagbamila
3. Mr. Nonso Okpala
4. Mr. Gbenga Omolokun
5. Mr. Adeniyi Adenubi

STATUTORY AUDIT COMMITTEE

We observed that there is Statutory Audit Committee, however the Code of Corporate Governance 2018 requires a Board Audit Committee. This should be put in place.

AUDIT, RISK AND COMPLIANCE

The Company continues to work to improve the Control and Risk environment by establishing the right policies and procedures with measures for rigorous implementation and monitoring.
The Company employs a skilled external auditor to ensure that the Board meets its responsibilities with respect to compliant reporting and disclosure requirements under the relevant standards, codes and statutes.

THE SHAREHOLDERS

The company ensures that there is effective communication and information dissemination to the shareholders as well as other stakeholders. The Annual General Meetings are properly convened and shareholders encouraged to attend and participate. The shareholders also carry out their statutory responsibilities adequately.

CONCLUSION

Based on our reviews, and observations we believe the company largely complied with the Nigerian code of Corporate Governance as well as other relevant statutes in this respect during the year in question. Areas requiring improvement have been communicated and noted for action by the Company.

SIGNED

NERUS EKEZIE, MBA, MNIM, FIMD, FIMC, FIMS (UK)
AG. EXECUTIVE DIRECTOR/CEO, IODCCG

BOARD OF GOVERNORS: Dr Ebun Sonaiya (Chairman), Mr Bola Adeeko, Hajiya Saratu Iya Aliyu, Mr Bamidele Alimi, Mr Tarfa M. Makyur, Alhaji Shuaibu Idris, Mr Oluseye Awojobi, Mrs Gertrude Akalonu, Mrs Olayemi Oyeniyi

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All funds are duly insured by the Nigeria Deposit Insurance Corporation (NDIC).

Deloitte.

P.O. Box 965
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Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Nigeria

Tel: +234 (1) 904 1700
www.deloitte.com.ng

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VFD GROUP PLC

OPINION

We have audited the consolidated and separate financial statements of **VFD Group Plc** and its subsidiaries (the Group and Company) set out on pages 26 to 74, which comprise the consolidated and separate statements of financial position as at 31 December, 2020 and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **VFD Group Plc** as at 31 December 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How the matter was addressed in the audit
Loan loss impairment	
IFRS 9- "financial instruments" introduces a new forward-looking impairment model, requiring companies to provide for expected credit losses (ECLs) on Financial Instruments. It also includes new requirements and guidance on the classification and measurement of financial assets. In estimating the expected credit losses (ECLs) on loans and advances, management makes use of significant assumptions and judgement in determining the impairment loss. Some of the key assumptions used are: • Assessment of significant increase in credit risk. • Calculation of lifetime probabilities of default(PD) as well as lifetime expected credit loss (ECL) • Loss given default (LGD) • Forward looking information macro-economic factors (e.g. unemployment rates, inflation rate etc.) Because of the significance of these estimates and judgement, the audit of loan impairment is considered a key audit matter.	Our audit procedures to assess the adequacy of the loan loss impairment in line with IFRS 9 included a review of the Company's business Model to test the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions into the IFRS 9 impairment models. With the assistance of our IFRS (Credit) Specialist(s), we: 1. Obtained a detailed understanding of the default definition(s) used in the ECL calculation. 2. Tested the underlying calibration of data behind the determination of the probability of default by agreeing same to underlying supporting documentation. 3. Tested the disclosures to ensure that the required disclosures under IFRS 9 have been appropriately disclosed. 4. Challenged the criteria used to allocate asset to stage 1, 2 and 3 in accordance with IFRS 9; 5. Tested assets in stage 1, 2 and 3 to verify that they were allocated to the appropriate stage; 6. Tested the data used in the ECL calculation (including the macro economic factors) by reconciling to source systems; Based on our review, we found that the Company's impairment methodology, including the model, assumptions and key inputs used by management to estimate the amount of loan impairment losses were comparable with historical performance, and prevailing economic situations and that the estimated loan loss impairment determined was appropriate in the circumstances.

OTHER MATTER

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 23 March 2020.

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OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Company Secretary's Report, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP 2020, Investment and Securities Act CAP S124 LFN 2007 and the Financial Reporting Council of Nigeria Act, 2011and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies and Allied Matters Act we expressly state that:

- We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- The Group has kept proper books of account, so far as appears from our examination of those books.
- The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
7 May, 2021

Engagement Partner: Ojo Joshua, FCA,
FRC/2013/ICAN/00000000849

REPORT OF THE STATUTORY AUDIT COMMITTEE TO THE MEMBERS OF VFD GROUP PLC

In accordance with the provision of Section 404 (4) of the Companies and Allied Matters Act 2020, the members of the Audit Committee of VFD Group Plc hereby report on the financial statements for the year ended 31 December 2020 as follows:

We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act 2020 and acknowledge the co-operation of management staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2020 were satisfactory and reinforce the group's internal control systems.

We have deliberated with the external auditors, who have confirmed that necessary co-operation was received from Management in the course of their statutory audit. We are satisfied with Management's responses to the findings on management matters as well as the auditors report issued by the external auditors, and with the effectiveness of the Group's systems of accounting and internal controls.

Members of the Audit committee are:

1	Mr. John Okonkwo	Chairman
2	Mr. Chuks Ozigbo	Member
3	Mr. Adeyemi Lawal	Member

The Company Secretary serves as the Secretary to the Committee.

Mr. John Okonkwo
Chairman, Audit Committee
FRC/2013/ICAN/00000004692
7 May 2021

LUXURY BOUTIQUE HOTEL & SHORT LET APARTMENT

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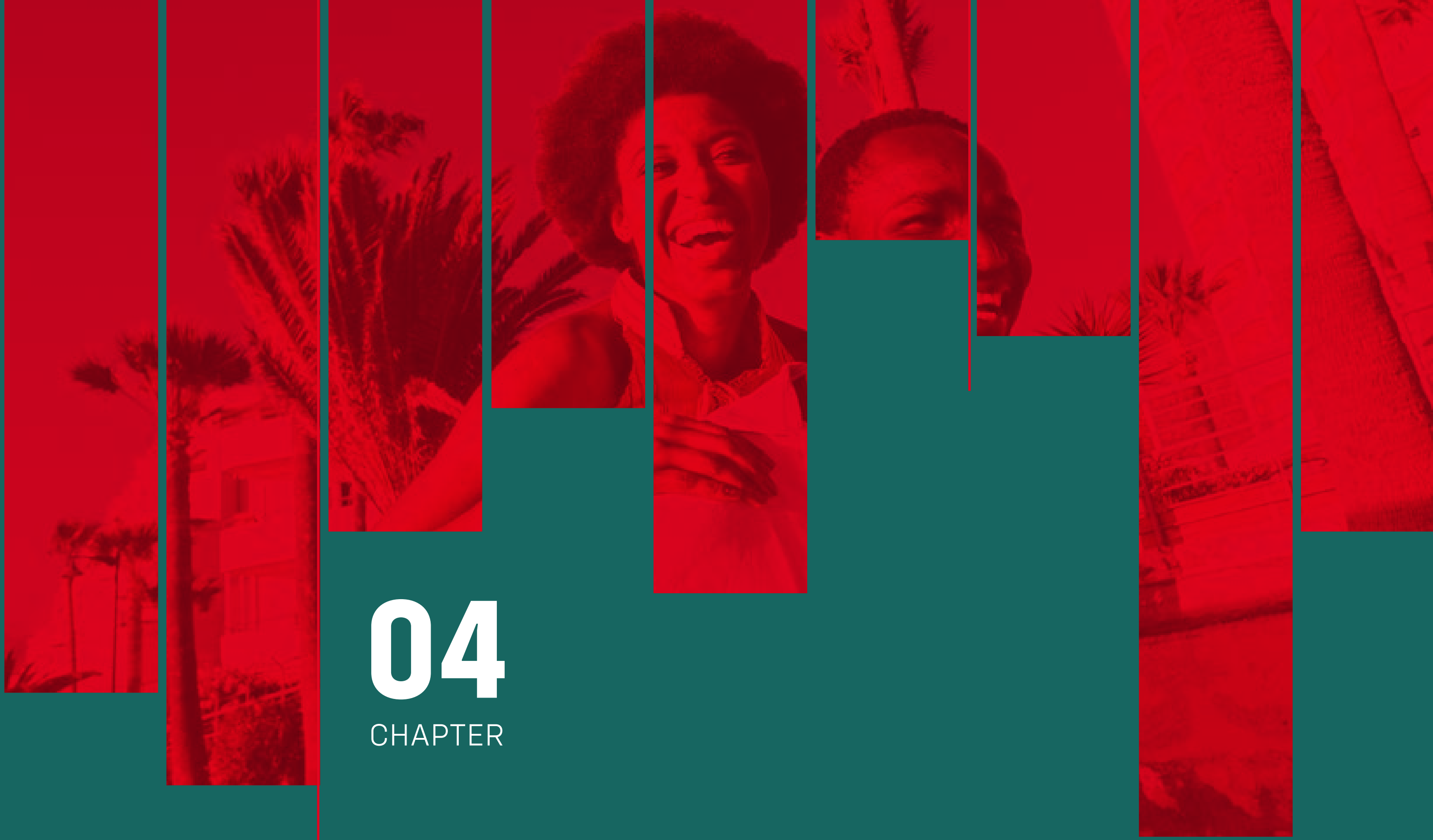
Contact Details:

@BoardroomApts Boardroom Apartments

0806 904 0833 Samuel Adedoyin St, Lekki Penninsula II, Lagos

Boardroom APARTMENTS



04
CHAPTER

Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS AT 31 DECEMBER 2020

		GROUP		COMPANY	
	Notes	31 December 2020	31 December 2019	31 December 2020	31 December 2019
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross Earnings		**6,653,993**	**3,398,469**	**4,411,832**	**2,064,986**
Interest and similar income	4	3,687,407	1,940,600	1,633,440	696,327
Interest and similar expense	5	(1,043,033)	949,222	(982,459)	(649,549)
Net trading income	6	2,939,850	1,071,775	2,827,027	1,063,186
Net operating income		**5,584,224**	**2,063,153**	**3,848,008**	**1,109,964**
Other income	7	1,654,825	2,099,431	1,105,045	2,294,702
Impairment charge for credit losses		74,531	(764,115)	(245,751)	(276,494)
Net gains/(loss) on financial assets at fair value through profit or loss	8	74,531	-	74,531	-
Total Revenue		**6,653,993**	**3,398,469**	**4,411,832**	**2,064,986**
Personnel expenses	9	(1,033,921)	(722,760)	(399,164)	(363,692)
Other operating expenses	10	(1,277,416)	(1,127,307)	(886,1300	(733,285)
Depreciation and amortisation	18/19	(191,564)	(70,259)	(139,371)	(37,610)
Write back/(Impairment) allowance		(75,439)	-	-	-
Total Expenses		**(2,578,340)**	**(1,920,325)**	**(1,424,665)**	**(1,134,587)**
Profit before income tax		**4,075,653**	**1,478,144**	**2,987,167**	**930,399**
Income tax expense	11	(726,360)	(237,589)	(387,462)	(52,027)
Profit for the year		**3,349,293**	**1,240,555**	**2,599,705**	**878,372**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss					
Net fair value loss on investments in equity instruments designated as at FVTOCI		-	-	-	-
Items that may be reclassified subsequently to profit or loss					
Net fair value gain/(loss) on investments in financial instruments designated as FVTOCI	31.1	914,213	(42,514)	832,704	(98,779)
Other comprehensive income for the period, net of taxes		**914,213**	**(42,514)**	**832,704**	**(98,779)**
Total comprehensive income for the year		**4,264,216**	**1,198,041**	**3,432,409**	**779,593**
Profit for the year attributable to:					
Equity holders of the Company		**3,193,929**	**1,186,254**	**-**	**-**
Non Controlling Interest		**155,364**	**54,301**	**-**	**-**
		3,349,293	**1,240,555**	**2,599,705**	**878,372**
Total comprehensive income attributable to:					
Equity holders of the Company		**901,768**	**(42,514)**	**832,704**	**(98,779)**
Non-Controlling Interest		13,155	**-**	**-**	**-**
Earnings per share-basic (kobo)	12	2,809	1,040	2,180	737

CONSOLIDATED & SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	GROUP 31 December 2020	GROUP 31 December 2019	COMPANY 31 December 2020	COMPANY 31 December 2019
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	13	4,490,804	1,461,325	4,077,652	1,185,918
Funds under Management	15	12,792,413	18,668,089	-	-
Investment in financial assets	16	25,899,754	6,305,682	17,997,509	3,328,484
Investments in subsidiaries	17	-	-	2,414,125	1,514,125
Property, plant and equipment	18	1,808,409	1,432,500	1,424,005	1,248,922
Intangible assets	19	113,007	63,852	98,670	49,817
Investment Property	20	6,080,258	137,365	3,825,175	-
Trade and other receivables	21	5,373,563	6,131,815	4,060,099	6,213,312
Special Placement with CBN	14	25,000,000	10,000,000	25,000,000	10,000,000
Deferred tax assets	22	117,076	36,069	95,944	-
TOTAL ASSETS		**81,675,284**	**44,236,697**	**59,993,178**	**23,540,578**
LIABILITIES					
Managed funds	23	25,248,777	16,018,428	-	-
Borrowings	24	7,366,178	15,743,876	22,161,396	12,643,657
Other liabilities	25	29,068,807	6,204,954	28,487,798	6,019,867
Deposit Liabilities		9,285,817	-	-	
Current tax liabilities	26	812,396	287,337	499,038	56,535
Deferred tax liabilities	22	12,630	-	-	15,786
TOTAL LIABILITIES		**71,794,605**	**38,254,595**	**51,148,232**	**18,735,845**
SHAREHOLDERS FUND					
Share capital	27	59,616	59,616	59,616	59,616
Share Premium	28	3,822,062	3,822,062	3,822,062	3,822,062
Retained earnings	29	4,199,113	1,406,457	3,197,496	989,987
Regulatory risk reserve	30	13,486	6,462	-	-
Other reserves	31	820,379	(81,389)	765,772	(66,932)
TOTAL SHAREHOLDERS FUND		**8,914,656**	**5,213,208**	**7,844,946**	**4,804,733**
Non-Controling Interest		966,023	768,894		
TOTAL LIABILITIES AND SHAREHOLDERS FUND		**81,675,284**	**44,236,697**	**59,993,178**	**23,540,578**

Olatunde Busari (SAN)
(CHAIRMAN)
FRC/2019/NBA/00000019449

Nonso Okpala
(GROUP MANAGING DIRECTOR)
FRC/2013/ICAN/00000004697

Folajimi Adeleye
(GROUP CHIEF FINANCE OFFICER)
FRC/2017/ICAN/00000017043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2020

	SHARE CAPITAL	RETAINED EARNINGS	SHARE PREMIUM	REGULATORY RISK RESERVE	OTHER RESERVES	NON-CONTROLLING INTEREST	TOTAL
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Group							
At 1 January 2020	59,616	1,406,457	3,822,062	6,462	(81,389)	768,894	5,982,102
Capital injection	-	-	-	-	-	50,000	50,000
Transfer from profit or loss account	-	3,193,929	-	-	-	155,364	3,349,293
Dividend paid	-	(394,249)	-	-	-	(21,390)	(415,639)
Transfer to/(from) regulatory reserve		(7,024)		7,024	-	-	-
Fair value reserves	-	-	-	-	901,768	13,155	914,923
At 31 December 2020	**59,616**	**4,199,113**	**3,822,062**	**13,486**	**820,379**	**966,023**	**9,880,679**
Company							
At 1 January 2020	59,616	989,987	3,822,062	-	(66,932)	-	4,804,733
Transfer from profit or loss account	-	2,599,705	-	-	-	-	2,599,705
Dividend paid	-	(392,196)	-	-	-	-	(392,196)
Fair value reserve	-	-	-	-	832,704	-	832,704
At 31 December 2020	**59,616**	**3,197,496**	**3,822,062**	**-**	**765,772**	**-**	**7,844,946**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2020

	SHARE CAPITAL	RETAINED EARNINGS	SHARE PREMIUM	REGULATORY RISK RESERVE	OTHER RESERVES	NON-CONTROLLING INTEREST	TOTAL
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Group							
At 1 January 2019	42,368	471,692	984,027	1,608	(38,875)	56,537	1,517,357
Share issues	17,248	-	2,934,631		-	658,056	3,609,935
	59,616	**471,692**	**3,918,658**	**1,608**	**(38,875)**	**714,593**	**5,127,292**
Transfer from profit or loss account	-	1,186,254	-	-	-	54,301	1,240,555
Dividend paid	-	(251,489)	-	-	-	-	(251,489)
Share issue expense			(96,596)	-	-	-	(96,596)
Fair value reserves	-	-	-	4,854	(42,514)	-	(37,660)
At 31 December 2019	**59,616**	**1,406,457**	**3,822,062**	**6,462**	**(81,389)**	**768,894**	**5,982,102**
Company							
At 1 January 2019	42,368	363,104	984,027	-	31,847	-	1,421,346
Share issue	17,248	-	2,934,631	-	-	-	2,951,879
	59,616	**363,104**	**3,918,658**	**-**	**31,847**	**-**	**4,373,225**
Transfer from profit or loss account	-	878,372	-	-	-	-	878,372
Dividend paid	-	(251,489)	-	-	-	-	(251,489)
Share issue expense	-	-	(96,596)	-	-	-	(96,596)
Fair value reserve	-	-	-	-	(98,779)	-	(98,779)
At 31 December 2019	**59,616**	**989,987**	**3,822,062**	**-**	**(66,932)**	**-**	**4,804,733**

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2020

	Notes	GROUP 31 December 2020	GROUP 31 December 2019	COMPANY 31 December 2020	COMPANY 31 December 2019
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
Profit for the year		3,349,293	1,240,555	2,599,705	878,372
Adjustments for;					
Income tax recognised in profit or loss	11	726,360	237,589	387,462	52,027
Depreciation & Amortization	18/19	191,564	70,259	139,371	37,610
Dividend income on equity investments designated as FVTOCI		(64,504)	(37,877)	(80,282)	(25,350)
Write Back/Impairment losses recognised on amortised cost	16.1a	-	(126,233)	-	-
		4,202,713	**1,384,294**	**3,046,256**	**942,659**
Movement in working capital					
Decrease/(increase) in trade receivables		758,252	(2,071,716)	2,153,213	5,163,405
Increase in managed funds		15,106,026	9,865,509	-	-
Increase/(Decrease) in managed funds		9,285,817	-	-	-
Increase/ (decrease) in other liabilities		22,863,853	(815,068)	22,467,931	(218,993)
Cash generated from operations		52,216,661	8,363,019	27,667,400	5,887,071
Income taxes paid	26	(243,639)	(95,440)	(56,686)	(47,507)
Net cash generated by/(used in) operating activities		**51,973,022**	**8,267,578**	**27,610,714**	**5,839,564**
Cash flows from investing activities					
Purchase of investment property	20	(6,080,258)	-	(3,825,175)	-
Purchase of property and equipment	18	(670,414)	(62,178)	(307,161)	(45,960)
Proceeds on disposal of property and equipment	18	120,000	215	-	-
Purchase of intangible assets	18	(66,486)	(274)	(56,145)	(10,341)
Purchase of financial assets		(18,692,304)	(2,767,464)	(13,836,321)	(2,848,166)
Placement with CBN	14	(15,000,000)	(10,000,000)	(15,000,000)	(10,000,000)
Investment in subsidiary		-	-	(900,000)	-
Dividend income		-	37,877	-	25,350
Net cash generated by/(used in) investing activities		**(40,389,462)**	**(12,791,824)**	**(33,924,802)**	**(12,879,117)**
Cash flows from financing activities					
Dividend received		64,504	-	80,282	688,888
Dividend paid to owners of equity capital		(394,249)	(251,489)	(392,196)	(251,489)
Proceeds from borrowings	27	-	5,103,808	15,619,394	12,933,934
Repayment of borrowings	27	(8,377,698)	-	(6,101,655)	(5,183,315)
Net cash (used in)/generated by financing activities		**(8,707,443)**	**4,852,319**	**9,205,825**	**8,188,018**
Net increase/(decrease) in cash and cash equivalents		2,876,118	(328,074)	2,891,734	1,148,465
Effect of foreign exchange changes on cash		153,362	(1,037,915)	-	-
Cash and cash equivalents at beginning of period		1,461,325	(1,133,251)	1,185,918	37,453
Cash and cash equivalents at end of year	13	**4,490,804**	**1,461,325**	**4,077,652**	**1,185,918**

1 Company information

The financial statements is the consolidated financial statements of VFD Group Plc, a company incorporated in Nigeria and its subsidiaries (hereafter referred to as 'the Group').

VFD Group Plc was incorporated on 7 July 2009 as a private limited liability company under the Companies and Allied Matters Act 2020. It commenced operations on 21 December 2010. Its name formerly Viadaz FD Limited was changed to VFD Group Limited by a special resolution of the Board on 1 February 2016. The change of name was registered at Corporate Affairs Commission on 14 March 2016.

The name of the Company was again changed to VFD Group Plc by a special resolution of the Board and with the authority of the Corporate Affairs Commission on 28 January 2019.

The principal activity of the Company is to carry on business as an investment company and for that purpose to acquire and hold either in its name or that of any nominee, shares, stocks, debentures and other securities issued by any company wherever incorporated.

VFD Group Plc is domiciled in Nigeria and its registered address is at Foresight House, 163/165, Broad Street, Lagos.

The Company's parent and ultimate holding company is Premium Green Limited, a company incorporated in Nigeria. Information about the Company's subsidiaries are disclosed in Note 17.

The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group entities"). The separate financial statements is the financial statements of the Company. The consolidated and separate financial statements for the year ended 31 December 2020 were approved for issue by the Board of Directors on 5 May 2021.

2 Summary of significant accounting policies

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

2.1 Going concern

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

2.2 Basis of Preparation and Measurement

The consolidated and separate financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB. Additional information required by national regulations is included where appropriate.

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

2.2.1 Statement of Compliance

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

The Consolidated and Separate financial statements comply with the requirement of the International Financial Reporting Standard, Companies and Allied Matters Act 2020, Investment and Securities Act Cap S127 LFN 2004, the Financial Reporting Council Act 2011 to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

2.2.2 Adoption of New and Revised Standards

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2020.

New and amended IFRS Standards that are effective for the current year

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

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.

New and revised Standards that are effective but with no material effect on the financial statements.

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards	The Company 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.
Amendments to IFRS 3 Definition of a business	This is not applicable to the Company. 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.

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.

New and revised IFRS Standards in issue but not yet effective

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

IFRS 17	Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

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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.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. 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.

Amendments to IFRS 10 and IAS 28 – 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 remeasurement 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 Board; 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 Company's financial statements in future periods should such transactions arise.

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.

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 a business combination. 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.

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 recognises 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 applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise 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 beginning of that earliest period presented.

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

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 recognise 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 permitted.

Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to four Standards.

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. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16 (a).

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

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to de-recognise 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.

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"

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

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

2.3 Consolidation

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

Subsidiaries

The consolidated and separate financial statements incorporates the financial statements of the company and all its subsidiaries where it is determined that there is a capacity to control. Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities.

All the facts of a particular situation are considered when determining whether control exists. Control is usually present when an entity has:

- power over more than one-half of the voting rights of the other entity;
- power to govern the financial and operating policies of the other entity;
- power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

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

In its separate Financial statements, the company accounts for its investment in subsidiaries at cost.

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

2.4 Common control transactions

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

Accordingly the Group applies the guidance as set out in IFRS 3 on common control transactions. The assets and liabilities of the business transferred are measured at their existing book value in the consolidated financial statements of the parent, as measured under IFRS.

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

2.5 Foreign currency translation

(a) Functional and presentation currency

Foreign currency transactions are translated and recorded in Naira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e.translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.6 Income taxation

Income tax expense comprises current and deferred tax

Income tax expense is recognized in profit or loss except to the extent that results of transactions relate to items recognized directly in equity, in which case it is recognized in equity.

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

Deferred income tax is recognized, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes based on tax rates and laws that have been enacted or substantively enacted at the reporting period date and are expected to apply when the related deferred income tax liability is settled.

Deferred tax assets and liabilities are recorded under non-current assets and liabilities.

2.7 Financial instruments

Definition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or liability is recognized when the Group becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, directly attributable transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Business model assessment

The Company determines the business models at the level that best reflects how portfolios of financial assets are managed to achieve the Group's business objectives. Judgment is used in determining the business models, which is supported by relevant, objective evidence including:

How the economic activities of our businesses generate benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel; The significant risks affecting the performance of our businesses, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and Historical and future expectations of sales of the loans or securities portfolios managed as part of a business model.

The Group's business models fall into three categories, which are indicative of the key strategies used to generate returns.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

(a) Financial assets at amortized cost (loans and receivables and debt instruments).
(b) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
(c) Financial assets at fair value through profit or loss

Financial assets at amortized cost (loans and receivables and debt instruments

The Group measures financial assets at amortized cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation ,and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

Financial assets are reclassified when and only when the 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.

Loans
Loans are debt instruments recognized initially at fair value and are subsequently measured in accordance with the classification of financial assets policy provided above. Loans are carried at amortized cost using the effective interest method, which represents the gross carrying amount less allowance for credit losses. Interest on loans is recognized in interest income using the effective interest method. The estimated future cash flows used in this calculation include those determined by the contractual term of the asset and all fees that are considered to be integral to the effective interest rate. Also included in this amount are transaction costs and all other premiums or discounts.

Fees that relate to activities such as originating, restructuring or renegotiating loans are deferred and recognized as Interest income over the expected term of such loans using the effective interest method. Where there is a reasonable expectation that a loan will be originated, commitment and standby fees are also recognized as interest income over the expected term of the resulting loans using the effective interest method. Otherwise, such fees are recorded as other liabilities and amortized into other operating income over the commitment or standby period. Impairment losses on loans are recognized at each balance sheet date.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

The rights to receive cash flows from the asset have expired, or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) The Company has transferred substantially all the risks and rewards of the asset, or
(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.


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INVESTING IN REAL ESTATE
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Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when and only when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when and only when there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.8 Revenue recognition

(a) Interest income and interest expense

Interest income and interest expense for all interest-bearing financial instruments are recognized within 'interest income' and 'interest expense' in profit or loss using the effective interest method.

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 amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and 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.

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

(b) Fees and commission income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. For other fees and commission income, it is the Group's policy to recognize revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Revenue is recognized when control of goods or services have been transferred. Control of an asset refers to the ability to direct its use and obtain substantially all of the remaining benefits associated with the asset.

(c) Dividend income

Dividends are recognized when the Group's right to receive the payment is established, which is usually when shareholders approve the dividend.

2.9 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are assessed at the end of each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or, if the recoverable amount of single assets cannot be determined, for the smallest identifiable group of assets that generates independent cash inflows from their continuous use, referred to as cash generating units, is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows expected to be derived from the use of the asset and, if significant and reasonably determinable, from its disposal at the end of its useful life, net of disposal costs 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.

Cash flows are determined on the basis of reasonable and documented assumptions that represent the best estimate of the future economic conditions during the remaining useful life of the asset, giving more importance to independent assumptions.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any asset allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.
Impairment losses recognized 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 exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized. Reversals of impairment losses are recognized in profit or loss.

2.10 Property, Plant and Equipment

The Group's Property, Plant and Equipment comprise leasehold improvement, plant and machinery, office equipment, furniture and fittings and motor vehicle.

Recognition and measurement

All categories of property, plant and equipment are initially recognized at their purchase cost including any costs directly attributable to bringing the asset into operation when the following conditions are met

(a) their values can be reasonably determined,
(b) the economic benefit will accrue to the Group.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs

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

Depreciation

The depreciable amount of an asset is its cost less the estimated residual value at the end of its useful life, if this is significant and can be reasonably determined. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized.

Depreciation is recognised in profit or loss on a straight line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives. The following annual rates are applied.

Leasehold improvement	over the lease period
Building	over the unexpired lease period
Plant and Machinery	33.33%
Office Equipment	33.33%
Furniture and Fittings	25.00%
Motor Vehicle	25.00%

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 of the year the asset is derecognized.

2.11 Leased assets

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group engages in finance leases and sale and leaseback transactions.

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the ownership to the lessee. All other leases are classified as operating leases.

Sale and leaseback transactions

This arises when the Group sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer.

Finance leaseback

A profit or loss on sale is not immediately recognized because the seller never disposes of the risks and rewards of ownership. Any difference between the sale price and the previous carrying value (profit) is deferred and amortized over the lease term.

Group as a lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalized at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an operating expense in the income statement on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.12 Intangible assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software when their values can be reasonably determined and economic benefits will accrue to the Group. Computer software is stated at cost less amortization and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognized as expenses when incurred.

Amortisation

Computer software are amortized over the useful economic life estimated as the period over which the assets will be used by the Group. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Amortisation rate for intangible asset is as follows:

Computer software	33.33%

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

2.13 Employee benefits

Short-term benefits

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

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

Post-employment benefits

Defined contribution plans

The Group operates a defined contribution plan in accordance with the provisions of the Pension Reform Act. The contribution of the employee and employer is 8% and 10% of the qualifying monthly emoluments (i.e. basic, housing and transport) of employees respectively. The Group's obligations for contributions to the plan are recognized as an expense in profit or loss when they are due.

2.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

2.15 Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, Cash and cash equivalents include cash in hand, unrestricted demand, call deposits with banks, and short term highly liquid financial assets (including money market funds), with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their value and used by the Group in the management of its short-term commitments.

2.16 Share capital and reserves

Share capital

The issued ordinary shares of the Company are classified as equity instruments. Incremental costs directly attributable to the issue of an equity instrument are shown in equity as a deduction, net of tax, from the proceeds.

Share premium

Premiums from the issue of shares are reported in share premium.

Statutory reserve

Nigerian banking regulations require Microfinance Banks to make an annual appropriation to a statutory reserve. Section 8.1.7(a) of the Central Bank of Nigeria Revised Regulatory and Supervisory Guidelines for Microfinance Banks (MFBs) stipulates that an appropriation of 50% of profit after tax is made if the statutory reserve is less than 50% of the paid-up share capital, an appropriation of 25% of profit after tax is made if the statutory reserve is 50% or more but less than 100% of the paid up share capital and 12.5% of profit after tax if the statutory reserve is equal to 100% or more of the paid-up share capital.

Regulatory risk reserve

The Nigerian banking regulator requires Microfinance Banks to create a reserve for the difference between impairment charge determined in line with the principles of IFRS and impairment charge determined in line with the prudential guidelines issued by the Central Bank of Nigeria (CBN). This reserve is not available for distribution to shareholders.

Fair value reserve

Comprises fair value movements on equity instruments

Dividends

Dividends on ordinary shares are recognized in equity in the period in which they are approved by the Company's shareholders. Dividends for the period that are declared after the reporting date are disclosed in the financial statements as a non-adjusting event

2.16 Earnings per share

The Group presents earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period. Where there are shares that could potentially affect the number of shares issued, those shares are considered in calculating the diluted earnings per share. There are currently no share that could potentially dilute the total issued shares.

2.17 Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the 'exit price') in an orderly transaction that is not a forced sale, liquidation sale or a distressed sale between market participants at the measurement date. Fair value is determined based on market conditions at the measurement date and the assumptions that market participants would use (i.e. it is a market-based measurement). Fair value measurement assumes the transaction to sell the asset or transfer the liability occurs in a principal market or, in the absence of a principal market, in the most advantageous market to which the entity has access. It does not consider an entity's intent to sell the asset or transfer the liability. Fair value measurements of non-financial assets take into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use is determined from the perspective of market participants, even if the entity intends a different use.

An entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximize the value of the asset. In the absence of quoted market prices, the fair value of a financial or non- financial liability or an entity's own equity instruments is taken as the fair value of the corresponding asset held by another market participant at the measurement date. Counterparty credit risk and own credit risk are taken into account in determining the fair value of a liability. In the absence of quoted market prices, an entity uses valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19Expense recognition

Operating expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Expenses are recognized on an accrual bases regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost.

Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognized as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.

Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming years.

2.20 Investment Properties

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

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

2.21 Related party transactions

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

3 Financial Risk Management

Risk management in 2020 can be described as a musing of opportunities within an intricate web of uncertainties triggered by the covid-pandemic.

When the novel Coronavirus hit Chinese port city of Wuhan in December 2019, many never saw a virus with the power to disrupt the global economy. The 11 million residents of Wuhan, in the central Hubei province neither envisaged that the town would be on lockdown. The US, UK, Germany, Italy, including the World Health Organisation saw it as local Chinese problem which the country, with its robust healthcare system and advanced technology could control. But fast forward three months after, 183 countries and territories have been affected.

The Covid-19 pandemic came with its attendant oil price crash, as demand plummeted. With lockdown in China, which consumes about 14 per cent of the global crude oil daily, and reduction in major economic activities globally, the price of the commodity went southwards.

All of Nigeria's 2020 budget indicators: an oil production volume of 2.18 million barrel per day, oil benchmark of $57, N305 exchange rate to the US dollar, GDP growth rate of 2.93 per cent, and inflation rate of 10.81 per cent were out of reach.

The macroeconomic headwinds continued to create multiplicity of known and unknown risks, forcing risk managers to delicately navigate the risk minefields like a veteran soldier.

It is important to acknowledge at the outset of this section that Risk management is constantly evolving. Regulations are changing, technology continues to advance and new exotic structures will continually be introduced into the Nigerian financial market. Some of the major trends that will continue to affect risk management are:

(a) Regulatory and financial reform will continue to impact operational processing and is expected to play a key role in future trends for providing transparency and
(b) Technology continues to advance rapidly, enabling businesses to execute many more transactions during periods of market volatility.
(c) Businesses will continue to develop new and more exotic types of transactions especially in FX derivatives and oil hedging products.
(d) New and more diverse types of clients continue to enter the market, which require development of new operational procedures and products.

All of these trends and many others will continue to change the industry, eliminating some risks and introducing new ones. It is imperative that we understand the operational cycle and best practices surrounding managing risks properly as the financial market continues to evolve.

For the Group, the outlook was viewed as an opportunity to optimize our risk and governance processes and position the Group to benefit from market and regulatory developments. In summary, it has been a very engaging year of risk management. Various risk management initiatives came to fruition during the period which deepened the range of risk management tools/processes that assisted the Group in managing risk over the period.

Bespoke Enterprise Risk Management

Helping our stakeholders achieve their ambitions lies at the heart of our processes as we apply bespoke risk management framework in identifying, assessing, monitoring, controlling and reporting the inherent and residual risks associated with the pursuit of these ambitions and ensuring they are achieved the right way.

As we deepen our presence in the market, proactive Enterprise Risk Management Framework becomes even more critical.

The Group views and treats risks as an intrinsic part of business and maintains a disciplined approach to its management of risk. The Risk functions remain dynamic and responsive to the needs of stakeholders as it improves its focus on the inter-relationships between risk types. It uses periodic reviews of risk exposure limits and risk control to position itself against adverse scenarios.

The Group's risk management architecture, as designed, continued to balance corporate oversight with well-defined risk management functions which fall into one of three categories where risk must be managed: lines of business, governance & control, and audit. The Board of Directors and management of the Group are committed to constantly establishing, implementing and sustaining tested practices in risk management to match those of leading international organisations. We are convinced that the long-term sustainability of our Group depends critically on the proper governance and effective management of our business. As such, risk management occupies a significant position of relevance and importance in the Group.

Risk strategies and policies are set by the Board of Directors of the Group. These policies, which define acceptable levels of risk for day-to-day operations as well as the willingness of the Group to assume risk, weighed against the expected rewards are detailed in the Enterprise Risk Management (ERM) Framework, which is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and actively managing these risks in a cost-effective manner. Specific policies are also in place for managing risks in the different core risk areas of credit, market and operational risks as well as for other key risks such as liquidity, strategic and reputational risks.

To some institutions, risk is viewed as a threat or uncertainty, but to us, it goes beyond that. Risk to us, presents potential opportunities to grow and develop our business within the context of our clearly articulated and Board-driven risk appetite.

Risk Management Framework

All activities and processes of the Group involve the identification, measurement, evaluation, acceptance and management of risk or combinations of risks. The Board, advised by the various Board and Management Risk Committees, requires and encourages a strong risk governance culture which shapes the Group's attitude to risk. We believe that risk management encompasses the insights delivered by information which facilitate appropriate actions. VFD Group benefits from having enhanced its risk management framework, which gives full coverage of a variety of risks.

We have a holistic view of all major risks facing the Group. We remain vigilant with regard to both known and emerging risks and ensure that we are strong enough to withstand any exogenous shocks. Our Board-level risk committees play a critical role in providing oversight of risk management and ensuring that our risk appetite and risk profile are consistent with and support our strategy to deliver long-term, sustainable success in achieving our strategic vision.

Risk, by definition, is dynamic in nature. The management of risk, consequently, must be evolving, necessitating regular review of the effectiveness of each enterprise risk management component.

We believe that understanding and managing our risks and continuously improving our controls are central to the delivery of our strategic objectives. The Board's risk committees play an active role in ensuring that we undertake well-measured, profitable risk-taking activities that support long-term sustainable growth.

Risk Management Philosophy, Appetite and Objectives

VFD Group's Risk management philosophy and culture remain fundamental to the delivery of our strategic objectives. Risk management is at the core of the operating structure of the Group. We seek to limit adverse variations in earnings and capital by managing risk exposures within our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity.
Risk management is fundamental to the Group's decision-making and management process.

It is embedded in the role of all employees via the organizational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

The Group believes that enterprise risk management provides the superior capabilities to identify and assess the full spectrum of risks and to enable staff at all levels to better understand and manage risks. This will ensure that:

- Risk acceptance is done in a responsible manner;
- The executive and the Board of the Group have adequate risk management support;
- Uncertain outcomes are better anticipated;
- Accountability is strengthened; and
- Stewardship is enhanced.

Risk Appetite

Risk appetite is an articulation and allocation of the risk capacity or quantum of risk VFD Group is willing to accept in pursuit of its strategy, duly set and approved by the executive committee and the Board, and integrated into our strategy, business, risk and capital plans.

The risk appetite metrics were tracked against approved triggers and exceptions were reported to management for prompt corrective actions. Key issues were also escalated to the Board Risk Management Committee.

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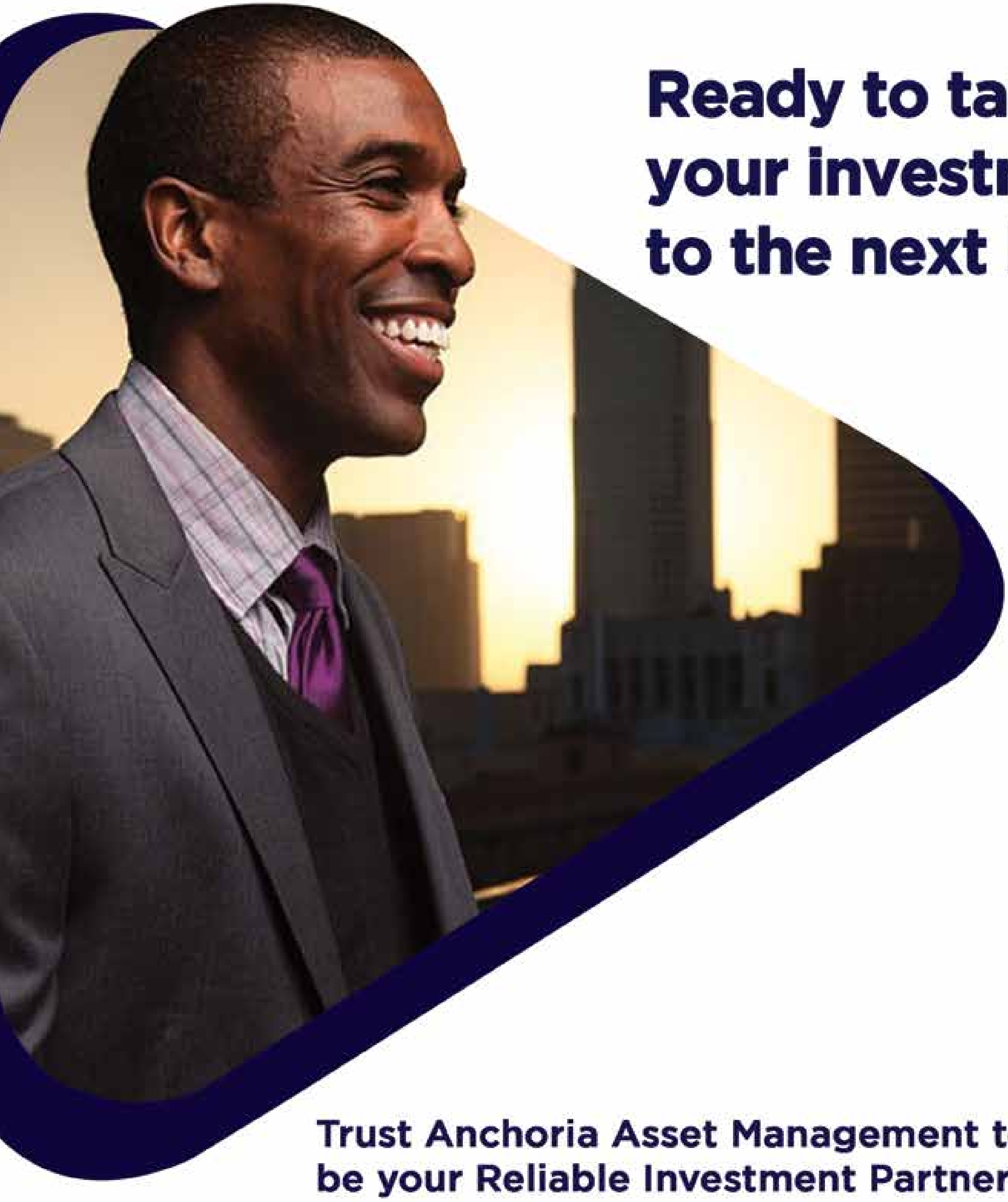

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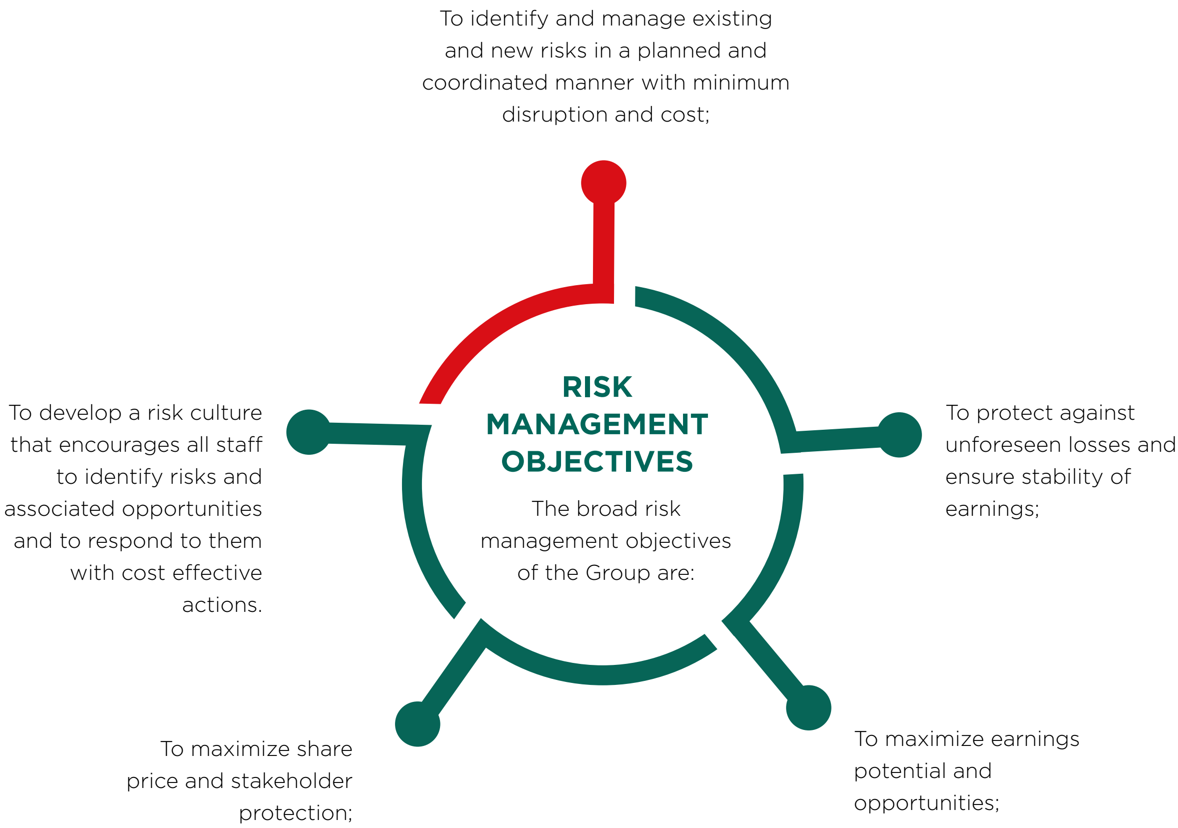

Scope of risks

The scope of risks that are directly managed by the Group is as follows:

- CREDIT RISK
- OPERATIONAL RISK
- MARKET AND LIQUIDITY RISK
- LEGAL AND COMPLIANCE RISK
- STRATEGIC RISK
- REPUTATIONAL RISK
- CAPITAL RISK

The Group's principal financial liabilities comprise borrowings and other liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans and receivables, other assets (excluding prepayments) and cash and short-term deposits that derive directly from its operations. The Group also holds FVOCI investment securities.

The Board of Directors reviews and agrees policies for managing each of the financial risks, which are summarised below.

3.1 Credit risk Management

Credit risk arises from the failure of an obligor of the Group to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. This risk is compounded if the assigned collateral only partly covers the claims made to the borrower, or if its valuation is exposed to frequent changes due to changing market conditions (i.e. market risk).

The Group's Risk Management philosophy is that moderate and guarded risk attitude will ensure sustainable growth in shareholder value and reputation. Extension of credit in the Group is guided by its Credit Policy Guide, which sets out specific rules for risk origination and management of the loan portfolio. The Policy also sets out the roles and responsibilities of different individuals and committees involved in the credit process.

The goal of the Group is to apply sophisticated but realistic credit models and systems to monitor and manage credit risk. Ultimately these credit models and systems are the foundation for the application of internal rating-based approach.

The pricing of each credit granted reflects the level of risks inherent in the credit. Subject to competitive forces, The Group implements a consistent pricing model for loans to its different target markets. The client's interest is guarded at all times, and collateral quality is never the sole reason for a positive credit decision.

The Group's credit process requires rigorous proactive and periodic review of the quality of the loan portfolio. This helps us to identify and remediate credit issues proactively.

The Board credit Committee is responsible for oversight of the Group's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with the Group credit policies
- Reviewing and assessing credit risk. Assessing all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Developing and maintaining the Group's risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

An internal credit rating scale is in place to measure the counterparty risk. All customers that are granted credit are evaluated using the Group's risk rating model. The risk rating scale ranges from A to D, where D represents very high risk and A represents low risk. The rating grid is shown below:

Above 50:	Very High Risk ("D" client)
26 – 50:	High Risk ("C" client)
15 – 25:	Medium Risk ("B" client)
Less than 15:	Low Risk ("A" client)

The Group establishes an allowance for impairment that represents its best estimate of incurred loss in respect of loans and receivables.

The maximum exposure to credit risk (without taking into account any collateral held or other credit support) at the reporting date is as follows:

	CASH AND CASH EQUIVALENTS	INVESTMENT SECURITIES	LOANS AND RECEIVABLES/ PLACEMENTS	HELD FOR TRADING	**OTHER FINANCIAL ASSETS	TOTAL
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Group						
At 31 December 2020						
Neither past due nor impaired	4,490,804	11,208,624	12,270,562	5,974	3,394,042	31,370,006
Impaired	-	-	979,446	-	-	979,446
Gross amount	**4,490,804**	**11,208,624**	**13,250,008**	**5,974**	**3,394,042**	**32,349,452**
Impairment allowance	-	-	-	-	-	-
Carrying amount	**4,490,804**	**11,208,624**	**13,250,008**	**5,974**	**3,394,042**	**32,349,452**
At 31 December 2019						
Neither past due nor impaired	1,461,325	1,333,704	4,536,532	2,393	6,509,608	13,843,562
Impaired	-	-	403,538	-	396,284	799,822
Gross amount	1,461,325	1,333,704	4,940,070	2,393	6,905,892	14,643,384
Impairment allowance	-	-	(403,538)	-	(396,284)	(799,822)
Carrying amount	**1,461,325**	**1,333,704**	**4,536,532**	**2,393**	**6,509,608**	**13,843,562**

	CASH AND CASH EQUIVALENTS	INVESTMENT SECURITIES	LOANS AND RECEIVABLES/ PLACEMENTS	HELD FOR TRADING	**OTHER FINANCIAL ASSETS	TOTAL
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Company						
At 31 December 2020						
Neither past due nor impaired	4,077,652	3,999,457	7,160,895	-	7,069,019	22,307,023
Impaired	-	-	109,822	-	122,038	231,860
Gross amount	4,077,652	3,999,457	7,270,717	-	7,191,056	22,538,883
Impairment allowance	-	-	(109,822)	-	(122,038)	(231,860)
Carrying amount	**4,077,652**	**3,999,457**	**7,160,895**	**-**	**7,069,019**	**22,307,023**
At 31 December 2019						
Neither past due nor impaired	1,185,918	1,089,294	1,923,775	-	6,486,137	10,685,124
Impaired	-	-	-	-	276,494	276,494
Gross amount	1,185,918	1,089,294	1,923,775	-	6,762,631	10,961,618
Impairment allowance	-	-	-	-	(276,494)	(276,494)
Carrying amount	**1,185,918**	**1,089,294**	**1,923,775**	**-**	**6,486,137**	**10,685,124**
****includes mutual funds**						

3.2 Liquidity Risk Management:

Liquidity risk arises when the Group is unable to meet expected or unexpected current or future cash flows and collateral needs without affecting its daily operations or its financial condition. The Group is managed to preserve a high degree of liquidity so that it can meet the requirements of its customers at all times including periods of financial stress.

We analyze and monitor our liquidity risk, maintain excess liquidity and access diverse funding sources.

Quantifications

VFD Group has adopted both qualitative and quantitative approaches to measuring liquidity risk. Specifically, the Group adopted the following approaches;

a) Funding and Liquidity plan;
b) Gap Analysis; and
c) Ratio Analysis.

The Funding and Liquidity plan defines the Group's sources and channels of utilization of funds. The funding liquidity risk limit is quantified by calculating liquidity ratios and measuring/monitoring the cumulative gap between our assets and liabilities. The Liquidity Gap Analysis quantifies the daily and cumulative gap in a business-as-usual environment. The gap for any given tenor bucket represents the borrowings from, or placements to, the market required to replace maturing liabilities or assets. The Group monitors the cumulative gap as a + or – 20% of the total risk assets and the gap as a + or – 20% of total deposit liabilities.

Limit management and monitoring

Active management of liquidity through the framework of limits and control presented above is possible only with proper monitoring capabilities. The monitoring process focuses on funding portfolios, the forward balance sheet and general indicators; where relevant information and data are compared against limits that have been established. The Group's Treasury is responsible for maintaining sufficient liquidity by maintaining sufficient high ratio of liquid assets and available funding for near-term liabilities. The secured liquidity measure is calculated and monitored by risk management. Liquidity risk is reported to the Board of Directors on a quarterly basis.

Liquidity risk is strongly related to other financial risks such as credit risk and market risks, such as interest rate risk, security price risk, etc.

Contingency funding plan

The Group has a contingency funding plan which incorporates early warning indicators to monitor market conditions. The Group monitors its liquidity position and funding strategies on an ongoing basis, but recognizes that unexpected events, economic or market conditions, earnings problems or situations beyond its control could cause either a short or long-term liquidity crisis. It reviews its contingency funding plan in the light of evolving market conditions and stress test results.

To monitor liquidity and funding, the Group Treasury prepares a liquidity worksheet that project sources and uses of funds. The worksheet incorporates the impact of moderate risk and crisis situations. The worksheet is an integral component of the contingency funding plan. Although it is unlikely that a funding crisis of any significant degree could materialize, we consider it important to evaluate this risk and formulate contingency plans should one occur.

The contingency funding plan covers: the available sources of contingent funding to supplement cash flow shortages; the lead times to obtain such funding; the roles and responsibilities of those involved in the contingency plans; and the communication and escalation requirements when early warning indicators signal deteriorating market conditions. Both short term and long-term funding crises are addressed in the contingency funding plan.

The tables below represent the maturity profile of the carrying amounts of the non-derivative financial assets and financial liabilities within the Group.

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	0-90 DAYS	91-180 DAYS	181-365 DAYS	ABOVE 365 DAYS
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Group						
At 31 December 2020						
Financial liabilities						
Borrowings	7,313,096	7,313,096	525,198	2,986,300	3,801,598	-
Funds under management	25,248,777	25,248,777	17,036,096	3,787,317	2,045,151	2,380,214
Other financial liabilities (excluding deposit for shares)	27,724,956	27,724,956	12,395,165	10,769,190	4,510,112	50,490
	60,386,829	**60,386,829**	**29,956,459**	**17,542,807**	**10,356,861**	**2,430,70**
Financial assets						
Cash and cash equivalents	4,490,804	4,490,804	1,149,666	218,845	3,122,293	-
Held for trading	5,974	5,974	5,974	-	-	-
Investment securities	11,702,161	11,828,127	4,049,475	4,175,673	2,761,005	841,974
Loans and receivables	12,270,562	13,250,008	1,506,317	7,429,701	3,142,169	1,171,821
Fixed debt placement	2,541,721	2,541,721	307,717	818,653	1,415,351	-
Other financial assets **	30,258,825	30,258,825	23,754,746	5,571,099	294,218	638,762
	61,270,047	**62,375,459**	**30,773,895**	**18,213,970**	**10,735,036**	**2,652,557**
Net liquidity (surplus)/ deficit	**(983,218)**	**(2,088,630)**	**(817,436)**	**(671,164)**	**(378,176)**	**(221,854)**

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	0-90 DAYS	91-180 DAYS	181-365 DAYS	ABOVE 365 DAYS
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Group						
At 31 December 2019						
Financial liabilities						
Borrowings	15,743,876	15,743,876	4,199,793	401,962	6,038,313	5,103,808
Other financial liabilities (excluding deposit for shares)	2,502,592	2,502,592	2,281,096	181,034	8,380	31,722
	18,246,468	**18,246,468**	**6,480,889**	**582,996**	**6,046,693**	**5,135,530**
Financial assets						
Cash and cash equivalents	1,461,325	1,461,325	1,461,325	-	-	-
Held for trading	2,393	2,393	2,393	-	-	-
Investment securities	1,333,704	1,333,704	-	-	-	1,333,704
Loans and receivables	4,475,486	4,879,024	2,895,497	256,662	1,460,689	266,176
Fixed debt placement	61,046	61,046	61,046	-	-	-
Other financial assets **	6,509,608	6,905,892	5,032,245	1,126,083	697,564	50,000
	13,843,562	**14,643,384**	**9,452,506**	**1,382,745**	**2,158,253**	**1,649,880**
Net liquidity (surplus)/ deficit	**4,402,906**	**3,603,084**	**(2,971,617)**	**(799,749)**	**3,888,440**	**3,485,650**

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	0-90 DAYS	91-180 DAYS	181-365 DAYS	ABOVE 365 DAYS
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Company						
At 31 December 2020						
Financial liabilities						
Borrowings	22,161,397	22,161,397	17,432,968	2,986,300	1,742,130	-
Other financial liabilities (excluding deposit for shares)	27,106,983	27,106,983	16,297,872	9,550,000	1,232,107	27,004
	49,268,380	**49,268,380**	**33,730,840**	**12,536,300**	**2,974,237**	**27,004**
Financial Assets						
Cash and cash equivalents	4,077,652	4,077,652	4,077,652	-	-	-
Investment securities	11,068,476	11,190,514	5,155,198	3,999,457	2,075,858	-
Loans and receivables	5,745,544	5,855,366	1,945,843	3,218,458	-	691,065
Fixed debt placement	1,415,351	1,415,351	-	-	1,415,351	-
	51,297,296	**51,529,156**	**34,607,609**	**12,667,915**	**3,491,209**	**762,422**
Net liquidity (surplus)/ deficit	**(2,028,917)**	**(2,260,776)**	**(876,770)**	**(131,615)**	**(516,973)**	**(735,419**

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	0-90 DAYS	91-180 DAYS	181-365 DAYS	ABOVE 365 DAYS
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Company						
At 31 December 2019						
Financial liabilities						
Borrowings	12,643,657	12,643,657	1,860,069	-	5,679,780	5,103,808
Other financial liabilities (excluding deposit for shares)	2,546,635	2,546,635	2,546,635	-	-	-
	15,190,292	**15,190,292**	**4,406,704**	**-**	**5,679,780**	**5,103,808**
Financial Assets						
Cash and cash equivalents	1,185,918	1,185,918	1,185,918	-	-	-
Investment securities	1,089,294	1,089,294	-	-	-	1,089,294
Loans and receivables	1,203,873	1,203,873	1,203,873	-	-	-
Fixed debt placement	719,902	719,902	719,902	-	-	-
Other financial assets **	6,170,722	6,447,216	4,949,957	839,236	658,023	-
	10,369,709	**10,646,203**	**8,059,650**	**839,236**	**658,023**	**1,089,294**
Net liquidity (surplus)/ deficit	**4,820,583**	**4,544,089**	**(3,652,946)**	**(839,236)**	**5,021,757**	**4,014,514**

3.3 Market Risk Management

VFD Group is faced with the risk of decline in its earnings and capital arising from adverse changes in market variables, such as interest rate and foreign exchange rate. Market Risk is the risk that the value positions will be adversely affected by movements in equity prices, interest rates, currency exchange rates and commodity prices.

Market Risk Management: Policy and control

Over the years, the Nigerian financial market has witnessed a dramatic expansion in the array of financial services and products. This tremendous growth in scale and scope has also generated new risks with global consequences, especially market risk, necessitating an assessment of exposures to the volatility of the underlying risk drivers.

These developments have prompted a comprehensive and dynamic Market Risk Policy, to ensure that risks faced across business activities and on an aggregate basis are within the stipulated risk appetite of the Group. These policies have been benchmarked with industry and international best practices.

The Board approves the risk appetite and risk limits are set within the context of the approved market risk appetite. Limits are set based on the approved risk appetite, underlying liquidity as well as legal limitations on individual positions imposed by the regulatory authorities in Nigeria.

Depending on the market conditions and risk outlook, recommendations are made to the risk management committees in respect of the market risk profile, risk appetite appraisal, as well as review of limits against actual position.

The Group regularly conducts stress testing to monitor its vulnerability to unfavorable shocks. It monitors and controls its risk, using various internal and regulatory risk limits.

Interest rate risk

Interest rate risk is the exposure of the Group's financial condition to adverse movements in interest rates, yield curves and credit spreads.

The Group's exposure to interest rate risk is minimal as it does not invest in floating rate securities and its fixed rate placements are with banks and other financial institutions.

Re-pricing and Liquidity Gap Analysis

The Group's objective for management of interest rate risk to ensure a higher degree of interest rate mismatch margin stability and lower interest rate risk over an interest rate cycle.

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rated assets and liabilities.

Sensitivity Analysis

Interest-rate risk is monitored with a Gap report. A limits framework is in place to ensure that retained risk remains within approved appetite.

Sensitivity Analysis and Stress Testing

Sensitivity analysis and stress testing are risk measurement techniques that help us ensure that the risks the Group takes remain within our risk appetite and that our level of capital remains adequate. Sensitivity analysis involves varying a single factor (e.g. a model input or specific assumption) to assess the impact on various risk measures.

Stress testing generally involves consideration of the simultaneous movements in a number of risk factors. It is used to measure the level of potential unexpected losses for Credit, Market , Operational and Liquidity Risks

Limits

Specific limits and triggers (regulatory and in-house) have been set across the various market risk areas to prevent undue exposure and the market risk management exist;

Stop Loss Limit: This limit sets a maximum tolerable unrealized profit/loss to date which will trigger the closing of a position in order to avoid any further loss based on existing exposures. Positions are liquidated uniformly when stop loss limits are breached.

Dealer Limits: This limit sets a maximum tolerable position exposure for a specific dealer.

Mark-to-Market (MTM)

The marking-to-market technique establishes historical profit/loss by revaluing money market exposures to prevailing market prices.

Stress testing

The stress testing methodology assumes that scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs.

Stress testing is an integral part of the market risk management framework and considers both historical market events and forward-looking scenarios. Stress testing provides an indication of the potential size of losses that could arise in extreme conditions. It helps to identify risk concentrations across business lines and assist senior management in capital planning decisions.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. Regular stress test scenarios are applied to interest rates, credit spreads and exchange rates Financial instruments affected by market risk include borrowings, deposits and FVOCI investments.

Currency risk

The Group's transactions are denominated in Naira but it maintains domiciliary accounts in foreign currencies, United States Dollar and Pound Sterling. However, the Group's exposure to currency risk is negligible because its foreign currency balances are insignificant.

3.4 Capital management

VFD Group Plc is in the business of investing in securities either in its name or the name of any nominee. The Group has subsidiaries that provide finance to customers.

The Group's objectives in managing capital are:

- to ensure that the Group continues as a going concern so that it can continue to provide returns for its shareholders and benefits for other stakeholders, and
- to provide adequate returns to shareholders by pricing products and services commensurately with the level of risk.

The Group's sources of capital comprise equity and borrowings (short term fixed debt takings from customers). The Board of Directors has overall responsibility for managing the Group's capital. The Group sets the amount of capital in proportion to risk. In order to manage or maintain the capital structure, the Group may issue new shares, accept more takings from customers or adjust the amount of dividends paid to shareholders.

The Group's gearing ratio as at the end of the reporting period was as follows:

	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Borrowings	7,366,177	15,743,876	22,161,396	12,643,657
Equity	8,971,043	5,982,102	7,844,946	4,804,733
Gearing ratio	82%	263%	282%	263%

3.5 Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Our definition of operational risk excludes regulatory risks, strategic risks and potential losses related solely to judgments with regard to taking credit, market, interest rate, liquidity, or insurance risks.

It also includes the reputation and franchise risk associated with business practices or market conduct in which the Group is involved. Operational risk is inherent in the Group's business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management.

This framework includes:

- Recognized ownership of the risk by the businesses.
- Oversight by independent risk management; and
- Independent review by Audit.

We seek to minimise exposure to operational risk, subject to cost trade-offs. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring.

The goal is to keep operational risk at appropriate levels relative to the characteristics of our businesses and the markets in which we operate, our capital and liquidity, and the competitive, economic and regulatory environment.

Our operational risk strategy seeks to minimise the impact that operational risk can have on shareholders' value.

In order to create and promote a culture that emphasizes effective operational management and adherence to operating controls, there are three distinct levels of operational risk governance structure in VFD Group

Level 1 refers to the oversight function carried out by the Board of Directors, Board risk committee and the executive management. Responsibilities at this level include ensuring effective management of operational risk and adherence to the approved operational risk policies.

Level 2 refers to the management function carried out by operational risk management. It has direct responsibility for formulating and implementing the Group's operational risk management framework including methodologies, policies and procedures approved by the Board.

Level 3 refers to the operational function carried out by all business units and support functions in the Group. These units/functions are fully responsible and accountable for the management of operational risk in their units. They work in liaison with operational risk management to define and review controls to mitigate identified risks. Internal audit provides independent assessment and evaluation of the Group's operational risk management framework. This periodic confirmation of the existence and utilization of controls in compliance with approved policies and procedures, provide assurance as to the effectiveness of the Group's operational risk management framework.

While all operational risks cannot be eliminated, they can be managed by instituting strong control framework and by monitoring and responding timely to potential risks. Such controls include documentation of processes, controls and procedures, segregation of duties, reconciliation and other management review procedures.

3.6 Classification category of financial assets and financial liabilities

The classification category of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as stated below:

	Notes	Cost	Amortised cost	Fair value through P or L	Fair value through OCI	Total Carrying Amount
		=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Cash and bank balances	13	4,490,804	-	-	-	4,490,804
Held for trading	16.3	-	-	5,974	-	5,974
Fixed placement	16.2	-	-	-	2,541,721	2,541,721
Mutual funds	16.2	-	-	-	367,571	367,571
Loans and receivables	16.1	-	12,270,562	-	-	12,270,562
Investment securities	16.2	-	804,341	-	7,015,542	7,819,883
Other financial assets	21	5,190,099	-	-	-	5,190,099
		9,680,903	**13,074,903**	**5,974**	**9,924,834**	**32,686,614**
Borrowings	24	-	7,313,096	-	-	7,313,096
Other financial liabilities	25	27,724,956	-	-	-	27,724,956
		27,724,956	**7,313,096**	**-**	**-**	**35,038,052**
At 31 December 2019						
Cash and bank balances	13	1,461,325	-	-	-	1,461,325
Held for trading	16.3	-	-	2,393	-	2,393
Fixed placement	16.2	-	61,046	-	-	61,046
Mutual funds	16.2	-	-	-	433,053	433,053
Loans and receivables	16.1	-	4,475,486	-	-	4,475,486
Investment securities	16.2	-	-	-	1,333,704	1,333,704
Other financial assets	21	6,076,555	-	-	-	6,076,555
		7,537,880	**4,536,532**	**2,393**	**1,766,757**	**13,843,562**
Borrowings	24	-	15,743,876	-	-	15,743,876
Other financial liabilities	25	2,502,232	-	-	-	2,502,232
		2,502,232	**15,743,876**	**-**	**-**	**18,246,108**

	Notes	Cost	Amortised cost	Fair value through P or L	Fair value through OCI	Total Carrying Amount
		=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Cash and bank balances	13	4,077,652	-	-	-	4,077,652
Fixed placement	16.2	-	-	-	1,415,351	1,415,351
Mutual funds	16.2	-	-	-	288,616	288,616
Loans and receivables	16.1	-	5,745,544	-	-	5,745,544
Investment securities	16.2	-	4,249,068	-	6,530,792	10,779,860
Other financial assets	21	3,559,993	-	-	-	3,559,993
		7,637,646	**9,994,612**	**-**	**8,234,759**	**25,867,016**
Borrowings	24	-	22,161,397	-	-	22,161,397
Other financial liabilities	25	27,106,983	-	-	-	27,106,983
		27,106,983	**22,161,397**	**-**	**-**	**49,268,380**
At 31 December 2019						
Cash and bank balances	13	-	1,185,918	-	-	1,185,918
Fixed placement	16.2	-	1,203,873	-	-	1,203,873
Mutual funds	16.2	-	-	-	315,415	315,415
Loans and receivables	16.1	-	719,902	-	-	719,902
Investment securities	16.2	-	235,026	-	854,268	1,089,294
Other financial assets	21	6,170,722	-	-	-	6,170,722
		6,170,722	**3,344,719**	**-**	**1,169,683**	**10,685,124**
Borrowings	24	-	12,643,657	-	-	12,643,657
Other financial liabilities	25	6,012,631	-	-	-	6,012,631
		6,012,631	**12,643,657**	**-**	**-**	**18,656,288**

The fair values of cash and cash equivalents, loans and receivables, other financial assets, borrowings and other financial liabilities are not expected to be materially different from their carrying amounts due to the short-term nature of these instruments.

Information Security and Continuity of Business

Information security and the protection of confidential and sensitive customer data are a priority of VFD Group. The Group has developed and implemented an Information Security Risk Management framework that is in line with best practice. The framework is reviewed and enhanced regularly to address emerging threats to customers' information.

The Group mitigates business continuity risks by reviewing and testing recovery procedures.

Strategic Risk Management

We define Strategic Risk as the process for identifying, assessing and managing risks and uncertainties, affected by internal and external events or scenarios that could inhibit the Group's ability to achieve its strategy and strategic objectives with the ultimate goal of creating and protecting shareholder and stakeholder value. It is a primary component and necessary foundation of our Enterprise Risk Management.

Strategic risk management, therefore, is defined as current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. It can also be defined as the risk associated with future business plans and strategies, including plans for entering new business lines, expanding existing services through mergers and acquisitions, and enhancing infrastructure.

Strategic risk management involves various organizational functions within the Group. The following principles govern the Group's strategic risk management:

The Board and executive management are responsible for Strategic risk management and oversees the effective functioning of the strategic risk management framework; The functional units (i.e. the units which carry out business or operational functions) assists the Board and executive management in formulating an implementing strategies, and in providing input to the strategic planning and management processes; and as well as implementing the strategic risk management framework.

The strategic risk management functions support the Board and senior management in managing strategic risk and other related processes in the Group.

Strategic plans are approved and monitored by the board. Regular environmental scan, business strategy sessions and workshops are set up to discuss business decisions, close monitoring to ensure that strategic plans are properly aligned with the business model, regular performance review by EXCO, business plans are approved by the board.

Reputational Risk Management

Reputational risk arises when the Group's reputation is damaged by one or more reputational events from negative publicity about the organization's business practices, conduct or financial condition. The Group's Strategic and Reputational Risk Management is mandated to protect the Group from potential threats to its reputation.

VFD Group takes the management of reputational risks seriously because of their far-reaching implications.The effects of the occurrence of a reputational risk event include but are not limited to the following:

- Loss of current or future customers;
- Loss of public confidence;
- Loss of employees leading to an increase in hiring costs, or staff downtime;
- Reduction in current or future business partners;
- Regulatory sanctions;
- Increased costs due to government regulations, fines, or other penalties; and

The desired risk appetite for reputation is low risk. The Group will ensure that highest ethical standards are followed at all times and the code of conduct policy will be strictly implemented.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

		GROUP		COMPANY	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
4	**Interest and similar income**				
	Loans and Advances	2,305,698	1,275,185	1,143,899	245,353
	Placement	479,926	541,589	243,854	331,887
	Treasury Bills	78,273	123,826	68,077	119,087
	Interest from investment	823,510	-	177,610	-
		3,687,407	**1,940,600**	**1,633,440**	**696,327**
5	**Interest and similar expense**				
	Fixed debt takings	641,107	231,844	954,421	436,533
	Long term convertible	-	153,070	-	153,070
	Loans & overdraft	39,533	213,016	28,038	59,946
	Time deposits	300,588	346,238	-	-
	Savings accounts	33,105	5,054	-	
	Interest on investment	28,700	-	-	
		1,043,033	**949,222**	**982,459**	**649,549**
6	**Net trading income**				
	Brokerage fee	25,357	-	25,357	-
	Business support	965,058	-	965,058	-
	Derivative income	1,698,809	1,603,186	1,698,809	1,063,186
	Disposal of financial assets	186,398	8,589	113,200	-
	investment income	57,154	-	17,529	-
	Others	7,074	-	7,074	-
		2,939,850	**1,071,775**	**2,827,027**	**1,063,186**
7	**Others**				
	Fees and commission income	345,304	636,478	-	-
	Gains from disposal of shares	7,324	1,090,315	-	1,076,134
	Exchange gain/(loss)	503,164	-	491,007	-
	Dividend income	64,504	37,877	80,282	25,350
	Disposal of investment property	172,077	-	137,077	-
	Provision no longer required	562,452	-	396,679	-
	Others	-	334,761	-	1,193,218
		1,654,825	**2,099,431**	**1,105,045**	**2,294,702**
8	**Net (loss)/gain from financial assets at fair valued through profit or loss**				
	Net (loss) on equity instruments designated as FVTPL	74,531	-	74,531	-
		74,531	**-**	**74,531**	**-**
9	**Personnel expenses**				
	Staff cost	981,954	680,201	373,228	336,999
	Contributions to defined contribution plans	51,967	42,559	25,936	26,693
		1,033,921	**722,760**	**399,164**	**363,692**

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2020

		GROUP		COMPANY	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
10	**Other operating expenses**				
	Other premises and equipment costs	16,578	-	7,990	6,992
	Auditors remuneration	32,466	26,020	19,349	7,648
	Professional fees	118,021	137,235	95,201	103,349
	Travel and accommodation	63,522	95,426	48,773	83,216
	Business development	25,251	64,289	3,651	64,289
	Insurance	5,119	113,989	144	14,928
	General administrative expenses	314,291	171,444	215,645	78,057
	Advertisement and branding	79,487	69,390	32,390	53,906
	Donations	17,499	42,771	17,192	42,771
	AGM/Dividend processing expenses	11,668	-	8,708	-
	Statutory Fees	-	4,653	-	-
	Rent and rates	86,049	71,099	62,596	50,832
	Directors fees and other allowances	25,348	36,177	15,000	22,342
	Subscription	50,975	18,863	41,534	13,821
	Printing and stationeries	4,750	3,906	-	
	Office running expenses	270,985	205,091	236,800	138,046
	Business entertainment	3,161	-	-	-
	Fines and penalties	41,458	8,087	40,828	7,644
	IT license and maintenance fee	38,630	38,775	15,071	36,355
	Training and conference	338	-	-	
	Bank charges	32,924	19,259	19,652	9,089
	NIP Expenses	7,431	-	-	
	Provision for other assets	31,465	833	5,606	
		1,277,416	**1,127,307**	**886,130**	**733,285**
11	**Income tax expense**				
	Recognised in the profit or loss				
	Income tax	715,463	249,831	434,253	43,856
	Education tax	53,050	17,409	34,632	889
	Information technology tax	40,533	13,445	29,955	9,212
	Police trust fund	416	71	151	46
	Prior year under provision	(11,533)	507	197	-
		797,929	281,263	499,189	54,003
	Deferred tax	(71,570)	(43,674)	(111,727)	(1,976)
		726,360	**237,589**	**387,462**	**52,027**

		Notes	GROUP 31 December 2020 =N=' 000	GROUP 31 December 2019 =N=' 000	COMPANY 31 December 2020 =N=' 000	COMPANY 31 December 2019 =N=' 000
12	**Earnings per share**					
	Basic earnings per share					
	Basic earnings attributable to shareholders (N'000)		3,349,293	1,240,555	2,599,705	878,372
	Paid up shares ('000)		119,233	119,233	119,233	119,233
	Basic earnings per share (kobo)		**2,809**	**1,040**	**2,180**	**737**
13	**Cash and cash equivalents**					
	Cash in hand		9,762	457	-	-
	Balance with banks and other financial institution		4,481,042	1,460,868	4,077,652	1,185,918
			4,490,804	**1,461,325**	**4,077,652**	**1,185,918**

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

All bank balances and money market placements are assessed to have low credit risk at each reporting date as they are held with reputable financial institutions.

		Notes	GROUP 31 December 2020 =N=' 000	GROUP 31 December 2019 =N=' 000	COMPANY 31 December 2020 =N=' 000	COMPANY 31 December 2019 =N=' 000
14	**Special placement with CBN**		25,000,000	10,000,000	25,000,000	10,000,000
			25,000,000	**10,000,000**	**25,000,000**	**10,000,000**

Amount represents deposit of minimum capital requirements with CBN in respect to the application for a banking license promoted by the Group.

		Notes	GROUP 31 December 2020 =N=' 000	GROUP 31 December 2019 =N=' 000	COMPANY 31 December 2020 =N=' 000	COMPANY 31 December 2019 =N=' 000
15	**Funds under management**					
	Fixed debt placement		11,423,348	13,776,916	-	-
	Investment securities		1,369,065	4,708,847	-	-
	Deposit for shares		-	182,326	-	
	Total balance		**12,792,413**	**18,668,089**	**-**	**-**
16	**Investment in financial assets**					
	Financial assets measured at amortised cost	16.1	16,094,912	4,769,930	9,884,788	954,928
	Financial assets measured at fair value through other comprehensive income	16.2	9,798,868	1,533,359	8,112,721	2,373,556
	Financial assets measure at fair value through profit or loss	16.3	5,974	2,393	-	-
			25,899,754	**6,305,682**	**17,997,509**	**3,328,484**
16.1	**Financial assets measured at amortized cost**					
	Investment in debt securities		3,999,457	-	3,999,457	-
	Loans and receivables		12,270,561	4,879,024	5,745,543	719,902
	Treasury bills		804,341	294,444	249,610	235,026
			17,074,358	**5,173,468**	**9,994,610**	**954,928**
	Loss allowance on financial assets at amortized costs	16.1a	(979,446)	(403,538)	(109,822)	-
			16,094,912	**4,769,930**	**9,884,788**	**954,928**

		Notes	GROUP 31 December 2020 =N=' 000	GROUP 31 December 2019 =N=' 000	COMPANY 31 December 2020 =N=' 000	COMPANY 31 December 2019 =N=' 000
16.1a	**Loss allowance on financial assets at amortized costs**					
	At 1 January		-	169,634	-	-
	Charge during the period:					
	(Write back) allowance on loan to customers		752,711	(126,233)	-	-
	Loss allowance on other financial assets		226,735	360,137	109,822	-
			979,446	**403,538**	**109,822**	**-**

Financial assets measured at amortized cost are assessed to have low credit risk at each reporting date based on their respective external credit ratings. As such, the Group assumes that the credit risk on these financial instruments have not increased significantly since initial recognition as permitted by IFRS 9 and recognises 12 month ECL for these assets.

		GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
16.2	**Fair value through other comprehensive income (FVTOCI)**				
	Quoted equity instrument	4,232,899	1,076,488	4,232,899	722,948
	Unquoted equity instrument (Note 16.2a)	2,297,893	166,527	2,297,893	131,320
	Fixed debt placements	2,541,721	61,046	1,415,351	1,203,873
	Proprietary investment	484,750	-	-	-
	Mutual funds	367,571	433,053	288,616	315,415
		9,924,834	1,737,113	8,234,759	2,373,556
	Less: Fair value adjustments (16.2b)	(125,966)	(203,755)	(122,038)	-
		9,798,868	**1,533,359**	**8,112,721**	**2,373,556**

16.2a Investments in unquoted equities are carried at cost. This is due the fact that these investments are at the incubation stage and there were no observable market data to estimate fair value, the carrying amount was determined using the valuation technique that reflects the transaction amount in a most recent trade. There was insufficient information that is more recent for fair value measurement and our evaluation indicated a wide range of fair value measurements with cost representing the best estimates at the infancy stage of the business. Based on information available on the performance and operations of some of the investee companies, an impairment allowance of NGN 115.7m was recognized on the portfolio.

		GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
16.2b	**Changes in fair value reserve**				
	At 1 January	203,755	-	-	-
	Arising during the year	(77,788)	203,755	122,038	-
	At 31 December	**125,967**	**203,755**	**122,038**	**-**
16.3	**Fair value through profit or loss (FVTPL)**				
	Held for trading	-	2,393	-	-
	Fair value changes (Note 16.3a)	**-**	**2,393**	**-**	**-**
		5,974	**2,393**	**-**	**-**

			GROUP		COMPANY	
17	**Investment in subsidiaries**	Notes	31 December 2020	31 December 2019	31 December 2020	31 December 2019
			=N=' 000	**=N=' 000**	**=N=' 000**	**=N=' 000**
	VFD Bridge Limited		99%	19,997	19,997	Nigeria
	Everdon Bureau De Change Limited		99%	57,236	57,236	Nigeria
	VFD Microfinance Bank Limited		90%	954,000	54,000	Nigeria
	Anchoria Asset Management Limited		84%	417,500	417,500	Nigeria
	Kairos Capital Limited		55%	146,850	146,850	Nigeria
	Dynasty Real Estate Limited		58%	818,542	818,542	Nigeria
				2,414,125	**1,514,125**	

17.1 Non-controlling interest of subsidiaries

The Group did not have any subsidiary that has material non-controlling interest as at the reporting period.

17.2 Significant restrictions

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

	PROPERTY, PLANT AND EQUIPMENT	FURNITURE & FITTINGS	MOTOR VEHICLES	PLANT & MACHINERY	LEASEHOLD IMPROVEMENT	OFFICE EQUIPMENT	COMPUTER EQUIPMENT	RIGHT OF USE ASSET	LAND AND BUILDING	TOTAL
18	**(i) Group**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**
	Cost									
	At 1 January 2020	36,916	222,839	137	19,548	96,415	-	37,814	1,144,842	1,558,511
	Additions	34,628	228,242	-	42,529	62,178	3,497		299,341	670,414
	Disposals	-	-	-	-	-	-		(120,000)	(120,000)
	At 31 December 2020									
	Depreciation									
	At 1 January 2020	17,081	40,399	137	13,656	42,015	-	12,723	-	126,011
	Additions	13,225	102,846	-	16,856	38,286	1,102		-	174,507
	At 31 December 2020	30,306	143,245	137	30,512	80,301	1,102	12,723	-	300,517
	Carrying amounts									
	At 31 December 2020	41,238	307,836	-	31,564	78,292	2,395	-	1,321,991	1,808,409
	At 31 December 2019	19,835	182,440	-	5,892	54,400	-	25,091	1,144,842	1,432,500

PROPERTY, PLANT AND EQUIPMENT	FURNITURE & FITTINGS	MOTOR VEHICLES	PLANT & MACHINERY	LEASEHOLD IMPROVEMENT	OFFICE EQUIPMENT	COMPUTER EQUIPMENT	LAND AND BUILDING	TOTAL
(ii) Cost	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**	**=N=' 000**
At 1 January 2020	21,367	176,594	-	15,534	67,056	-	1,024,842	1,305,393
Additions	33,551	149,212	-	42,098	45,959	-	36,341	307,161
At 31 December 2020	**54,918**	**325,806**	**-**	**57,632**	**113,016**	**-**	**1,061,183**	**1,612,554**
Depreciation								
At 1 January 2020	6,521	15,901	-	13,205	20,844	-	-	56,471
Additions	11,523	72,442	-	15,467	32,646	-	-	132,078
At 31 December 2020	18,044	88,343	-	28,672	53,490	-	-	188,549
Carrying amounts								
At 31 December 2020	**36,874**	**237,462**	**-**	**28,960**	**59,526**	**-**	**1,061,183**	**1,424,005**
At 31 December 2019	**14,846**	**160,693**	**-**	**2,329**	**46,212**	**-**	**1,024,842**	**1,248,922**

19	Intangible assets	GROUP	COMPANY
	Purchased software	=N=' 000	=N=' 000
	Cost		
	At 1 January 2020	81,724	54,968
	Addition	66,486	56,145
	At 31 December 2020	148,210	111,113
	Amortization		
	At 1 January 2020	17,872	5,151
	Addition	17,331	7,292
	At 31 December 2020	35,203	12,443
	Carrying amounts		
	At 31 December 2020	**113,007**	**98,670**
	At 31 December 2019	**63,852**	**49,817**

19b	Intangible assets	GROUP	COMPANY
	Purchased software	=N=' 000	=N=' 000
	Cost		
	At 1 January 2019	53,557	34,968
	Addition	28,167	20,000
	At 31 December 2019	81,724	54,968
	Amortization		
	At 1 January 2019	7,388	1,266
	Addition	10,484	3,885
	At 31 December 2019	17,872	5,151
	Carrying amounts		
	At 31 December 2019	**63,852**	**49,817**
	At 31 December 2018	**46,169**	**33,702**

20	Investment Property and Development Property	GROUP	COMPANY
		=N=' 000	=N=' 000
	Cost		
	At 1 January 2020	-	-
	Addition	6,080,258	3,825,175
	Disposal	-	-
	At 31 December 2020	6,080,258	3,825,175
	Carrying amounts		
	At 31 December 2020	**6,080,258**	**3,825,175**
	At 31 December 2019	**137,365**	**-**

		GROUP		COMPANY	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
21	**Trade and other receivables**				
	Account receivables	3,627,153	1,691,368	3,460,461	1,784,158
	Prepayments	114,738	55,260	69,827	42,590
	Other receivables	794,920	4,767	-	4,631
	Derivative Assets	430,279	1,126,135	430,279	-
	WHT receivable	68,726	-	-	-
	Due from related entities	293,152	-	28,175	107,858
	Deposit for shares	71,357	3,650,569	71,357	4,550,569
		5,400,325	**6,528,099**	**4,060,099**	**6,489,806**
	Loss allowance on trade receivables (Note 21.1)	(26,762)	(396,284)	-	(276,494)
		5,373,563	**6,131,815**	**4,060,099**	**6,213,312**
21.1	**Loss allowance on trade receivables**				
	At 1 January	396,284	-	276,494	-
	(Reversal)/Arising during the year	(369,522)	396,284	(276,494)	276,494
	At 31 December	**26,762**	**396,284**	**-**	**276,494**

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

22	**Deferred tax - (Asset)**				
	Deferred tax assets:				
	– Deferred tax asset to be recovered after more than 12 months	5,349	36,069	(15,783)	-
		111,727	-	111,727	-
		117,076	**36,069**	**95,944**	**-**
	Deferred tax liabilities:				
	– Deferred tax liability to be recovered after more than 12 months	25,756	-	15,783	17,762
	Charge for the year	(13,126)	-	(15,783)	(1,976)
	Total	**12,630**	**-**	**-**	**15,786**

		GROUP		COMPANY	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
23	**Funds Under Management**				
	Fixed debt placement	22,604,095	11,127,255	-	-
	Investment securities	2,644,682	4,891,173	-	-
		25,248,777	**16,018,428**	**-**	**-**
24	**Borrowings**				
	Borrowings from related parties	5,271,775	5,884,367	22,097,410	6,478,016
	Other borrowed funds (Note 24.1)	474,803	5,114,622	63,986	6,165,641
	Other deposits	1,619,600	4,744,887	-	-
		7,366,178	**15,743,876**	**22,161,396**	**12,643,657**
24.1	**Other borrowed funds**				
	At 1 January	6,165,641	-	6,165,641	-
	Loan from commercial bank	-	5,103,808	-	5,103,808
	Repayment during the year	(6,101,655)	-	(6,101,655)	-
	Bank overdraft	410,817	-		1,061,833
	Car loan		10,814		
	At 31 December	**474,803**	**5,114,622**	**63,986**	**6,165,641**
25	**Other liabilities**				
	Due to related entities	1,174,569	-	1,341,306	435,423
	Accounts payable	27,724,955	2,502,592	27,106,982	2,111,212
	Deposit for shares	9	3,529,196	-	3,465,996
	Accrued expenses	169,274	173,166	39,510	7,236
		29,068,807	**6,204,954**	**28,487,798**	**6,019,867**
26	**Current tax liabilities**				
	Per statement of financial position:				
	At 1 January	258,076	99,522	56,535	50,039
	Charge for the year	797,929	281,263	499,189	54,003
	Tax paid	(243,639)	(95,440)	(56,686)	(47,507)
	Opening balance of new subsidiary		1,992	-	-
	At 31 December	**812,396**	**287,337**	**499,038**	**56,535**

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act 2020 while Education Tax is based on Tertiary Education Trust Fund (Establishment etc) Act, 2011.

		GROUP		COMPANY	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
27	**(i) Share capital**				
	The share capital comprises:	=N=' 000	=N=' 000	=N=' 000	=N=' 000
	(i) Authorised - shares of 50k each	**150,000**	**150,000**	**150,000**	**150,000**
	(ii) Issued and fully paid - shares of 50k each	**59,616**	**59,616**	**59,616**	**59,616**
28	**Share Premium**				
	At 31 December	**3,822,062**	**3,822,062**	**3,822,062**	**3,822,062**
29	**Retained earnings**				
	At 1 January	1,406,457	471,692	989,987	363,104
	Transfer from profit or loss account	**3,193,929**	**1,186,254**	**2,599,705**	**878,372**
	Transfer to regulatory risk reserve	(7,024)	-	-	-
	Dividend paid during the year	(394,249)	(251,489)	(392,196)	(251,489)
	At 31 December	**4,199,113**	**1,406,457**	**3,197,496**	**989,987**
29.1	**Changes on initial application of IFRS 9**				
	Reclassification of fair value on FVOCI equity instruments to FVTPL	-	1,324,539	-	-
		-	**1,324,539**	**-**	**-**
30	**Regulatory Risk Reserve**				
	At 1 January	6,462	1,608	-	-
	Transfer from reserve	**7,024**	**4,854**	**-**	**-**
	At 31 December	**13,486**	**6,462**	**-**	**-**
31	**Other Reserves**				
	At 1 January	(81,389)	(38,875)	(66,932)	31,847
	Arising during the period:				
	Fair valuation on items that will be subsequently reclassified to profit or loss (Note 31.1)	901,768	(42,514)	832,704	(98,779)
	At 31 December	**820,379**	**(81,389)**	**765,772**	**(66,932)**
31.1	**Fair valuation on items that may be subsequently reclassified to profit or loss**				
	Net fair value gain/(loss) on investments in other financial instruments measured at FVOCI	901,768	(42,514)	832,704	(98,779)
		901,768	**(42,514)**	**832,704**	**(98,779)**

32 **Related parties**

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

32.1

Identity of related parties	Relationship	%
VFD Bridge Limited	Subsidiary	99
Everdon Bureau De Change Limited	Subsidiary	99
VFD Microfinance Bank Limited	Subsidiary	90
Anchoria Asset Management Limited	Subsidiary	84
Kairos Capital Limited	Subsidiary	55
Dynasty Real Estate Limited	Subsidiary	58

32.2 **Key management personnel**

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

	GROUP		COMPANY	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	=N='000	=N='000	=N='000	=N='000
32.3 Other information on key management personnel				
Emoluments:				
Chairman	1,500	1,500	1,500	1,500
Other Directors	171,718	168,617	65,395	83,078
	173,218	**170,117**	**66,895**	**84,578**
Fees	20,850	13,416	8,500	8,500
Sitting allowance	10,810	10,897	5,040	2,230
Other emoluments	141,558	144,304	58,395	72,348
	173,218	**168,617**	**71,935**	**83,078**
The total number of Directors were:	38	38	13	13
32.4 The number of persons employed (excluding directors) in the Group and the Company during the year was as follows:	139	135	23	44

33 Principal subsidiaries

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

COMPANY	PLACE OF INCORPORATION	PRIMARY BUSINESS OPERATION	% HELD
VFD Bridge Limited	Nigeria	Investment and Fund Management	99
Everdon Bureau De Change Limited	Nigeria	Bureau De Change Business	99
VFD Microfinance Bank Limited	Nigeria	Microfinance Banking services	90
Anchoria Asset Management Limited	Nigeria	Investment and Fund Management	84
Kairos Capital Limited	Nigeria	issuing house and investment adviser	55
Dynasty Real Estate Limited	Nigeria	Prospecting and investing in Real estate	58

34 Events after reporting period

There were no significant event after the reporting period which could have a material effect on the financial position of the Company and Group as at 31 December 2020 and profit attributable to equity holder on that date which have not been adequately adjusted for or disclosed. (2019: none)

STATEMENT OF VALUE ADDED
AS AT 31 DECEMBER 2020

	GROUP				COMPANY			
	2020		2019		2020		2019	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	6,653,993		3,398,469		4,411,832		2,064,986	
Operating expenses - Local	(1,277,416)		(1,127,306)		(886,130)		(733,285)	
VALUE ADDED	**5,376,577**	**100%**	**2,271,163**	**100%**	**3,525,702**	**100%**	**1,331,701**	**100%**
Applied as follows:								
To pay employees:								
Salaries and other benefits	1,033,921	20%	722,760	32%	399,164	11%	363,692	27%
To pay Government:								
Taxes	797,929	15%	281,263	12%	499,189	14%	54,003	4%
Retained for future replacement of assets and expansion of business:								
- Deferred tax	(71,570)	-1%	(43,674)		(111,727)	-3%	(1,976)	
- Depreciation	191,565	4%	70,259	3%	139,371	4%	37,610	3%
- Impairment loss	75,439	1%	-	0%	-	0%	-	0%
- Profit for the year	3,349,293	61%	1,240,555	55%	2,599,706	74%	878,372	66%
	5,376,577	100%	**2,271,163**	100%	**3,525,702**	100%	**1,331,701**	**100%**

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

FINANCIAL SUMMARY - COMPANY

AS AT 31 DECEMBER 2020

	2020	2019	2018	2017	2016
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	4,077,652	1,185,918	37,453	35,386	48,599
Investment in financial assets	17,997,509	3,328,484	3,843,252	1,096,538	1,279,806
Investment in joint venture	-	-	-	75,000	75,000
Investments in subsidiaries	2,414,124	1,514,125	549523	131,233	131,233
Property, plant and equipment	1,424,005	1,248,922	1,028,360	13,550	17,326
Intangible assets	98,670	49,817	33,702	633	1,108
Investment Property	3,825,175	-	41,500	-	-
Trade and other receivables	4,060,099	6,213,312	2,960,084	617,922	114,890
Special Placement with CBN	25,000,000	10,000,000	-		
Deferred tax assets	95,944	-	-	14,141	14,141
TOTAL ASSETS	**58,993,178**	**23,540,578**	**8,493,874**	**1,984,403**	**1,682,103**
LIABILITIES					
Borrowings	22,161,396	12,643,657	1,997,810	-	-
Other liabilities	28,487,798	6,019,867	5,006,917	968,011	868,027
Current tax liabilities	499,038	56,535	50,039	5,149	4,005
Deferred tax liabilities	-	15,786	17,762	-	-
TOTAL LIABILITIES	**51,148,232**	**18,735,845**	**7,072,528**	**973,160**	**872,032**
EQUITY					
Share capital	59,616	59,616	42,368	42,368	39,592
Share premium	3,822,062	3,822,062	984,027	984,027	786,846
Retained earnings	3,197,496	989,987	363,104	(89,328)	(20,285)
Other reserves	765,772	(66,932)	31,847	74,176	3,918
SHAREHOLDER'S FUND	**7,844,946**	**4,804,733**	**1,421,346**	**1,011,243**	**810,071**
TOTAL LIABILITIES AND EQUITY	**58,993,178**	**23,540,578**	**8,493,874**	**1,984,403**	**1,682,103**
CONTINGENT LIABILITIES	**-**	**-**	**-**	**-**	**-**

FINANCIAL SUMMARY - GROUP

AS AT 31 DECEMBER 2020

	2020	2019	2018	2017	2016
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	4,490,804	1,461,325	1,133,251	145,893	118,173
Funds under Management	12,792,413	18,668,089	5,990,507	-	-
Investment in financial assets	25,899,754	6,305,682	5,924,201	2,209,119	1,764,763
Investment in Joint Ventures	-	-	-	65,372	68,969
Investment in property	6,080,258	-	1,841,500	-	-
Development Property	-	137,365	-	-	-
Property and equipment	1,808,409	1,432,500	1,054,263	1,519	2,965
Intangible assets	113,007	63,852	46,169	23,536	35,761
Special Placement with CBN	25,000,000	10,000,000	-	-	-
Trade and other receivables	5,373,563	6,131,815	3,058,271	645,891	141,886
Deferred tax assets	117,076	36,069	-	26,504	22,609
TOTAL ASSETS	**81,675,284**	**44,236,697**	**19,048,162**	**3,117,834**	**2,155,126**
LIABILITIES					
Bank Overdraft	-	-			
Managed Funds	25,248,777	16,018,428	6,152,919	-	-
Borrowings	7,366,178	15,743,876	4,233,010	990,120	410,127
Other liabilities	29,068,807	6,204,954	7,011,895	1,090,776	910,429
Deposit liabilities	9,285,817		-	-	-
Current tax liabilities	812,396	287,337	99,522	10,662	12,485
Deferred tax liabilities	12,630	-	15,526	-	-
TOTAL LIABILITIES	**71,794,605**	**38,254,595**	**17,512,872**	**2,091,558**	**1,333,041**
EQUITY					
Share capital	59,616	59,616	42,368	42,368	39,592
Share premium	3,822,062	3,822,062	984,027	984,027	786,846
Retained earnings	4,199,113	1,406,457	471,692	(78,987)	(12,963)
Regulatory reserve	13,486	6,462			
Other reserves	820,379	(81,389)	(37,267)	75,784	5,526
SHAREHOLDER'S FUND	**8,914,656**	**5,213,208**	**1,460,820**	**1,023,192**	**819,001**
Non-controlling Interest	966,023	768,894	74,470	3,084	3,084
TOTAL LIABILITIES AND EQUITY	**81,675,284**	**44,236,697**	**19,048,162**	**3,117,834**	**2,155,126**
CONTINGENT LIABILITIES	**-**	**-**	**-**	**-**	**-**

DRE
DYNASTY REAL ESTATE

HOMES YOU WOULD LOVE

SUITED FOR PURPOSE

AQUA POINT [IKOYI]
mini estate, 8 semi-detached houses, 5 en-suite bedrooms, private pool, staff quarters, garage, elevator

₦ 250 MILLION

DYNASTY RESIDENCE 6 [LEKKI]
16 two bedroom apartments, central generator, laundry facilities, 24hr security, CCTV, water supply, gym, greenery

₦ 19 MILLION

HAMPTON BAY [IKATE]
5 bedroom, fully serviced, swimming pool, garden, gym, elevator*

₦ 250 MILLION

IKOYI LUXURY APARTMENT [IKOYI]
2710 square meters, 4 storey building, 3 bedroom flats, 2 bedroom flats, 1 bedroom flats

CALL FOR ENQUIRIES

Introducing **Hampton Island,** a 100,000sqm development in Osapa London. Price **N100,000/sqm**

FOR MORE INFORMATION

12th Floor Elephant House, 214, Broad Street, Marina, Lagos Nigeria
0908 748 2206, 0817 834 7908
info@dre.ng, www.dre.ng

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05

CHAPTER

Shareholder/Investor Information

2021 NOTICE OF AGM

NOTICE IS HEREBY GIVEN that the 5th Annual General Meeting of VFD GROUP PLC will be held at Radisson Blu Anchorage Hotel, 1a OzumbaMbadiwe Avenue Victoria Island Lagos on Monday, 31May 2021 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To lay before the company in general meeting the Audited Financial Statements for the year ended December 31, 2020, together with the Reports of the Directors, Auditors and Audit Committee thereon;
2. To declare a dividend;
3. To re-elect the following Director(s) retiring by rotation:
   - Mrs. Ngozi Aghanya
   - Mr. Ayodele Onawunmi
   - Mr. Mobolaji Adewumi
   - Mr. Chuks Ozigbo
4. To authorize the Directors to fix the remuneration of the Auditor for the 2021 financial year;
5. To elect/ re-elect members of the Audit Committee.
6. To disclose the remuneration of Managers.

SPECIAL BUSINESS

To consider and if thought fit, pass the following as an ordinary resolution

7. "That the remuneration of the Non-executive Directors be and is hereby fixed at N25,180,000.00 (Twenty-five Million One Hundred and Eighty Thousand Naira) Only for the year ending December 31, 2021, such payments to be effective from January 1, 2021."

Dated 9 April 2021.

BY ORDER OF THE BOARD

GBEMINIYI SHODA
Group Company Secretary
FRC/ 2015/NBA/00000011768
VFD Group Plc
163/165 Broad Street Lagos

NOTES:

1. COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES

The Federal Government of Nigeria, State Governments, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Lagos State Government prohibited the gathering of more than 50 people while the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

2. PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, a proxy form must be completed and deposited either at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cfc@africaprudential.com not later than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report and may also be downloaded from the Company's website at www.vfdgroup.com

3. ATTENDANCE BY PROXY

In line with CAC Guidelines, attendance of the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

a. Mr. Olatunde Busari (SAN)
b. Mr. Nonso Okpala
c. Ms. Gbeminiyi Shoda
d. Ms. Karen Abah
e. Ms. Ayomikun Ola-Kenny

4. STAMPING OF PROXY

The Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

5. ONLINE STREAMING OF AGM

The AGM will be streamed live online. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM online live streaming will be made available on the Company's website at www.vfdgroup.com.

6. DIVIDEND

The directors have recommended the declaration of a dividend of N8.51 per share. if the dividend recommended by the directors is approved by the members at the annual general meeting, the dividend will be paid on Monday, 31 May 2021 to the shareholderswhose names appear in the company's Register of members at the close of business on Friday, May 14, 2021.

7. CLOSURE OF REGISTER OF MEMBERS

The Register of members of the Company will be closed from Monday, May 10, 2021 to Friday, May 14, 2021 (both days inclusive) for the purpose of updating the Register of Members.

8. NOMINATION TO THE AUDIT COMMITTEE

In accordance with Section 404 of the Companies and Allied Matters Act 2020, any shareholder may nominate a Shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting.The Securities and Exchange Commission's Code of Corporate Governance for Public Companies provides that members of the Audit Committee should have basic financial literacy and should be able to read financial statements.

9. PROFILES OF DIRECTORS FOR RE-ELECTION

The profiles of Mrs. Ngozi Aghanya, Mr. Ayodele Onawunmi, Mr. Mobolaji Adewumi and Mr. Chuks Ozigbo who will be retiring by rotation and seeking re-election are provided in the Annual Report.

10. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at Meetings, but also in writing prior to the Meeting, and such questions must be submitted to the Company Secretary via email to investor-relations@vfdgroup.com not later than two (2) weeks before the date of the Meeting.

PROXY FORM

I/We ____

______________________ being a member/ members of VFD GROUP PLC, hereby appoint: ________________________________or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the 5TH Annual General Meeting of the Company to be held on Monday, May 31, 2021, at Radisson Blu Anchorage Hotel, 1a Ozumba Mbadiwe Avenue Victoria Island Lagos, at 11.00a.m. and at any adjournment thereof.

A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

Please sign this proxy form and forward it, so as to reach the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cfc@africaprudential.com not later than 48 hours before the time fixed for the meeting. If executed by a Corporation, the proxy form must be under its common seal or under the hand of a duly authorized officer or attorney.

It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties. However, in compliance with the CAC Guidelines for conduct of AGM by Proxy, the Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars.

The Proxy must produce the Admission Card below to gain entrance into the Meeting.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS			
1. To lay before the company in general meeting the Audited Financial Statements for the year ended December 31, 2020, together with the Reports of the Directors, Auditors and Audit Committee thereon			
2. To declare a dividend of N8.51kobo per share ordinary shares of 50 Kobo each.			
3.1 To re-elect a retiring Director, Mrs. Ngozi Aghanya			
3.2 To re-elect a retiring Director, Mr. Ayodele Onawunmi			
3.3 To re-elect a retiring Director, Mr. Mobolaji Adewumi			
3.4 To re-elect a retiring Director, Mr. Chuks Ozigbo			
4. To authorize the Directors to fix the remuneration of the Auditors for the 2021 financial year			
5. To elect/ re-elect members of the Audit Committee			
6. To disclose the remuneration of Managers			
SPECIAL BUSINESS			
7. That the remuneration of the Nonexecutive Directors be and is hereby fixed at N25,180,000.00 (Twenty-five Million One Hundred and Eighty Thousand Naira) Only for the year ending December 31, 2021, such payments to be effective from January 1, 2021			

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/ her discretion.

VFD GROUP PLC

5TH Annual General Meeting

ADMISSIONCARD

Please admit the Shareholder named on this Card or his duly appointed proxy to the Annual General Meeting of the Company to be held on Monday, **May 31, 2021, at Radisson Blu Anchorage Hotel, 1a Ozumba Mbadiwe Avenue Victoria Island Lagos, at 11.00 a.m.**

This admission card must be produced by the Shareholder in order to gain entrance into the Annual General Meeting.

____
Name of Shareholder

____
Address of Shareholder

____
Number of Shares Held

____
Signature

5TH ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, MAY 31, 2021, AT RADISSON BLU ANCHORAGE HOTEL, 1A OZUMBA MBADIWE AVENUE VICTORIA ISLAND LAGOS, AT 11.00 A.M.

Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Affix recent passport photograph

USE GUM ONLY NO STAPLE PINS

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in ______ **"the company"**. I recognize this will invalidate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this/this company.

SECTION A:

SHAREHOLDER'S FULL NAMES: ______ Surname / First Name / Middle Name

ADDRESS: ______

GSM NUMBER: ______ **E-MAIL:** ______

GENDER: Male ☐ Female ☐ **DATE OF BIRTH:** D D M M Y Y Y Y **CSCS INVESTOR'S A/C NO.:** ______

CLEARING HOUSE NUMBER(CHN): C ______ **REGISTRAR'S ID NO (RIN):** ______

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ______ **BANK:** ______

BANK A/C NUMBER: ______ *Must be NUBAN* **BVN:** ______ *Must be confirmed by bank* **AGE OF A/C:** DD MM YYYY *Must be confirmed by bank*

Authorized Signature (1) *(and stamp of Stockbroker)*

Authorized Signature (2) *(and stamp of Stockbroker)*

Shareholder's Signature & Date

Shareholder's Signature & Date (2) *(if applicable)*

Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Dated this ______ day of ______, 20 ______

Name: ______

Signature: ______

Joint (2) (if applicable): ______

Joint (3) (if applicable): ______

Company Seal

In the Presence of:

Name: ______ **GSM NO:** ______

Address: ______ **Signature:** ______

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of ______ Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified aganist all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Authorised Signatory (1): ______ **Authorised Signatory (2):** ______

Company Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.
TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

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Affix Recent Passport Photograph

USE GUM ONLY
NO STAPLE PINS

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me\us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male ☐ Female ☐ Date Of Birth D D M M Y Y Y Y

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

Note: This service costs **N150.00** per form exclusive of VAT.

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC ☐
2. ADAMAWA STATE GOVERNMENT BOND ☐
3. AFRILAND PROPERTIES PLC ☐
4. AFRICA PRUDENTIAL PLC ☐
5. A & G INSURANCE PLC ☐
6. ALUMACO PLC ☐
7. A.R.M LIFE PLC ☐
8. BECO PETROLEUM PRODUCTS PLC ☐
9. BUA GROUP ☐
10. BENUE STATE GOVERNMENT BOND ☐
11. CAP PLC ☐
12. CAPPA AND D'ALBERTO PLC ☐
13. CEMENT COY. OF NORTHERN NIG. PLC ☐
14. CSCS PLC ☐
15. CHAMPION BREWERIES PLC ☐
16. CWG PLC ☐
17. CORDROS MONEY MARKET FUND ☐
18. EBONYI STATE GOVERNMENT BOND ☐
19. GOLDEN CAPITAL PLC ☐
20. INFINITY TRUST MORTGAGE BANK PLC ☐
21. INVESTMENT & ALLIED ASSURANCE PLC ☐
22. JAIZ BANK PLC ☐
23. KADUNA STATE GOVERNMENT BOND ☐
24. LAGOS BUILDING INVESTMENT CO. PLC ☐
25. GLOBAL SPECTRUM ENERGY SERVICES PLC ☐
26. MED-VIEW AIRLINE PLC ☐
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)* ☐
28. NEXANS KABLEMETAL NIG. PLC ☐
29. LIVINGTRUST MORTGAGE BANK PLC ☐
30. PERSONAL TRUST & SAVINGS LTD ☐
31. P.S MANDRIDES PLC ☐
32. PORTLAND PAINTS & PRODUCTS NIG. PLC ☐
33. PREMIER BREWERIES PLC ☐
34. RESORT SAVINGS & LOANS PLC ☐
35. ROADS NIGERIA PLC ☐
36. SCOA NIGERIA PLC ☐
37. TRANSCORP HOTELS PLC ☐
38. TRANSCORP PLC ☐
39. TOWER BOND ☐
40. THE LA CASERA CORPORATE BOND ☐
41. UACN PLC ☐
42. UNITED BANK FOR AFRICA PLC ☐
43. UNITED CAPITAL PLC ☐
44. UNITED CAPITAL BALANCED FUND ☐
45. UNITED CAPITAL BOND FUND ☐
46. UNITED CAPITAL EQUITY FUND ☐
47. UNITED CAPITAL MONEY MARKET FUND ☐
48. UNITED CAPITAL NIGERIAN EUROBOND FUND ☐
49. UNITED CAPITAL WEALTH FOR WOMEN FUND ☐
50. UNIC DIVERSIFIED HOLDINGS PLC ☐
51. UNIC INSURANCE PLC ☐
52. UAC PROPERTY DEVELOPMENT COMPANY PLC ☐
53. UTC NIGERIA PLC ☐
54. VFD GROUP PLC ☐
55. WEST AFRICAN GLASS IND PLC ☐

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.
TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

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RC 649007

SHARE PORTAL APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

*** = Compulsory fields**

1. *SURNAME/COMPANY NAME:
2. *FIRST NAME:
3. OTHER NAME:
4. *E-MAIL:
5. ALTERNATE E-MAIL:
6. *MOBILE NO.: **1.** **2.**
7. SEX: MALE FEMALE
8. *DATE OF BIRTH D D M M Y Y Y Y
9. *POSTAL ADDRESS:
10. CSCS CLEARING HOUSE NO.: C
11. NAME OF STOCKBROKER:

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
28. NEXANS KABLEMETAL NIG. PLC
29. LIVINGTRUST MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
37. TRANSCORP HOTELS PLC
38. TRANSCORP PLC
39. TOWER BOND
40. THE LA CASERA CORPORATE BOND
41. UACN PLC
42. UNITED BANK FOR AFRICA PLC
43. UNITED CAPITAL PLC
44. UNITED CAPITAL BALANCED FUND
45. UNITED CAPITAL BOND FUND
46. UNITED CAPITAL EQUITY FUND
47. UNITED CAPITAL MONEY MARKET FUND
48. UNITED CAPITAL NIGERIAN EUROBOND FUND
49. UNITED CAPITAL WEALTH FOR WOMEN FUND
50. UNIC DIVERSIFIED HOLDINGS PLC
51. UNIC INSURANCE PLC
52. UAC PROPERTY DEVELOPMENT COMPANY PLC
53. UTC NIGERIA PLC
54. VFD GROUP PLC
55. WEST AFRICAN GLASS IND PLC

OTHERS:

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RC 649007

E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME
2. *FIRST NAME
3. OTHER NAME
4. *GENDER M F
5. E-MAIL
6. ALTERNATE E-MAIL
7. *DATE OF BIRTH D D M M Y Y Y Y
8. *MOBILE (1) (2)
9. *ADDRESS
10. OLD ADDRESS *(if any)*
11. *NATIONALITY
12. *OCCUPATION
13. *NEXT OF KIN NAME MOBILE
14. *MOTHER'S MAIDEN NAME
15. BANK NAME
16. A/C NO.
17. A/C NAME
18. A/C OPENING DATE D D M M Y Y Y Y
19. BANK VERIFICATION NO. (BVN)
20. NAME OF STOCKBROKING FIRM
21. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:
Joint/Company's Signatories

Company Seal *(if applicable)*

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
28. NEXANS KABLEMETAL NIG. PLC
29. LIVINGTRUST MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
37. TRANSCORP HOTELS PLC
38. TRANSCORP PLC
39. TOWER BOND
40. THE LA CASERA CORPORATE BOND
41. UACN PLC
42. UNITED BANK FOR AFRICA PLC
43. UNITED CAPITAL PLC
44. UNITED CAPITAL BALANCED FUND
45. UNITED CAPITAL BOND FUND
46. UNITED CAPITAL EQUITY FUND
47. UNITED CAPITAL MONEY MARKET FUND
48. UNITED CAPITAL NIGERIAN EUROBOND FUND
49. UNITED CAPITAL WEALTH FOR WOMEN FUND
50. UNIC DIVERSIFIED HOLDINGS PLC
51. UNIC INSURANCE PLC
52. UAC PROPERTY DEVELOPMENT COMPANY PLC
53. UTC NIGERIA PLC
54. VFD GROUP PLC
55. WEST AFRICAN GLASS IND PLC

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