VFD GROUP PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2023

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CORPORATE INFORMATION

DIRECTORS:

Mr. Olatunde Busari (SAN)	Chairman
Mr. Nonso Okpala	Group Managing Director
Mr. Adeniyi Adenubi	Executive Director
Mr. John Okonkwo	Executive Director
Mr. Folajimi Adeleye	Executive Director (Resigned effective 25 October 2023)
Mr. Gbenga Omolokun	Non- Executive Director
Mr. Azubike Emodi	Non- Executive Director
Mr. Mobolaji Adewumi	Non- Executive Director
Mrs. Ngozi Aghanya	Non- Executive Director (Resigned effective 29 April 2023)
Mr. Suleiman Lawal	Non- Executive Director (Resigned effective 29 April 2023)
Ms. Jewel Okwechime	Non- Executive Director (Resigned effective 29 April 2023)
Mr. Adegboyega Fatoki	Independent Non- Executive Director (Appointed 29 April 2023)
Mr. Chuks Celestine Ozigbo	Non- Executive Director
Mr. Kelvin Orogun	Non- Executive Director
Mr. Femi Akinware	Non- Executive Director
Ms. Lola Bolusire	Independent Non- Executive Director (Appointed 29 April 2023)
Mrs. Nneka Okekearu	Independent Non- Executive Director (Appointed 25 October 2023)
Ms. Rashida Saleh	Independent Non- Executive Director (Appointed 25 October 2023)

RC No. RC 829196

COMPANY SECRETARY: Oluwagbeminiyi Shoda

REGISTERED OFFICE:
8, MacGregor Road
Ikoyi
Lagos

BANKERS:
United Bank for Africa Plc
Zenith Bank Plc
First Bank of Nigeria Limited
Providus Bank Plc
Access Bank Plc
VFD Microfinance Bank Limited

AUDITORS:
PricewaterhouseCoopers
Landmark Towers
5b, Water Corporation Road
Oniru, Victoria Island
Lagos, Nigeria

CORPORATE GOVERNANCE REPORT

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 ensuring that the Company consistently complies with the Codes.

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, 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 December 31, 2023, the Board comprised a Chairman, four (4) other Independent Non-Executive Directors, six [6] Non-Executive Directors, and three [3] Executive Directors [including 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, Law, Planning and Strategy, Corporate Finance, Compliance, Logistics, Information Technology and Administration. The Board of Directors act on behalf of shareholders and is responsible for controlling and managing the strategic business of the Company and constantly reviews and presents a balanced and comprehensive assessment of the Company's performance and prospects.

CORPORATE GOVERNANCE REPORT (CONT'D)

The Board is accountable to Shareholders and ensures that the conduct of the Company's activities is within the applicable regulatory framework. 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 and Compliance Committee, Board Remuneration Committee, Board Audit Committee and Board Investment 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 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 and local laws and legislation, such local laws and legislation will 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 Directors of the Company who served during the year 2023 comprised the underlisted individuals:

1	Mr. Olatunde Busari [SAN]	Chairman
2	Mr. Nonso Okpala	Group Managing Director

CORPORATE GOVERNANCE REPORT (CONT'D)

3	Mrs. Ngozi Aghanya	Non-Executive Director
4	Mr. Mobolaji Adewumi	Non-Executive Director
5	Mr. Gbenga Omolokun	Non-Executive Director
6	Mr. Azubike Emodi	Non-Executive Director
7	Ms. Jewel Okwechime	Non-Executive Director
8	Mr. Chuks Celestine Ozigbo	Non-Executive Director
9	Mr. Suleiman Lawal	Non-Executive Director
10	Ms. Omolola Bolusire	Independent Non-Executive Director
11	Mr. Kelvin Orogun	Non-Executive Director
12	Mr. Femi Akinware	Non-Executive Director
13	Mr. Adeniyi Adenubi	Executive Director
14	Mr. John Okonkwo	Executive Director
15	Mr. Folajimi Adeleye	Executive Director
16	Mr. Adegboyega Fatoki	Independent Non-Executive Director
17	Ms. Rashida Saleh	Independent Non-Executive Director
18	Mrs. Nneka Okekearu	Independent Non-Executive Director

BOARD COMMITTEES

During the financial year ended December 31, 2023, the Board delegated some of its responsibilities to its Committees as follows:

1 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	Mr. Chuks Ozigbo	Chairman
2	Mr. Nonso Okpala	Committee Member
3	Mr. Mobolaji Adewumi	Committee Member
4	Mr. Kelvin Orogun	Committee Member
5	Mr. John Okonkwo	Committee Member
6	Mrs. Nneka Okekearu	Committee Member

2 Board Remuneration Committee

Its functions include, 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. Omolola Bolusire	Chairman
2	Mr. Adegboyega Fatoki	Committee Member
3	Mr. Chuks Celestine Ozigbo	Committee Member
4	Mr. Azubike Emodi	Committee Member
5	Mrs. Nneka Okekearu	Committee Member
6	Ms. Rashida Saleh	Committee Member

3 Board Nomination and 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. Kelvin Orogun	Chairman
2	Mr. Adegboyega Fatoki	Committee Member
3	Ms. Omolola Bolusire	Committee Member
4	Ms. Rashida Saleh	Committee Member
5	Mr. Azubike Emodi	Committee Member
6	Mr. Femi Akinware	Committee Member

4 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 ensuring that qualified and competent person[s] at senior levels are employed to manage the various risk areas.

Composition

1	Mr. Adegboyega Fatoki	Chairman
2	Mr. Gbenga Omolokun	Committee Member
3	Mr. Kelvin Orogun	Committee Member
4	Mr. Adeniyi Adenubi	Committee Member
5	Ms. Omolola Bolusire	Committee Member
6	Mr. John Okonkwo	Committee Member

5 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 Executive Committee subject to a maximum cumulative threshold of 30% of Shareholders Fund. All investments approved by the Board Investment Committee shall be ratified by the Board of Directors “BoD” in the subsequent Board meetings.

Composition

1	Mr. Femi Akinware	Chairman
2	Mr. Nonso Okpala	Committee Member
3	Mr. Adeniyi Adenubi	Committee Member
4	Mr. Mobolaji Adewumi	Committee Member
5	Mr. Adegboyega Fatoki	Committee Member
6	Mr. Gbenga Omolokun	Committee Member

6 Board Audit Committee

The Board Audit Committee is responsible for oversight of audit functions, ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices, reviewing the scope and planning of audit requirements, keeping under review the effectiveness of the Company's system of accounting and internal control and authorizing the Internal Auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.

Composition

1	Mrs. Nneka Okekearu	Chairman
2	Ms. Rashida Saleh	Committee Member
3	Mr. Mobolaji Adewumi	Committee Member
4	Mr. Chuks Ozigbo	Committee Member
5	Mr. Femi Akinware	Committee Member
6	Mr. Azubike Emodi	Committee Member

7 Statutory Audit Committee

The Statutory Audit Committee's major functions include the approval of the annual audit plan of the internal auditors, review and approval of the audit scope and plan of the external auditors, review of the audit report on internal weaknesses observed by both the internal and external auditors during their respective examinations and to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

Composition

1	Mr. Adeyemi Lawal	Chairman/Shareholder
2	Mr. Akinola Oladapo	Shareholder
3	Mr. Afolabi Adegbayo	Shareholder
4	Mr. Mobolaji Adewumi	Director
5	Mr. Chuks Ozigbo	Director

CORPORATE GOVERNANCE REPORT (CONT'D)

Delegation to Management

The Board has delegated the responsibility for day-to-day operations of the Company to Management and ensures that Management strikes a balance between promoting long-term growth and delivering short-term objectives. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between adherence to governance principles and economic performance.

Directors' Independence

Directors are expected to contribute views and judgment at Board deliberations that are independent of Management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgment, having regard to the best interests of the Company.

Retirement and Re-Election of Directors

In accordance with the provision of Section 285[1] of the Companies and Allied Matters Act, CAP C20 LFN 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 Mr. Kelvin Orogun, Mr. Femi Akinware, Mr. Adeniyi Adenubi and Mr. John Okonkwo retire by rotation and being eligible offer themselves for re-election.

The Board confirms its conviction that the Directors standing for election and re-election are competent, qualified, experienced, and possess integrity in line with the Appointment of Directors Policy and requirements of being fit as a Director on the Board of VFD Group Plc. The Board recommends that they should be elected to maintain the required balance of skill, knowledge, and experience on the Board. The biographical details of the Directors standing for election and re-election are set in the Annual Report.

Directors' Remuneration

VFD Group Plc ensures that remuneration paid to its Directors complies with the provisions of the Code of Corporate Governance issued by its regulators. Therefore, in compliance with Section 34 [5] [f] of the SEC Code of Corporate Governance for Public Companies, the Company makes disclosures of the remuneration paid to its Directors.

Package	Type	Description	Period
Basic Salary	Fixed	This is part of the gross salary package for Executive Directors only	Paid monthly during the financial year
Directors Fees	Fixed	This is paid only to Non-Executive Directors	Paid in the last month of each year
Sitting Allowance	Fixed	This is paid only to Non-Executive Directors	Paid after each meeting

CORPORATE GOVERNANCE REPORT (CONT'D)

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 Company 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. The Board is committed to regular training and development of Board members on issues pertaining to their oversight functions as it is the opinion of the Board that a robust professional development will enhance Directors' performance.

Board Evaluation

To ensure effectiveness of the Board and the Directors and imbibing the best corporate governance practices, the Board engaged the services of an Independent Consultant, Messrs. Ernst & Young, to carry out the annual Board and Directors appraisal for the 2023 financial year. The Board believes that the use of an independent consultant not only encourages Directors to be more honest in their evaluation of the Board performance, but also enhances the objectivity and transparency of the evaluation process. The performance of the Board, Board Committees and individual Directors were adjudged satisfactory and necessary feedback arising from the exercise was communicated to Directors.

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. PriceWaterhouseCoopers acted as external auditors to the Group during the 2023 financial year.

Reporting and disclosure requirements are in accordance with International Financial Reporting Standards [IFRS]. The Company ensures prudent financial reporting and maximum disclosure in the Annual Reports & Accounts.

Internal Controls

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 controls through regular reports and reviews at the Board Risk & Compliance Committee.

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.

CORPORATE GOVERNANCE REPORT (CONT'D)

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.

The Group continues to engage shareholders of the Company, through its investor relations unit, which routinely attends to shareholders' enquiries and ensures that shareholders' views are appropriately escalated to the Management and Board on a continuous basis. This engagement occurs through various means but not limited to electronic mail, WhatsApp, and social media. In addition, shareholders are encouraged to communicate their opinions and recommendations whenever they see the need to do so, through the Group's Secretariat.

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. The Company's whistle blowing policy ensures that whistle blowing would assist in uncovering significant risks in line with best practices. Under the policy, a whistle blower who in good faith, reports suspected violations or attempted violation of the Policy or who reports a request or offer of a corrupt payment is protected.

ACQUISITION OF OWN SHARES

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

BY ORDER OF THE BOARD

Oluwagbeminiyi Shoda
FRC/2015/NBA/0000011768
Group Company Secretary
8, MacGregor Road, Ikoyi
Lagos.

16 May 2024

DIRECTORS' REPORT

In accordance with Section 385 of the Companies and Allied Matters Act, 2020 ["CAMA"], the Directors are pleased to present their report on the affairs of the Company together with the audited financial statements and auditor's report for the year ended December 31, 2023.

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 January 28, 2019 to broaden its shareholder base and further enhance its 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	
	2023	**2022**	**2023**	**2022**
	₦'000	**₦'000**	**₦'000**	**₦'000**
(Loss)/profit before tax	(1,021,026)	8,581,927	(4,991,733)	3,031,624
Taxation	270,585	(1,745,961)	1,157,181	(785,931)
(Loss)/profit for the year	**(750,441)**	**6,835,966**	**(3,834,552)**	**2,245,693**

THE BOARD OF DIRECTORS

The Board of Directors of the Company for the year under review comprised the underlisted individuals:

1	Mr. Olatunde Busari [SAN]	Chairman
2	Mr. Nonso Okpala	Group Managing Director
3	Ms. Omolola Bolusire	Independent Non-Executive Director (appointed 29 April 2023)
4	Mr. Mobolaji Adewumi	Non-Executive Director
5	Mr. Gbenga Omolokun	Non-Executive Director
6	Mr. Azubike Emodi	Non-Executive Director
7	Ms. Rashida Saleh	Independent Non-Executive Director (appointed 25 October 2023)
8	Mr. Chuks Celestine Ozigbo	Non-Executive Director
9	Mr. Adegboyega Fatoki	Independent Non-Executive Director (appointed 29 April 2023)
10	Mrs. Nneka Okekearu	Independent Non-Executive Director (appointed 25 October 2023)
11	Mr. Kelvin Orogun	Non-Executive Director
12	Mr. Femi Akinware	Non-Executive Director
13	Mr. Adeniyi Adenubi	Executive Director
14	Mr. John Okonkwo	Executive Director
15	Mr. Folajimi Adeleye	Executive Director (resigned effective 25 October 2023)
16	Mrs. Ngozi Aghanya	Non-Executive Director (resigned effective 29 April 2023)
17	Ms. Jewel Okwechime	Non-Executive Director (resigned effective 29 April 2023)
18	Mr. Suleiman Lawal	Non-Executive Director (resigned effective 29 April 2023)

RECORD OF DIRECTORS' ATTENDANCE AT MEETINGS

Pursuant to Section 284[2] of the Companies and Allied Matters Act, 2020, the records of Directors 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 2023 showing frequency of the meetings and attendance of Directors.

DIRECTORS' REPORT (CONT'D)

Key:
P = Present
AWA = Absent with Apology
NYA = Not Yet Appointed
R = Resigned
NLC = No Longer on the Committee
NAC = Not Appointed to the Committee

Record of attendance-Board of Directors meetings

S/N	DIRECTORS	APRIL 24, 2023	APRIL 29,2023	AUGUST 23, 2023	OCTOBER 25, 2023	DECEMBER 21, 2023
1	Mr. Olatunde Busari [SAN]	P	P	P	P	P
2	Mr. Nonso Okpala	P	P	P	P	P
3	Mr. Adeniyi Adenubi	P	P	P	P	P
4	Mr. John Okonkwo	P	P	P	P	P
5	Mr. Folajimi Adeleye	P	P	P	P	R
6	Mr. Gbenga Omolokun	P	P	P	P	P
7	Mr. Mobolaji Adewumi	P	P	P	P	P
8	Mrs. Ngozi Aghanya	P	P	R	R	R
9	Mr. Adegboyega Fatoki	NYA	NYA	P	P	P
10	Ms. Omolola Bolusire	NYA	NYA	P	P	R
11	Mr. Suleiman Lawal	P	P	R	R	R
12	Mr. Azubike Emodi	P	P	P	P	P
13	Ms. Jewel Okwechime	P	P	R	R	R
14	Mr. Chuks C. Ozigbo	P	P	P	P	P
15	Mr. Kelvin Orogun	P	P	P	P	P
16	Mr. Femi Akinware	P	P	P	P	P
17	Mrs. Nneka Okekearu	NYA	NYA	NYA	NYA	P
18	Ms. Rashidah Saleh	NYA	NYA	NYA	NYA	P

Record of attendance-Board Finance and General-Purpose Committee meetings

S/N	COMMITTEE MEMBERS	APRIL 5, 2023	JULY 15, 2023	OCTOBER 23, 2023	DECEMBER 20, 2023
1	Mr. Chuks Ozigbo	P	P	P	P
2	Mr. Nonso Okpala	P	P	P	AWA
3	Mr. John Okonkwo	P	P	P	P
4	Mr. Folajimi Adeleye	P	P	P	R
5	Mr. Mobolaji Adewumi	P	P	P	AWA
6	Mr. Kelvin Orogun	P	P	P	AWA
7	Mrs. Nneka Okekearu	NYA	NYA	NYA	P

Record of attendance-Corporate Governance Committee meetings

S/N	COMMITTEE MEMBERS	APRIL 6, 2023	JULY 19, 2023	OCTOBER 17, 2023	DECEMBER 7, 2023
1	Mr. Kelvin Orogun	P	P	P	P
2	Mr. Azubike Emodi	P	P	P	AWA
3	Mr. Suleiman Lawal	P	R	R	R
4	Mrs. Ngozi Aghanya	P	R	R	R
5	Ms. Jewel Okwechime	P	R	R	R
6	Mr. Adegboyega Fatoki	NYA	P	P	P
7	Ms. Omolola Bolusire	NYA	P	P	P
8	Ms. Rashidah Saleh	NYA	NYA	NYA	P
9	Mr. Gbenga Omolokun	NAC	NAC	P	NLC
10	Mr. Femi Akinware	NAC	NAC	NAC	P

DIRECTORS' REPORT (CONT'D)

Record of attendance-Board Renumeration Committee meetings

S/N	COMMITTEE MEMBERS	FEBRUARY 16, 2022	JULY 19, 2023	OCTOBER 5, 2023	DECEMBER 7, 2023
1	Ms. Omolola Bolusire	NYA	P	P	P
2	Ms. Jewel Okwechime	P	R	R	R
3	Mrs. Ngozi Aghanya	P	R	R	R
4	Mr. Chuks Ozigbo	P	P	P	P
5	Mr. Azubike Emodi	P	P	P	AWA
6	Mr. Femi Akinware	P	P	P	NLC
7	Mr. Suleiman Lawal	P	P	P	P
8	Mr. Adegboyega Fatoki	NYA	P	P	P
9	Mrs. Nneka Okekearu	NYA	NYA	NYA	P
10	Ms. Rashidah Saleh	NYA	NYA	NYA	P

Record of attendance-Board Risk and Compliance Committee meetings

S/N	COMMITTEE MEMBERS	MARCH 14, 2023	JULY 25, 2023	OCTOBER 9, 2023	DECEMBER 12, 2023
1	Mr. Adegboyega Fatoki	NYA	P	P	P
2	Mr. Gbenga Omolokun	P	P	AWA	P
3	Mr. Adeniyi Adenubi	NAC	NAC	NAC	AWA
4	Mr. John Okonkwo	P	P	P	P
5	Mr. Kelvin Orogun	P	P	P	P
6	Ms. Lola Bolusire	NAC	NAC	NAC	P
7	Mr. Femi Akinware	NYA	NYA	NYA	AWA
8	Mr. Suleiman Lawal	P	R	R	R
9	Mr. Chuks Ozigbo	P	NLC	NLC	NLC

Record of attendance-Board Audit Committee meetings

S/N	COMMITTEE MEMBERS	APRIL 6, 2023	JULY 26, 2023	OCTOBER 23, 2023	DECEMBER 20, 2023
1	Mrs. Nneka Okekearu	NYA	NYA	NYA	P
2	Mr. Chuks Ozigbo	P	P	P	P
3	Mr. Gbenga Omolokun	p	P	P	NLC
4	Ms. Rashidah Saleh	NYA	NYA	NYA	P
5	Mr. Suleiman Lawal	P	R	R	R
6	Mr. Femi Akinware	P	P	P	P
7	Mr. Mobolaji Adewumi	P	P	P	P
8	Mr. Azubike Emodi	NAC	NAC	NAC	P

Record of attendance-Board Investment Committee meetings

S/N	COMMITTEE MEMBERS	MARCH 10, 2023	JULY 20, 2023	OCTOBER 20, 2023	DECEMBER 13, 2023
1	Mr. Femi Akinware	P	P	P	AWA
2	Mr. Nonso Okpala	P	P	P	P
3	Mr. Adeniyi Adenubi	P	P	P	P
4	Mr. Mobolaji Adewumi	P	P	P	P
5	Mr. Adegboyega Fatoki	NYA	P	P	P
6	Mr. John Okonkwo	P	P	P	NLC
7	Mr. Folajimi Adeleye	NAC	P	P	NLC
8	Mr. Gbenga Omolokun	NAC	NAC	NAC	P

Record of attendance- Statutory Audit Committee meetings

S/N	COMMITTEE MEMBERS	APRL 4, 2022	JULY 18, 2023	OCTOBER 20, 2023	DECEMBER 27, 2023
1	Mr. Adeyemi Lawal	P	P	P	P
2	Mr. Akinola Oladapo	P	P	P	P
3	Mr. Afolabi Adegbayo	P	AWA	AWA	P
4	Mr. Chuks Ozigbo	P	P	P	P
5	Mr. Mobolaji Adewumi	AWA	P	P	P

DIRECTORS' REPORT (CONT'D)

BOARD CHANGES

Resignation

The following Directors resigned during the financial year:

=> Mr. Suleiman Lawal (effective April 29, 2023)
=> Mrs. Ngozi Aghanya (effective April 29, 2023)
=> Ms. Jewel Okwechime (effective April 29, 2023)
=> Mr. Folajimi Adeleye (effective October 25, 2023)

Board Appointments
Mr. Adegboyega Fatoki and Ms. Lola Bolusire were appointed to the Board as Independent Non-Executive Directors on April 29, 2023, and their appointment was approved at the last Annual General Meeting. The Securities and Exchange Commission was duly notified of the appointment, same was approved by the Corporate Affairs Commission. Mrs. Nneka Okekearu and Ms. Rashidah Saleh were appointed to the Board as Independent Non-Executive Directors on October 25, 2023. The Securities and Exchange Commission and the Nigerian Exchange Group Plc were duly notified of the appointment and same is subject to shareholders approval at the next Annual General Meeting.

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 Sections 301 and 302 of the Companies and Allied Matters Act, 2020 were as follows:

	Number of Ordinary Shares of 50k each held as at 31 December			
	2023		2022	
	Direct	Indirect	Direct	Indirect
Mr. Olatunde Busari	-	-	262,180	-
Mr. Nonso Okpala	-	36,442,320	-	39,047,194
Mr. Adeniyi Adenubi	83,264	8,006,914	2,222,855	12,960,662
Mr. John Okonkwo	196,131	-	183,774	5
Mr. Adegboyega Fatoki	-	-	-	-
Mr. Gbenga Omolokun	150,169	4,169,161	150,169	4,583,161
Mr. Mobolaji Adewumi	14,221,030	-	2,914,943	11,851,781
Mrs. Nneka Okekearu	-	-	-	-
Ms. Omolola Bolusire	-	-	-	-
Mr. Azubike Emodi	1,532,240	935,374	239,062	2,228,572
Ms. Rashida Saleh	-	-	-	-
Mr. Chuks Ozigbo	-	8,344,774	-	6,304,045
Mr. Femi Akinware	-	4,643,578	-	5,992,255
Mr. Kelvin Orogun	3,362,639	15,050,420	3,292,089	15,050,420

Alternate Directorship
There was no alternate directorship during the year under review.

SHAREHOLDING AND SUBSTANTIAL SHAREHOLDERS

The current authorized capital of the Company is ₦126,684,910 [One Hundred and Twenty-Six Million Six Hundred and Eighty-Four Thousand Nine Hundred and Ten Naira] divided into 253,369,820 [Two Hundred and Fifty-Three Million, Three Hundred and Sixty-Nine Thousand, Eight Hundred and Twenty] ordinary shares of N0.50K each.

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

Shareholder	Shares held as at 31 December 2023	
	Number	Percentage (%)
Osnon Capital Limited	36,442,320	19.18
Jotani Investments Limited	15,050,420	7.92
Adewumi Mobolaji	14,221,030	7.48

DIRECTORS' REPORT (CONT'D)

SHAREHOLDERS STRUCTURE AS AT DECEMBER 31, 2023

S/N	HOLDER TYPE	HOLDER COUNT	HOLDINGS
1	Corporate	287	148,781,028
2	Foreign	2	262,255
3	Individual	444	40,682,610
4	Institution	2	35,500
5	Joint	8	265,972
	Total	**730**	**190,027,365**

ANALYSIS OF SHAREHOLDINGS

The details of shareholding of the Company as at December 31, 2023 is as stated below;

RANGE ANALYSIS AS OF DECEMBER 31, 2023						
HEADLINE	SHAREHOLDERS			HOLDINGS		
RANGE	NO. OF HOLDERS	HOLDERS %	CUMMULATIVE HOLDERS	UNITS	UNITS %	CUMMULATIVE UNITS
1- 5,000	543	73.08	543	340,184	0.00%	340,184
5,001 - 10,000	33	4.44	576	251,521	0.10%	591,705
10,001 - 50,000	58	7.81	634	1,530,767	0.87%	2,122,472
50,001 - 100,000	18	2.42	652	1,333,954	0.70%	3,456,426
100,001 - 500,000	48	6.46	700	10,885,447	5.71%	14,341,873
500,001- 1,000,000	16	2.15	716	12,161,686	6.41%	26,503,559
1,000,001 - 5,000,000	17	2.29	733	45,110,468	23.74%	71,614,027
5,000,001-10,000,000	7	0.94	740	52,699,568	27.72%	124,313,595
10,000,001 - 50,000,000	3	0.4	743	65,713,770	34.58%	190,027,365
	743	**100**		**190,027,365**	**99.83%**	

Donations

No donations were made during the year.

Property, plant and equipment

Information relating to changes in property, plant and equipment is given in Note 19 of the Consolidated and Separate Financial Statements. In the opinion of the Directors, the market value of the Group's fixed assets is not less than shown in the Statement of Financial Position.

Human resources

The Group makes it a paramount objective to hire individuals based on standards of merit and competence. Also, the Group upholds a sound culture of providing continued development and training for its Staff to address knowledge gaps and provide new skill sets along the Group'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 Group encourages easy interaction between Management and other staff of the Group to foster an atmosphere of warmth at work and to kindle the necessary synergy required for the Group's success.

DIRECTORS' REPORT (CONT'D)

Employment of disabled persons
The Group 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.

Employees' health and safety
The Group approaches health, safety and welfare issues affecting staff with every sense of seriousness and therefore maintains an insurance health care scheme with Leadway Health, 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 Group in conformity with the Pensions Reform Act 2014.

Employees' involvement and training
The Group 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 Group as at December 31, 2023 and results attributable to equity holders.

Statutory Audit Committee
The Company has an Audit Committee as follows:

Mr. Adeyemi Lawal	Chairman/Shareholder
Mr. Akinola Oladapo	Shareholder
Mr. Afolabi Adegbayo	Shareholder
Mr. Chuks Ozigbo	Director
Mr. Mobolaji Adewumi	Director

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. PricewaterhouseCoopers have indicated their unwillingness, to continue in office as the Group's Auditors. The firm ensured that its responsibilities to the Group was carried out in an independent manner.

BY ORDER OF THE BOARD

Oluwagbeminiyi Shoda
Company Secretary
FRC/2015/NBA/0000011768
17 May 2024

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 2023, 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 2020, 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 Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

Olatunde Busari (SAN)	**Nonso Okpala**
Chairman	*Group Managing Director*
FRC/2019/NBA/00000019449	FRC/2013/ICAN/00000004697

CERTIFICATION OF FINANCIAL STATEMENTS

In accordance with Section 405 of the Companies and Allied 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 Company'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 Company'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 and Company for the year ended 31 December 2023 were approved and authorized for issue by Directors on 31 March 2024.

On behalf of the Directors of the Group:

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

John Okonkwo
Executive Director, Finance
FRC/2013/ICAN/00000004692

REPORT OF THE 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 2023 as follows:

We have exercised our statutory functions under Section 404(4) 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 Company 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 2023 were satisfactory and reinforce the Company'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 the statutory audit and we are satisfied with management's responses thereon and with the effectiveness of the Company's system of accounting and internal controls.

Members of the Audit committee are:

1	Mr. Adeyemi Lawal	Chairman/Shareholder
2	Mr. Akinola Oladapo	Shareholder
3	Mr. Afolabi Adegbayo	Shareholder
4	Mr. Chuks Ozigbo	Director
5	Mr. Mobolaji Adewumi	Director

The Company Secretary serves as the Secretary to the Committee.

Adeyemi Lawal
FRC/2021/006/00000022431
Chairman, Audit Committee
17 May 2024

MANAGEMENT'S ANNUAL ASSESSMENT OF, AND REPORT ON, VFD GROUP PLC'S INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of VFD Group Plc for the year ended 31 December 2023:

i VFD Group Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii VFD Group Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii VFD Group Plc's management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.

ii VFD Group Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of VFD Group Plc's annual report.

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Olatunde Busari (SAN)	**Nonso Okpala**
FRC/2019/NBA/00000019449	FRC/2013/ICAN/00000004697
Chairman	Managing Director/CEO
Date: 17 May 2024	Date: 17 May 2024

Certification of management's assessment on internal control over financial reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of VFD Group Plc for the year ended 31 December 2023.

I, Nonso Okpala, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of VFD Group Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity's other certifying officer and I:
1) are responsible for establishing and maintaining internal controls;
2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts 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.

Nonso Okpala
FRC/2013/ICAN/00000004697
Managing Director/CEO
Date: 17 May 2024

Certification of management's assessment on internal control over financial reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of VFD Group Plc for the year ended 31 December 2023.

I, John Okonkwo, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of VFD Group Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity's other certifying officer and I:
1) are responsible for establishing and maintaining internal controls;
2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts 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.

John Okonkwo
FRC/2013/ICAN/00000004692
Director of Finance
Date: 17 May 2024

Independent practitioner's report

To the Members of VFD Group Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of VFD Group Plc ("the company's") and its subsidiaries (together "the group" are not adequate as of 31 December 2023, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on VFD Group Plc's internal control over financial reporting as of December 31, 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of, and Report on, VFD Group Plc's Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

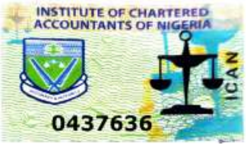
Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of VFD Group Plc and our report dated 22 May 2024 expressed an unqualified opinion.



For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

23 May 2024

Engagement Partner: Chidi Ojechi
FRC/2017/PRO/ICAN/004/00000015955

Independent auditor's report

To the Members of VFD Group Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

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 ("the company") and its subsidiaries (together "the group") as at 31 December 2023, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

VFD Group Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended 31 December 2023;
- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies.

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 *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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.

Key audit matter	How our audit addressed the key audit matter
Application of IAS 29 Financial Reporting in Hyperinflationary Economies to the Group's operations in Ghana (refer to notes 2.23 and 6) In 2023, the economy of Ghana was deemed a hyperinflationary economy in accordance with the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies. The application of hyperinflation accounting to the Group's operations located in Ghana is a key audit matter in the consolidated financial statements due to the significant judgement exercised in the estimation of the impact of the hyperinflation. The key areas of significant judgement include: • The selection of a general price index • The calculation of the net monetary loss disclosed in the consolidated statements of profit or loss and other comprehensive income The application of IAS 29 resulted in the recognition of a net monetary loss of N241.6 million in the consolidated statements of profit or loss and other comprehensive income. This is considered a key audit matter in the consolidated financial statements.	We understood management's process in determining the hyperinflation adjustments and disclosures. With the assistance of our internal accounting specialists, we • evaluated the appropriateness of the Group's IAS 29 accounting policies; • tested the application of the policies to the financial results consolidated for the Group's operations in Ghana; • evaluated the suitability of the general price index applied by the Group; • tested the restatement of non-monetary items in the consolidated statement of financial position and consolidated statement of profit of loss and other comprehensive income on a sample basis; • assessed the adequacy of the disclosures in the financial statements in accordance with IAS 29.

Impairment of goodwill (refer to notes 2.11, 20.1 and 20.2) – N5.533 billion The carrying value of goodwill as at 31 December 2023 in the consolidated financial statements is N5.533 billion and is attributable to the Group's acquisitions in Nigeria (N5.492 billion) and in Ghana (N41.400 million). The impairment assessment of goodwill arising from the acquisition is considered a key audit matter due to the materiality, significant judgement, valuation method and assumptions about the future performance of the cash generating unit (CGU) to which the goodwill has been allocated. The directors have made a number of key assumptions and assertions to support their assessment of the carrying value of goodwill. These include the growth rates and the discount rates applied to forecast performance based on the directors' views of future business prospects. This is considered a key audit matter in the consolidated financial statements.	Our procedures in relation to the impairment assessment of goodwill involved the following: • assessed the reasonableness of the valuation methodology adopted by the directors; • challenged the assumptions of key assumptions around growth rate and discount rate based on our knowledge of the business and industry; • reconciled the input data used in the cash flow forecasts to supporting evidence; • independently determined the recoverable amount of goodwill and compared to the carrying amount in the consolidated and separate financials statements; • performed sensitivity analysis to evaluate the potential impact of reasonable possible downside changes in these key assumptions; • checked the disclosures in the consolidated and separate financial statements to the requirement of the accounting standards.
Expected credit losses on loans and advances to customers – N1.789 billion (refer to notes 2.6, 9 and 17) The expected credit losses (ECL) on loans and advances to customer is a key audit matter in the consolidated financial statements because the measurement of impairment allowance is highly subjective and involves the exercise of significant judgements and the use of complex models and assumptions. The gross balance of loans and advances to customers as at 31 December 2023 was N21.322 billion and the associated impairment was N1.789 billion. Areas where significant judgement is exercised include: • the definition of default adopted by the Group; • determining the criteria for assessing significant increase in credit risk (SICR); • the methodologies adopted by in modelling the probability of default (PD) used in the ECL model; • the estimation of the loss given default (LGD) and the assumptions applied in estimating the LGD in the model; • incorporating forward-looking information and the determination of multiple economic scenarios used in the ECL model This is considered a key audit matter in the consolidated financial statements.	We adopted a substantive approach in assessing the allowance for impairment made by the directors. We performed the following procedures; • checked that the Group applied a default definition that is consistent with IFRS 9 default criteria; • applied a risk-based target testing approach for detailed review of credit files in order to evaluate management's conclusion on SICR; • checked the reasonableness and accuracy of the PD methodology and computations by performing independent calculations of the PD; • evaluated the reasonableness of the LGD against the methodology applied, including the appropriateness of the collateral values and assumptions applied in the ECL model and the accuracy of the final LGD; • checked the reasonableness of the forward-looking information applied in the ECL model and the multiple economic scenarios considered; • evaluated the IFRS 9 disclosures for reasonableness.

Other information

The directors are responsible for the other information. The other information comprises Corporate Information, Corporate Governance Report, Directors' Report, Statement of Directors' Responsibilities, Certification of Financial Statements, Report of the Audit Committee, Management's Annual Assessment of, and Report on, VFD Group Plc's Internal Control over Financial Reporting, Statement of Value Added and Financial Summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the VFD Group Plc 2023 Annual Report , which are expected to be made available to us after that date.

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 identified above 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 that we 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.

When we read the other sections of the VFD Group Plc 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and 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 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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 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 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 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 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 and separate 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, related safeguards.

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

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of VFD Group Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 23 May 2024.

For: **PricewaterhouseCoopers**

23 May 2024

Chartered Accountants
Lagos, Nigeria

Engagement Partner: Chidi Ojechi
FRC/2017/PRO/ICAN/004/00000015955

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2023

		Group		Company	
			Restated		
	Notes	**31 December 2023 ₦'000**	**31 December 2022 ₦'000**	**31 December 2023 ₦'000**	**31 December 2022 ₦'000**
Gross earnings		**45,113,473**	**34,025,191**	**10,804,102**	**13,771,240**
Investment and similar income	4	34,283,023	20,468,668	6,475,145	7,785,520
Investment and similar expense	5	(32,754,953)	(12,307,800)	(12,391,733)	(6,429,913)
Net investment income/(loss)		**1,528,070**	**8,160,868**	**(5,916,588)**	**1,355,608**
Other income	6	6,757,412	10,502,573	277,640	3,034,053
Bargain purchase	6.2	404,268	-	-	-
(Impairment)/write-back of financial assets	9	(171,077)	(3,028,352)	338,901	(1,717,413)
Net gains on financial assets at fair valued through profit or loss	6.1	3,293,632	2,719,144	3,722,233	2,719,144
Net revenue		**11,812,305**	**18,354,233**	**(1,577,814)**	**5,391,392**
Personnel expenses	7	(3,390,582)	(2,596,952)	(464,221)	(723,325)
Other operating expenses	8	(8,347,895)	(6,472,444)	(3,113,492)	(1,674,245)
Depreciation and amortisation	11	(1,469,992)	(1,037,716)	(165,291)	(194,721)
Total expenses		**(13,208,469)**	**(10,107,112)**	**(3,743,003)**	**(2,592,291)**
Operating (loss)/profit before income tax		**(1,396,164)**	**8,247,121**	**(5,320,817)**	**2,799,101**
Share of profit from associate	12	375,138	334,806	329,084	232,523
(Loss)/profit before income tax		**(1,021,026)**	**8,581,927**	**(4,991,733)**	**3,031,624**
Taxation	10	270,585	(1,745,961)	1,157,181	(785,931)
(Loss)/profit for the year		**(750,441)**	**6,835,966**	**(3,834,552)**	**2,245,693**
Other comprehensive income, net of income tax					
Items that will not be reclassified subsequently to profit or loss					
Fair value movement on equity securities	34.1	(364,981)	-	358,092	-
Impact of adopting IAS 29 on 1 January 2023		(103,256)	-	-	-
Items that may be reclassified subsequently to profit or loss					
Unrealised foreign currency translation difference	35 & 36	1,364,650	(617,285)		-
Fair value movement on debt instruments	34.1	-	238,330	-	389,748
Other comprehensive income for the year, net of taxes		**896,413**	**(378,955)**	**358,092**	**389,748**
Total comprehensive income/(loss) for the year		**145,972**	**6,457,011**	**(3,476,460)**	**2,635,442**
(Loss)/profit for the year attributable to:					
Equity holders of the Company		(2,462,793)	5,359,820	(3,834,552)	2,245,693
Non Controlling Interest		1,712,352	1,476,146	-	-
		(750,441)	**6,835,966**	**(3,834,552)**	**2,245,693**
Other comprehensive income attributable to:					
Equity holders of the Company	-	615,984	(398,829)	-	389,748
Non Controlling Interest		280,428	19,874	-	-
		896,413	**(378,955)**	**-**	**389,748**
(Loss)/Earning per share-basic (kobo)	13	(395)	3,732	(2,018)	1,182

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

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
as at 31 December 2023

	Notes	Group 31 December 2023 ₦'000	Group Restated 31 December 2022 ₦'000	Group Restated 31 December 2021 ₦'000	Company 31 December 2023 ₦'000	Company Restated 31 December 2022 ₦'000	Company Restated 31 December 2021 ₦'000
ASSETS							
Cash and cash equivalents	14	8,373,710	2,979,874	3,897,405	756,157	232,540	2,306,643
Funds under management	15	62,018,613	26,981,985	15,170,585	-	-	
Investment in financial assets	16	52,035,503	30,189,372	48,929,742	53,886,066	26,648,477	26,954,249
Loans and advances	17	19,533,384	21,734,456	956	-	-	
Investment in subsidiaries	18	-	-		22,631,987	21,008,849	4,391,264
Investment in associates	12	5,080,036	4,927,371	4,095,920	4,447,982	4,328,443	4,095,921
Property, plant and equipment	19	14,691,086	3,193,050	1,082,264	590,540	261,759	340,367
Goodwill	20.1	5,533,579	5,854,418	198,552	-	-	
Intangible assets	20	379,512	263,783	615,442	22,380	16,019	89,708
Investment property	21	17,182,776	23,777,147	4,571,669	600,000	1,880,855	2,389,201
Development property	21.1	10,985,838	5,241,495	-	-	-	-
Other receivables	22	21,421,300	25,156,043	24,144,385	6,766,002	20,669,557	21,300,524
Deferred tax assets	23.1	2,041,790	1,221,525	53,340	1,550,440	309,525	95,944
TOTAL ASSETS		**219,277,127**	**151,520,520**	**102,760,260**	**91,251,556**	**75,356,025**	**61,963,821**
LIABILITIES							
Funds under management	24	61,788,494	36,194,439	26,062,482	-	-	-
Borrowings	25	81,599,925	56,727,711	28,594,111	67,047,548	48,019,160	33,536,150
Other liabilities	26	12,632,224	7,118,184	15,817,378	6,058,655	4,148,761	13,619,041
Deposit liabilities	27	26,999,662	15,540,903	15,254,565	-	-	-
Current tax liabilities	28	1,772,426	1,625,947	903,861	570,723	673,863	438,889
Deferred tax liabilities	23.2	1,953,826	1,713,351	44,765	908,594	872,430	238,559
TOTAL LIABILITIES		**186,746,558**	**118,920,535**	**86,677,163**	**74,585,520**	**53,714,214**	**47,832,639**
SHAREHOLDERS' FUND							
Share capital	29	95,014	95,014	63,342	95,014	95,014	63,342
Share premium	30	7,880,427	7,880,427	7,912,098	7,880,427	7,880,427	7,912,098
Retained earnings	31	4,964,372	11,007,551	5,732,971	936,115	6,269,983	5,391,221
Regulatory risk reserve	32	16,085	867	3,482	-	-	-
Statutory reserve	33	209,403	139,144	137,235	-	-	-
Other reserves	34	7,434,061	6,689,647	846,359	7,754,480	7,396,388	764,522
Attributable to equity holders of the parent		20,599,361	25,812,650	14,695,486	16,666,036	21,641,811	14,131,182
Non-controlling interest		11,931,208	6,787,335	1,387,611	-	-	-
TOTAL SHAREHOLDERS' FUND		**32,530,569**	**32,599,985**	**16,083,097**	**16,666,036**	**21,641,811**	**14,131,182**
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		**219,277,127**	**151,520,520**	**102,760,260**	**91,251,556**	**75,356,025**	**61,963,821**

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

The financial statements were approved by the Board of Directors on 17 May 2024 and signed on its behalf by:

Olatunde Busari (SAN)
(Chairman)
FRC/2013/ICAN/00000004692

Nonso Okpala
(Group Managing Director)
FRC/2013/ICAN/00000004697

Additionally certified by:

John Okonkwo
(Director of Finance)
FRC/2013/ICAN/00000004692

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2023

(a)
Group

	Share Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Regulatory risk reserve ₦'000	Statutory reserve ₦'000	Other Reserves ₦'000	Non-controlling interest ₦'000	Total ₦'000
At 1 January 2023	95,014	7,880,427	9,725,803	1,044	139,731	6,689,647	6,787,335	31,318,999
Correction of prior period error	-	-	1,281,748	(177)	(587)		-	1,280,984
Impact of IAS 29 adoption	-	-	(103,256)	-	-		-	(103,256)
Restated balance at 1 January 2023	95,014	7,880,427	10,904,295	867	139,144	6,689,647	6,787,335	32,496,727
Transfer from profit or loss account	-	-	(2,462,793)	-	-	-	1,712,352	(750,441)
Other comprehensive loss/(income)								
Fair value movement on equity instruments						(364,981)	253,741	(111,240)
Unrealised foreign currency translation difference						1,109,395	255,255	1,364,650
Total comprehensive (loss)/income	**-**	**-**	**(2,462,793)**	**-**	**-**	**744,414**	**2,221,349**	**502,969**
Transactions with owners in their capacity as owners								
Share of newly consolidated subsidiary	-	-	(1,892,337)	-	-		3,409,001	1,516,663
Transfer between reserves	-	-	(85,477)	15,218	70,259	-	-	-
Dividend paid	-	-	(1,499,316)	-	-	-	(486,475)	(1,985,791)
At 31 December 2023	**95,014**	**7,880,427**	**4,964,372**	**16,085**	**209,403**	**7,434,061**	**11,931,209**	**32,530,569**

Company

	Share Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Regulatory risk reserve ₦'000	Statutory reserve ₦'000	Other Reserves ₦'000	Non-controlling interest ₦'000	Total ₦'000
At 1 January 2023	95,013	7,880,427	6,269,983	-	-	7,396,388	-	21,641,811
Transfer from profit or loss account	-	-	(3,834,552)	-	-	-	-	(3,834,552)
Other comprehensive income								
Fair value movement on equity instruments	-	-	-	-	-	358,092	-	358,092
Total comprehensive income for the year	**-**	**-**	**(3,834,552)**	**-**	**-**	**358,092**	**-**	**(3,476,460)**
Transactions with owners in their capacity as owners								
Dividend paid	-	-	(1,499,316)	-	-	-	-	(1,499,316)
At 31 December 2023	**95,013**	**7,880,427**	**936,115**	**-**	**-**	**7,754,480**	**-**	**16,666,035**

Group

	Share Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Regulatory risk reserve ₦'000	Statutory reserve ₦'000	Other Reserves ₦'000	Non-controlling interest ₦'000	Total ₦'000
At 1 January 2022	63,342	7,912,098	5,772,476	2,690	135,532	905,147	1,387,611	16,178,896
Correction of prior period error/impact of business combination	-	-	(39,505)	792	1,703	(58,788)	-	(95,798)
Restated total equity at 1 January 2022	63,342	7,912,098	5,732,971	3,482	137,235	846,359	1,387,611	16,083,098
Transfer from profit or loss account	-	-	5,359,820	-	-	-	1,476,146	6,835,966
Other comprehensive loss/(income)								
Fair value movement on debt securities	-	-	-	-	-	218,456	19,874	238,330
Unrealised foreign currency translation difference	-	-	-	-	-	(617,286)	-	(617,285)
Total comprehensive income	**-**	**-**	**5,359,820**	**-**	**-**	**(398,830)**	**1,496,020**	**6,457,011**
Transactions with owners in their capacity as owners								
Share of newly consolidated subsidiary	-	-	-	-	-	-	3,925,647	3,925,647
Right Issue	31,672	(31,672)	-	-	-	-	-	-
Merger reserve	-	-	-	-	-	6,242,118	-	6,242,118
Transfer between reserves	-	-	(58)	(2,438)	2,496	-	-	-
Dividend paid	-	-	(1,366,930)	-	-	-	(21,943)	(1,388,873)
At 31 December 2022	**95,014**	**7,880,427**	**9,725,803**	**1,044**	**139,731**	**6,689,647**	**6,787,335**	**31,319,000**

Company

	Share Capital ₦'000	Share Premium ₦'000	Retained Earnings ₦'000	Regulatory risk reserve ₦'000	Statutory reserve ₦'000	Other Reserves ₦'000	Non-controlling interest ₦'000	Total ₦'000
At 1 January 2022	63,342	7,912,098	5,391,221	-	-	764,522	-	14,131,182
Transfer from profit or loss account	-	-	2,245,692	-	-	-	-	2,245,692
Other comprehensive loss/(income)								
Fair value movement on debt securities	-	-	-	-	-	389,748	-	389,748
Total comprehensive income for the year	**-**	**-**	**2,245,692**	**-**	**-**	**389,748**	**-**	**2,635,440**
Transactions with owners in their capacity as owners								
Merger reserves	-	-	-	-	-	6,242,118	-	6,242,118
Bonus issue	31,671	(31,671)	-	-	-	-	-	-
Dividend paid	-	-	(1,366,930)	-	-	-	-	(1,366,930)
At 31 December 2022	**95,013**	**7,880,427**	**6,269,983**	**-**	**-**	**7,396,388**	**-**	**21,641,811**

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS
for the year ended 31 December 2023

	Notes	Group		Company	
			Restated		
		31 December 2023 ₦'000	31 December 2022 ₦'000	31 December 2023 ₦'000	31 December 2022 ₦'000
(Loss)/Profit before tax		(1,021,026)	8,581,927	(4,991,733)	2,799,101
Adjustments for:					
Interest from placements & investment income	4	(15,016,731)	(6,717,077)	(3,446,506)	(3,256,911)
Interest from debt instruments at EIR	4	(1,814,762)	(309,091)	(1,420,734)	(305,671)
Dividend income	4	(1,290,395)	(334,825)	(1,290,395)	(416,227)
Interest from treasury bills and commercial papers	4	-	(60,294)	-	(278)
Derivative income	4	-	(2,049,120)	-	(2,049,120)
Interest from loans & advances	4	(7,088,198)	(6,087,892)		
Investment and similar expenses	5	31,450,076	(13,168,663)	12,391,733	6,429,913
Exchange gain/(loss)	6	(2,129,640)	(1,087,947)	449,856	(2,040,720)
Gain on disposal of investment property	6	(68,989)	(92,892)	(68,989)	(32,961)
Gain on disposal of property, plant and equipment	6	(2,455)	(88,341)	(2,455)	-
Gain on disposal of shares	6	(393,396)	-	(479,120)	-
Fair value gain on investment property	6	(229,930)	(5,251,650)	(100,000)	(92,892)
Gain on disposal of financial assets	6	(73,589)	(909,912)	(57,952)	-
Net gain from financial assets at FVTPL	6.1	(3,293,632)	(2,719,144)	(3,722,233)	(2,719,144)
(Impairment)/write-back of financial assets	9	171,077	2,973,849	(338,901)	1,717,413
Depreciation and amortisation	11	1,469,992	1,037,716	165,291	194,721
Share of profit from associate	12	(375,138)	(334,806)	(329,084)	(232,523)
Goodwill write off		320,839	-	-	-
		614,103	**(26,618,162)**	**(3,241,221)**	**(5,299)**
Movement in working capital					
Other receivables		4,151,605	48,926,765	14,043,657	674,253
Funds under management		(9,085,332)	(2,392,093)	-	-
Loans and advances		228,456	(21,853,073)	-	-
Development properties		(3,423,735)	(5,241,495)	-	-
Deposit liabilities		12,474,553	286,338	-	-
Other liabilities		5,514,040	31,300,806	1,909,894	(9,470,280)
Cash generated from/(used in) operations		10,473,689	24,409,087	12,712,329	8,801,327
Interest received		23,990,556	10,962,698	6,586,922	6,734,376
Interest paid		(44,127,733)	(19,752,995)	(18,587,600)	(9,644,870)
Income taxes paid	28	(162,725)	(510,998)	(150,710)	(40,352)
Net cash (used in)/generated from operating activities		**(9,826,213)**	**23,898,089**	**560,942**	**5,850,481**
Cash flows from investing activities					
Purchase of investment property	21	(2,001,557)	(24,482,801)	(559,813)	(1,508,290)
Purchase of property, plant and equipment	19	(7,339,341)	(3,124,072)	(555,887)	(241,817)
Purchase of intangible assets	20	(257,739)	(16,202)	(7,100)	(16,202)
Purchase of financial assets		(36,016,237)	(23,924,454)	(34,368,694)	(9,124,299)
Additions to investment in subsidiary		-	-	(2,275,620)	(16,617,585)
Additional investment in associates	12	(49,167)	(496,645)	-	-
Proceeds on disposal of investment property		3,138,805	2,169,420	2,009,657	2,109,489
Proceeds on disposal of property, plant and equipment		1,231,509	465,090	47,039	248,556
Proceeds on maturity/liquidation of financial assets		19,927,783	14,008,456	11,551,154	7,812,583
Proceed on partial disposal of investment in subsidiary		1,066,602	-	1,066,602	-
Proceed on partial disposal of investment in associate		271,640	-	209,545	-
Proceed from disposal operating lease assets		-	1,350	-	-
Dividend received		1,290,395	334,825	1,290,395	416,227
Net cash used in investing activities		**(18,737,306)**	**(35,065,033)**	**(21,592,722)**	**(16,921,338)**
Cash flows from financing activities					
Dividend paid to owners of equity capital	31	(1,499,316)	(1,388,873)	(1,499,316)	(1,366,930)
Proceeds from borrowings		69,693,507	28,856,159	58,077,920	10,363,685
Repayment of borrowings		(34,435,745)	(17,217,873)	(35,651,893)	-
Net cash generated by financing activities		**33,758,446**	**10,249,413**	**20,926,711**	**8,996,755**
Net increase/(decrease) in cash and cash equivalents		5,194,927	(917,531)	(105,069)	(2,074,102)
Effect of foreign exchange changes on cash		198,907	-	628,686	-
Cash and cash equivalents at beginning of year	14	2,979,874	3,897,405	232,540	2,306,643
Cash and cash equivalents at end of year	14	**8,373,710**	**2,979,874**	**756,157**	**232,540**

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2023

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, CAP C20 LFN 2004. 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 8 Macgregor, Ikoyi, Lagos.

The consolidated and separate financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group entities"). The separate financial statements is that of the Company. The consolidated and separate financial statements for the year ended 31 December 2023 were approved for issue by the Board of Directors on 17 May 2024.

2 Summary of material accounting policies

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

a 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.

b Basis of preparation and measurement
The consolidated and separate financial statements for the year ended 31 December 2023 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 financial statements have been prepared under the historical cost convention with the exception of the following:
• Derivative financial instruments which are measured at fair value; and
• Non-derivative financial instruments, carried at fair value through profit or loss, or fair value through OCI are measured at fair value

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their 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.

c Statement of compliance with International Financial Reporting Standards
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 of Nigeria (Amendment) Act 2023 to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

d Use of estimates and judgments
The preparation of the consolidated and separate financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in the notes to the financial statements.

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2.1 New Standards and Interpretations

2.1.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Classification of Liabilities as Current or Noncurrent (Amendments to IAS 1)

This amendment seeks to clarify the requirements for classifying liabilities as current or non-current. Including the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, Management expectations about events after the balance sheet date, and the situations that are considered settlement of a liability. The amendments will be applied retrospectively.

This standard became effective 1st January 2023 and early adoption is permitted.

The amendment did not have significant impact on the Group's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

This standard is Effective for annual periods beginning on or after 1 January 2023. In determining the tax base of assets and liabilities, the amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also, in respect of changes to the initial recognition exception under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The effective date of this amendment is for periods beginning on or after 1 January 2023.

The amendment did not have significant impact on the Group's financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The effective date of this amendment is for periods beginning on or after 1 January 2023.

The amendment did not have significant impact on the Group's financial statements.

IFRS 17 - Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. It also requires similar principles for reinsurance contracts held and issued investment contracts with discretionary participation features. The standard brings a greater degree of comparability and transparency about an insurer's financial health and the profitablity of new and in-force insurance business.

IFRS 17 introduces a general measurement model that measures groups of insurance contracts based on fulfilment cash flows (comprising probability-weighted current estimates of future cash flows and an explicit entity-specific adjustment for risk) and a contractual service margin. The premium allocation approach (PAA) is a simplified measurement model that may be applied when certain conditions are fulfilled. Under the PAA approach, the liability for remaining coverage will be initially recognised as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows. The general measurement model has specific modifications applicable to accounting for reinsurance contracts, direct participating contracts and investment contracts with discretionary participation features.

The effective date of this amendment is for periods beginning on or after 1 January 2023.

The standard did not have an impact on the Group's financial statements.

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2.1.2 Standards and interpretations not yet effective

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

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

This standard becomes effective 1 January 2024.

The impact of this standard on the financial statements is currently under assessment.

IFRS S2 Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

This standard becomes effective 1 January 2024.

The impact of this standard on the financial statements is currently under assessment.

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

This amendment becomes effective 1 January 2024.

This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt the standard.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

This amendment becomes effective 1 January 2024.

This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt the standard.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

This amendment becomes effective 1 January 2024.

This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt the standard.

Amendment to IAS 21- Lack of exchangability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendment is not expected to have a material impact on the financial statements of the Group as the Group has foreign currency transactions in US Dollars and Euro that are readily exchangeable.

This amendment becomes effective January 1 2025.

This amendment is not expected to have significant impact on the financial statements. The Group has opted not to early adopt the standard.

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2.2 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 less accumulated impairment

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.

Loss of control
On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity relating to a subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Associates are carried at cost.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss)' of associates in the income statement.

Profits and losses resulting from transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

The cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the cost of any additional consideration transferred as of the date when the investment became an associate. Changes in fair value of previously held interest are recognized in profit or loss.

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

2.3 Common control transactions

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

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

2.4 Foreign currency transactions and balances

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

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The parent entity's functional currency (Nigerian Naira) is adopted as the presentation currency for the separate and consolidated financial statements. Except as otherwise indicated, financial information presented in Naira has been rounded to the nearest thousand.

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

(c) ***Group companies***

Except for those subsidiaries operating in a hyper-inflationary economy (as shown in note 2.23), the results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows

i) assets and liabilities for statement of financial position presented are translated at the closing rate at the reporting date;

ii) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

iii) all resulting exchange differences are recognised in other comprehensive income and presented within equity as foreign currency translation reserves.

On the disposal of a foreign operation, the Group recognises in profit or loss the cumulative amount of exchange differences relating to that foreign operation. When a subsidiary that includes a foreign operation is partially disposed of or sold, the Group re-attributes the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non-controlling interests in that foreign operation. In the case of any other partial disposal of a foreign operation, the Group reclassifies to profit or loss only the proportionate share of the cumulative amount of exchange differences recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

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2.5 Current and deferred income tax

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.

2.6 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.

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Business model assessment
The Group 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 investment 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.

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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:

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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 financial assets that are measured at amortised cost and those measured at fair value through other comprehensive income. 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.

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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 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.

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.

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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.

2.7 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 rate 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.

2.8 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 flows 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.

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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.

2.9 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, plant and 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 part is derecognized. The costs of ordinary day-to-day servicing and maintenance of property, plant 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.

Land	Not depreciated
Leasehold improvement	Over the lease period
Building	Over the unexpired lease period
Plant and machinery	33.33%
Computer equipment	33.33%
Office equipment	33.33%
Furniture and fittings	25.00%
Motor vehicle	25.00%

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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 de recognized.

2.10 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.

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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.

2.11 Goodwill and Intangible assets

a Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition. When the excess is negative, it is recognised immediately in profit or loss; Goodwill on acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Subsequent measurement

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

b Software

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.

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2.12 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 profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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.

2.13 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.

2.14 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.

2.15 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.

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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.

Other reserves
Comprises fair value movements on equity instruments at FVOCI.

Retained earnings
Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

Foreign currency translation reserve
This balance appears only in the Group accounts and represents the foreign currency exchange difference arising from translating the results and financial position of all the group entities that have a functional currency different from the presentation currency.

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.

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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.

2.19 Expense 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 statements 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.

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

2.21 Related party transactions

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

2.22 Development properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as development property and is measured at cost.
Cost includes:
i. Freehold and leasehold rights for land
ii. Amounts paid to contractors for construction
iii. Other directly attributable costs e.g., planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Development properties under construction are treated as work- in-progress and measured at cost.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold.

2.23 Hyperinflationary accounting

Hyperinflationary accounting is applied to those subsidiary operations in countries where the three-year cumulative inflation rate is approaching or exceeding 100%. In 2023, this affected the Group's operations in Ghana. The Group applies IAS 29 Financial Reporting in Hyperinflationary Economies to the underlying financial information of relevant subsidiaries to restate their local currency results and financial position so as to be stated in terms of the measuring unit current at the end of the reporting period. Those restated results are translated into the Group's presentation currency (the Nigerian Naira) for consolidation at the closing rate at the balance sheet date. Group comparatives are not restated for the effect of hyperinflation and consequential adjustments to the opening balance sheet in relation to the hyperinflationary subsidiaries are presented in Other comprehensive income and reported in retained earnings. The hyperinflationary gain or loss in respect of the net monetary position of the relevant subsidiary is included in profit or loss and separately disclosed within other operating income.

When applying hyperinflationary accounting for the first time, the underlying information is restated in terms of the measuring unit current at the end of the reporting period as if the relevant economy had always been hyperinflationary. Group comparatives are not restated for such historical adjustments.

The restatement procedures applied for transactions and balances for the Ghana subsidiary are as follows:
• Corresponding figures as of, and for, the prior year ended for the subsidiary only, were restated by applying the change in the index from the end of the prior year to the end of the current year.
• Monetary assets and liabilities for the current year, were not restated as they already stated in terms of the measuring unit current at statement of financial position date;

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• Non-monetary assets and liabilities, and components of shareholders equity/funds, were restated by applying the change in index from date/month of transaction
• Property, plant and equipment and intangible assets were restated by applying the change in the index from the date of transaction, to the statement of financial position date. Depreciation and amortisation amounts are based on the restated amounts;
• Profit or loss statement items/transactions, were restated by applying the change in index during the period to statement of financial position dat

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3 Financial risk management

Nigeria's economy faced significant challenges in 2023. Throughout the year, each quarter presented distinct macroeconomic risks, contributing to a period of economic strain.

Nigeria's Economic Landscape in 2023: A Quarter-by-Quarter Analysis
Q1 2023: Naira Scarcity and Electoral Uncertainty

The first quarter of 2023 was characterized by a shortage of Naira in circulation, which disrupted economic activity. Additionally, the general election process faced some contestation, creating a period of uncertainty.

Q2 2023: Policy Shifts and Exchange Rate Adjustments

The second quarter witnessed the inauguration of a new president alongside significant policy changes. The government reduced fuel subsidies and implemented a unified exchange rate system, aiming to address economic imbalances.

Q3 2023: Legal Resolution and Political Consolidation

The Supreme Court's dismissal of legal challenges against the election results in Q3 2023 solidified President Bola Tinubu's victory. This decision marked a period of political consolidation.

Q4 2023: Fiscal Measures, Monetary Policy, and Infrastructure Developments

The final quarter saw the passage of a supplementary budget for 2023, the proposal for the 2024 budget, and a noteworthy address by the Central Bank Governor at the Chartered Institute of Bankers of Nigeria's annual event. Additionally, the completion of the Dangote Refinery marked a significant development in the energy sector.

This reframing uses professional language and focuses on economic and political events that impacted Nigeria's economic landscape in 2023.

Impact of Naira Redesign on the Nigerian Economy in Q1 2023
Currency Redesign and Cash Shortages:

The Central Bank of Nigeria's (CBN) naira redesign policy led to a significant decrease in cash in circulation, reaching a low of N982.1 billion in February 2023, a decline of 69%.
Economic Disruptions:

This cash shortage contributed to a decline in productivity, with estimates suggesting a total man-hour loss of 120 hours per month. This translated into lower GDP growth, falling to 2.31% in Q1 2023, a decrease of 0.79% compared to 3.1% in Q4 2022.
Inflationary Pressures:

The policy also triggered "multiple pricing" practices due to cash scarcity, further fueling inflation. In February 2023, inflation reached a concerning high of 21.91%.
Exchange Rate Volatility:

The naira faced depreciation as the CBN attempted to stabilize the currency. The parallel market rate experienced a 39% depreciation since the initial policy announcement in June 2023, with the naira even exceeding the psychological threshold of N1,000 per US dollar.
Negative Business Impacts:

This exchange rate volatility exacerbated existing inflationary pressures, which currently stand at an 18-year high of 27.33%. Businesses faced FX translation losses and spikes in import costs due to the fluctuating exchange rate.
Import Duty Adjustments:

To reflect the changing currency situation, the CBN adjusted the exchange rates used to calculate import duties throughout the year. These adjustments ranged from N422/$ in June to N951.94/$ by December 2023.

Persistent Macroeconomic Challenges and Evolving Risk Landscape

Nigeria's risk management landscape continues to be shaped by persistent macroeconomic headwinds. These challenges create a complex and dynamic environment, demanding a sophisticated approach from risk professionals. Similar to a seasoned soldier navigating a minefield, risk managers must carefully assess and mitigate known and unforeseen risks.

Constant Evolution in Risk Management Practices

It is crucial to acknowledge that risk management is an ever-evolving field. Regulatory frameworks are subject to change, technological advancements disrupt traditional practices, and innovative financial instruments are continuously introduced in the Nigerian market.

(a) Evolving Regulatory and Financial Landscape: Regulatory and financial reforms will significantly impact operational processes. These reforms are expected to play a key role in fostering transparency and strengthening risk management practices in the future.

(b) Technological Disruption: The rapid advancement of technology will continue to reshape the financial landscape. Businesses will leverage these advancements to execute a greater volume of transactions efficiently, even during periods of market volatility.

(c) Product Innovation: We can expect businesses to develop and introduce increasingly sophisticated financial instruments, particularly in the areas of FX derivatives and oil hedging products.

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(d) Diversifying Client Base: The Nigerian financial market will continue to attract new and diverse client segments. This trend necessitates the development of new operational procedures and tailored product offerings to cater to their specific needs.

The confluence of these and other emerging trends will undoubtedly reshape the Nigerian financial industry. While some risks may be mitigated, new challenges will inevitably arise. In this dynamic environment, a thorough understanding of the operational cycle and best practices for risk management is imperative. Only through continuous adaptation and a commitment to sound risk management practices can financial institutions navigate the evolving landscape and ensure long-term success.

The past year presented a unique opportunity to refine our risk management and governance frameworks. By optimizing these processes, we positioned the Group to capitalize on emerging market and regulatory trends. In essence, 2023 was a year of significant engagement in risk management. The successful implementation of various risk management initiatives broadened our toolkit, ultimately enhancing our risk mitigation capabilities throughout the year.

Bespoke Enterprise Risk Management

Enabling Stakeholder Success Through Bespoke Risk Management:

Our core processes prioritize the achievement of stakeholder ambitions. We leverage a bespoke risk management framework to identify, assess, monitor, control, and report both inherent and residual risks associated with pursuing these goals. This comprehensive approach ensures that ambitions are achieved in a responsible and sustainable manner.

Expanding our market footprint necessitates a robust and proactive Enterprise Risk Management (ERM) framework.

The Group acknowledges that risk is inherent to any business operation. We maintain a disciplined and proactive approach to risk management, ensuring our risk functions are adaptable and responsive to stakeholder needs. By actively analyzing the interrelationships between various risk types, we gain a comprehensive understanding of our overall risk profile. Furthermore, we conduct periodic reviews of risk exposure limits and risk controls to ensure we are adequately positioned to mitigate potential adverse scenarios.

Aligning Risk Management with Best Practices:

The Group's risk management architecture effectively balances corporate oversight with clearly defined risk management functions within three core areas: lines of business, governance and control, and internal audit. This comprehensive framework ensures comprehensive risk management across all relevant domains. The Board of Directors and management remain committed to continuously improving our risk management practices, benchmarking them against leading international standards. We firmly believe that long-term organizational sustainability hinges on robust governance and effective risk management. Consequently, risk management occupies a position of critical importance within the Group.

Enterprise Risk Management Framework: Balancing Risk and Reward

The Group's Board of Directors establishes risk tolerance levels and sets overarching risk management strategies and policies. These policies are documented within the Enterprise Risk Management (ERM) Framework. This comprehensive framework outlines acceptable risk levels for daily operations, considering risk-reward trade-offs. The ERM Framework employs a structured approach to identify business opportunities, assess inherent risks, and implement cost-effective risk mitigation strategies. Additionally, the Group maintains specific policies tailored to manage core risk areas like credit, market, and operational risks. Furthermore, policies address other key risks such as liquidity, strategic considerations, and reputational concerns.

Risk as a Catalyst for Growth:

While some institutions view risk solely as a threat, we recognize its potential as a catalyst for growth and development. Our risk management philosophy, guided by a clearly articulated risk appetite established by the Board, allows us to identify opportunities that lie within the boundaries of acceptable risk tolerance. This approach enables us to pursue strategic objectives while maintaining a robust and responsible risk posture.

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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.

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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.

Risk management objectives

The broad risk management objectives of the Group are:

- To identify and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost;
- To protect against unforeseen losses and ensure stability of earnings;
- To maximize earnings potential and opportunities;
- To maximize share price and stakeholder protection;
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions.

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).

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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 Risk and Compliance Committee at the Company level and the Board Credit Committee at the level of subsidiary lending companies are 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 AAA to CCC, where CCC represents very high risk and AAAA represents low risk. The rating grid is shown below:

External Rating Equivalent	Grade	Risk Rating
AAA	Investment	AAA
AA	Investment	AA
A	Investment	A
BBB	Investment	BBB
BB+	Standard	BB+
BB	Standard	BB
BB-	Standard	BB-
B	Non-Investment	B
B-	Non-Investment	B-
CCC	Default	CCC

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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The maximum exposure to credit risk (without taking into account any collateral held or other credit support) at the reporting date is as follows:

Group	Cash and cash equivalents	Funds under management	Investment in financial assets	Loans and advances	Other receivables	Total
At 31 December 2023	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	8,373,710	60,415,843	25,595,254	21,322,408	14,329,223	130,036,438
Gross amount	8,373,710	60,415,843	25,595,254	21,322,408	14,329,223	130,036,438
Impairment allowance	-	(1,042,109)	(1,606,205)	(1,789,023)	(664,990)	(5,102,328)
Carrying amount	8,373,710	59,373,734	23,989,049	19,533,384	13,664,233	124,934,110
At 31 December 2022	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	2,979,874	27,842,035	13,584,418	22,968,503	21,747,535	89,122,366
Gross amount	2,979,874	27,842,035	13,584,418	22,968,503	21,747,535	89,122,366
Impairment allowance	-	(860,050)	(1,816,319)	(1,234,047)	(309,146)	(4,219,562)
Carrying amount	2,979,874	26,981,985	11,768,099	21,734,456	21,438,389	84,902,804

Company	Cash and cash equivalents	Funds under management	Investment in financial assets	Loans and advances	Other receivables	Total
At 31 December 2023	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	756,157	-	30,953,664	-	6,795,949	38,505,770
Gross amount	756,157	-	30,953,664	-	6,795,949	38,505,770
Impairment allowance	-	-	(1,533,430)	-	(155,927)	(1,533,430)
Carrying amount	756,157	-	29,420,234	-	6,640,022	36,972,340
At 31 December 2022	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	232,540	-	12,126,845	-	20,753,975	33,113,360
Gross amount	232,540	-	12,126,845	-	20,753,975	33,113,360
Impairment allowance	-	-	(1,815,202)	-	(213,057)	(2,028,259)
Carrying amount	232,540	-	10,311,643	-	20,540,918	31,085,101

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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;

- Funding and liquidity plan;
- Gap analysis; and
- 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.

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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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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The tables below represent the maturity profile of the carrying amounts of the non-derivative financial assets and financial liabilities within
Group

At 31 December 2023	Carrying amount ₦'000	Contractual cash flows ₦'000	0-90 days ₦'000	91-180 days ₦'000	181-365 days ₦'000	Above 365 days ₦'000
Financial liabilities						
Borrowings	81,599,925	89,759,918	4,794,096	326,973	62,105,476	22,533,373
Funds under management	61,788,494	61,788,494	-	18,536,548	43,251,945	-
Deposit and other liabilities	39,631,886	39,631,886	15,962,174	8,670,582	14,842,063	-
	183,020,305	191,180,297	20,756,270	27,534,103	120,199,484	22,533,373
Financial assets						
Cash and cash equivalents	8,373,710	8,373,710	8,373,710	-	-	-
Funds under management	62,018,613	62,018,613	-	18,605,584	43,413,029	-
Financial assets measured at amortised cost	23,989,049	23,989,049	23,989,049	-	-	-
Fair value through other comprehensive income	12,063,923	12,063,923	12,063,923	-	-	-
Fair value through profit or loss	15,982,531	15,982,531	337,988	11,448,980	-	-
Loans and advances	19,533,384	19,533,384				
Other receivables	13,664,233	13,664,233	13,664,233		-	-
	155,625,442	155,625,442	58,428,903	30,054,564	43,413,029	-
Net cummulative liquidity (surplus)/deficit	27,394,863	35,554,855	(37,672,633)	(40,193,093)	36,593,362	59,126,735

Group

At 31 December 2022	Carrying amount ₦'000	Contractual cash flows ₦'000	0-90 days ₦'000	91-180 days ₦'000	181-365 days ₦'000	Above 365 days ₦'000
Financial liabilities						
Borrowings	56,727,711	56,727,711	3,029,839	206,645	39,250,275	14,240,952
Funds under management	36,194,439	36,194,439	-	10,858,332	25,336,107	-
Deposit and other liabilities	21,589,884	21,589,884	8,695,561	4,723,390	8,085,369	-
	114,512,034	114,512,034	11,725,400	15,788,367	72,671,751	14,240,952
Financial assets						
Cash and cash equivalents	2,979,874	2,979,874	2,896,563	-	-	-
Funds under management	26,981,985	26,981,985	-	8,094,595	18,887,389	-
Financial assets measured at amortised cost	11,768,099	11,768,099	12,129,392	-	-	-
Fair value through other comprehensive income	4,476,523	4,476,523	4,476,523	-	-	-
Fair value through profit or loss	13,944,750	13,944,750	337,988	11,448,980	-	-
Loans and advances	21,734,456	21,734,456	-	-	21,734,456	-
Other receivables	21,438,389	21,438,389	3,296,765	7,191,186	-	10,950,437
	103,324,077	103,324,077	23,137,232	26,734,761	40,621,845	10,950,437
Net cummulative liquidity (surplus)/ deficit	11,187,957	11,187,957	(11,411,832)	(22,358,226)	9,691,679	12,982,194

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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Company

At 31 December 2023	**Carrying amount**	**Contractual cash flows**	**0-90 days**	**91-180 days**	**181-365 days**	**Above 365 days**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial liabilities						
Borrowings	67,047,548	67,047,548	6,849,659	1,333,993	15,489,933	43,373,962
Other liabilities	6,058,655	6,058,655	7,361,512	344,450	-	-
	73,106,203	73,106,203	14,211,171	1,678,443	15,489,933	43,373,962
Financial assets						
Cash and cash equivalents	756,157	756,157	756,157	-	-	-
Financial assets measured at amortised cost	29,420,234	29,420,234	29,420,234	-	-	-
Fair value through other comprehensive income	9,629,088	9,629,088	9,629,088	-	-	-
Fair value through profit or loss	14,836,744	14,836,744	381,824	11,824,767	-	-
Other receivables	6,640,022	6,640,022	1,065,707	862,944	1,951,229.1	2,760,142.4
	61,282,245	61,282,245	41,253,009	12,687,710	1,951,229	2,760,142
Net cummulative liquidity (surplus)/deficit	11,823,958	11,823,958	(27,041,838)	(38,051,106)	(24,512,402)	16,101,417

Company

At 31 December 2022	**Carrying amount**	**Contractual cash flows**	**0-90 days**	**91-180 days**	**181-365 days**	**Above 365 days**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial liabilities						
Borrowings	48,019,160	48,019,160	4,905,696	955,400	11,093,822	31,064,241
Other liabilities	3,009,380	3,009,380	3,656,520	171,091		
	51,028,540	51,028,540	8,562,216	1,126,491	11,093,822	31,064,241
Financial assets						
Cash and cash equivalents	232,540	232,540	232,540	-	-	-
Financial assets measured at amortised cost	10,311,643	10,311,643	10,672,937	-	-	-
Fair value through other comprehensive income	4,183,723	4,183,723	4,183,723	-	-	-
Fair value through profit or loss	12,153,111	12,153,111	312,760	9,685,933	-	-
Other receivables	20,540,918	20,540,918	3,296,765	2,669,517	6,036,130	8,538,505
	47,421,935	47,421,935	18,698,725	12,355,450	6,036,130	8,538,505
Net cummulative liquidity (surplus)/deficit	3,606,605	3,606,605	(10,136,510)	(21,365,469)	(16,307,777)	6,217,959

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3.3 Market risk management

VFD Group Plc 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 is 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.

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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.

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.

Foreign exchange risk

The Group’s transactions are denominated in Naira but it maintains domiciliary accounts in foreign currencies, United States Dollar and Pound Sterling.

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Group

	NAIRA ₦'000	US DOLLAR ₦'000	POUNDS ₦'000	CEDIS ₦'000	EURO ₦'000	TOTAL ₦'000
AS AT 31 DECEMBER 2023						
Financial assets:						
Cash and cash equivalents	6,393,443	1,963,276	837	10,680	5,474	8,373,710
Funds under management	47,740,263	14,192,402	72,905	-	13,042	62,018,613
Investment in financial assets	41,583,864	10,422,661	-	28,978	-	52,035,503
Loans and advances	19,533,384	-	-	-	-	19,533,384
Other receivables	10,260,029	1,685,734	-	1,705,951	12,519	13,664,233
	125,510,983	28,264,073	73,742	1,745,609	31,035.03	155,625,442
Financial liabilities:						
Funds under management	49,375,249	12,375,022	23,835	-	14,387	61,788,494
Borrowings	72,486,977	8,601,089	-	511,859	-	81,599,925
Other liabilities	11,050,818	298,323	-	1,055,493	227,591	12,632,224
Deposit liabilities	26,999,662	-	-	-	-	26,999,662
	159,912,707	21,274,434	23,835	1,567,351	241,978	183,020,305
Net open currency position	**(34,401,723)**	**6,989,640**	**49,907**	**178,258**	**(210,943)**	**(27,394,863)**

	NAIRA ₦'000	US DOLLAR ₦'000	POUNDS ₦'000	CEDIS ₦'000	EURO ₦'000	TOTAL ₦'000
AS AT 31 DECEMBER 2022						
Financial assets:						
Cash and cash equivalents	2,275,175	698,653	298	3,800	1,948	2,979,874
Funds under management	20,770,008	6,174,585	31,718	-	5,674	26,981,985
Investment in financial assets	24,125,658	6,046,902	-	16,812	-	30,189,372
Loans and advances	21,734,456	-	-	-	-	21,734,456
Other receivables	16,097,391	2,644,819	-	2,676,538	19,641	21,438,389
	85,002,688	15,564,959	32,016	2,697,151	27,263	103,324,077
Financial liabilities:						
Funds under management	28,923,013	7,249,035	13,962	-	8,428	36,194,439
Borrowings	50,392,452	5,979,418	-	355,841	-	56,727,711
Other liabilities	6,227,071	168,103	-	594,764	128,246	7,118,184
Deposit liabilities	15,540,903	-	-	-	-	15,540,903
	101,083,439	13,396,557	13,962	950,605	136,674	115,581,237
Net open currency position	**(16,080,752)**	**2,168,402**	**18,054**	**1,746,546**	**(109,411)**	**(12,257,160)**

Movement in exchange rate between the foreign currencies affects reported earnings through revaluation gain or loss and the statement of financial position size through increase or decrease in the revalued amounts of assets and liabilities denominated in foreign currency.

Company

	NAIRA ₦'000	US DOLLAR ₦'000	POUNDS ₦'000	CEDIS ₦'000	EURO ₦'000	TOTAL ₦'000
AS AT 31 DECEMBER 2023						
Financial assets:						
Cash and cash equivalents	139,664	610,227	796	-	5,470	756,157
Investment in financial assets	40,085,545	13,800,521	-	-	-	53,886,066
Other receivables	6,640,022	-	-	-	-	6,640,022
	46,865,231	14,410,748	796	-	5,470	61,282,245
Financial liabilities:						
Borrowings	59,050,706	7,996,842	-	-	-	67,047,548
Other liabilities	6,058,655	-	-	-	-	6,058,655
	65,109,361	7,996,842	-	-	-	73,106,203
Net open currency position	**(18,244,129)**	**6,413,906**	**796**	**-**	**5,470**	**(11,823,958)**

	NAIRA ₦'000	US DOLLAR ₦'000	POUNDS ₦'000	CEDIS ₦'000	EURO ₦'000	TOTAL ₦'000
AS AT 31 DECEMBER 2022						
Financial assets:						
Cash and cash equivalents	42,951	187,662	245	-	1,682	232,540
Investment in financial assets	19,823,654	6,824,823	-	-	-	26,648,477
Other receivables	20,669,557	-	-	-	-	20,669,557
	40,536,162	7,012,485	245	-	1,682	47,550,574
Financial liabilities:						
Borrowings	42,291,857	5,727,303	-	-	-	48,019,160
Other liabilities	4,148,761	-	-	-	-	4,148,761
	46,440,618	5,727,303	-	-	-	52,167,921
Net open currency position	**(5,904,455)**	**1,285,182**	**245**	**-**	**1,682**	**(4,617,346)**

Movement in exchange rate between the foreign currencies affects reported earnings through revaluation gain or loss and the statement of financial position size through increase or decrease in the revalued amounts of assets and liabilities denominated in foreign currency.

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Foreign exchange sensitivity analysis (Group)

The Foreign exchange sensitivity analysis of the group is presented below.

For each foreign currency net exposure, it is reasonable to assume a 5% appreciation/depreciation against the functional currency. If all other variables are held constant, the tables below present the impacts on profit or loss before tax if these currency movements had occurred.

	NAIRA ₦'000	US DOLLAR ₦'000	POUNDS ₦'000	CEDIS ₦'000	EURO ₦'000	TOTAL ₦'000
As at 31 December 2023						
Net foreign currency exposures	(34,401,723)	6,989,640	49,907	178,258	(210,943)	(27,394,863)
As at 31 December 2022						
Net foreign currency exposures	(16,080,752)	2,168,402	18,054	1,746,546	(109,411)	(12,257,160)

The group is exposed to the US Dollar, British Pounds, Ghana Cedis and Euro currencies.

The following table details the sensitivity to a 5% increase and decrease in Naira against the foreign currencies. Management believe that a 5% movement in either direction is reasonably possible at the reporting date. The sensitivity analyses below include outstanding foreign currency denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 5% against the foreign currency. For a 5% weakening of Naira against the foreign currency, there would be an equal and opposite impact on profit, and the balance below would be negative.

Foreign exchange sensitivity analysis (31 December 2023)

	₦'000
Naira strengthens by 5% against the US Dollar	
Profit/ (loss)	349,482
Naira weakens by 5% against the US Dollar	
Profit/(loss)	(349,482)
Naira strengthens by 5% against the Pound	
Profit/ (loss)	2,495
Naira weakens by 5% against the Pound	
Profit/(loss)	(2,495)
Naira strengthens by 5% against the Cedi	
Profit/ (loss)	8,913
Naira weakens by 5% against the Cedi	
Profit/(loss)	(8,913)
Naira strengthens by 5% against the Euro	
Profit/(loss)	(10,547)
Naira weakens by 5% against the Euro	
Profit/(loss)	10,547

Foreign exchange sensitivity analysis (31 December 2022)

	₦'000
Naira strengthens by 5% against the US Dollar	
Profit/ (loss)	108,420
Naira weakens by 5% against the US Dollar	
Profit/(loss)	(108,420)
Naira strengthens by 5% against the Pound	
Profit/ (loss)	903
Naira weakens by 5% against the Pound	
Profit/(loss)	(903)
Naira strengthens by 5% against the Cedi	
Profit/(loss)	87,327
Naira weakens by 5% against the Cedi	
Profit/(loss)	(87,327)
Naira strengthens by 5% against the Euro	
Profit/(loss)	(5,471)
Naira weakens by 5% against the Euro	
Profit/(loss)	5,471

Foreign exchange sensitivity analysis (Company)

The Foreign exchange sensitivity analysis of the company is presented below.

For each foreign currency net exposure ,it is reasonable to assume a 5% appreciation/depreciation against the functional currency. If all other variables are held constant, the tables below present the impacts on profit or loss before tax if these currency movements had occurred.

	NAIRA ₦'000	US DOLLAR ₦'000	POUNDS ₦'000	CEDIS ₦'000	EURO ₦'000	TOTAL ₦'000
As at 31 December 2023						
Net foreign currency exposures	(18,244,129)	6,413,906	796	-	5,470	(11,823,958)
As at 31 December 2022						
Net foreign currency exposures	(5,904,455)	1,285,182	245	-	1,682	(4,617,346)

The Company is exposed to the US Dollar, British Pounds, Ghana Cedis and Euro currencies.

The following table details the sensitivity to a 5% increase and decrease in Naira against the foreign currencies. Management believe that a 5% movement in either direction is reasonably possible at the reporting date. The sensitivity analyses below include outstanding foreign currency denominated assets and liabilities. A positive number indicates an increase in profit where Naira strengthens by 5% against the foreign currency. For a 5% weakening of Naira against the foreign currency, there would be an equal and opposite impact on profit, and the balance below would be negative.

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Foreign exchange sensitivity analysis (31 December 2023)

	₦'000
Naira strengthens by 5% against the US Dollar	
Profit/ (loss)	320,695
Naira weakens by 5% against the US Dollar	
Profit/(loss)	(320,695)
Naira strengthens by 5% against the Pound	
Profit/ (loss)	40
Naira weakens by 5% against the Pound	
Profit/(loss)	(40)
Naira strengthens by 5% against the Cedi	
Profit/ (loss)	-
Naira weakens by 5% against the Cedi	
Profit/(loss)	-
Naira strengthens by 5% against the Euro	
Profit/(loss)	274
Naira weakens by 5% against the Euro	
Profit/(loss)	(274)

Foreign exchange sensitivity analysis (31 December 2022)

Naira strengthens by 5% against the US Dollar	
Profit/ (loss)	84,109
Naira weakens by 5% against the US Dollar	
Profit/(loss)	(84,109)
Naira strengthens by 5% against the Pound	
Profit/ (loss)	-
Naira weakens by 5% against the Pound	
Profit/(loss)	-
Naira strengthens by 5% against the Cedi	
Profit/ (loss)	-
Naira weakens by 5% against the Cedi	
Profit/(loss)	-
Naira strengthens by 5% against the Euro	
Profit/(loss)	(230,867,322)
Naira weakens by 5% against the Euro	
Profit/(loss)	230,867,322

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group manages this risk by ensuring significant portion of its loans are contracted on fixed interest rate.

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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		Company	
	2023	**2022**	**2023**	**2022**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Borrowings	81,599,925	56,727,711	67,047,548	48,019,160
Equity	32,530,569	32,599,985	16,666,036	21,641,811
Gearing ratio	251%	174%	402%	222%

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.

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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 and Compliance 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.

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.

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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:

Group

At 31 December 2023	Note	Amortised cost	Fair value through P or L	Fair value through OCI	Total carrying amount
Assets		**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	14	8,373,710	-	-	8,373,710
Funds under management	15	59,373,734	2,644,878	-	62,018,613
Investment securities	16.1 & 16.2	17,058,345	-	12,063,923	29,122,268
Fixed debt placements	16.1	6,930,704	-		6,930,704
Unquoted equities & mutual funds	16.3	-	15,982,531	-	15,982,531
Loans and advances	17	19,533,384	-	-	19,533,384
Other receivables	22	13,664,233	-	-	13,664,233
		124,934,110	**18,627,409**	**12,063,923**	**155,625,442**
Liabilities					
Funds under management	24	61,788,494	-	-	61,788,494
Borrowings	25	81,599,925	-	-	81,599,925
Other liabilities	26	12,632,224	-	-	12,632,224
Deposit liabilities	27	26,999,662	-	-	26,999,662
		183,020,305	**-**	**-**	**183,020,305**
At 31 December 2022					
Assets		**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	14	2,979,874	-	-	2,979,874
Funds under management	15	26,981,985	-	-	26,981,985
Investment securities	16.1 & 16.2	6,540,665	-	4,476,523	11,017,188
Fixed debt placements	16.1	5,227,434	-	-	5,227,434
Unquoted equities & mutual funds	16.3	-	13,944,750	-	13,944,750
Loans and advances	17	21,734,456	-	-	21,734,456
Other receivables	22	21,438,389	-	-	21,438,389
		84,902,804	**13,944,750**	**4,476,523**	**103,324,077**
Liabilities					
Funds under management	24	36,194,439	-	-	36,194,439
Borrowings	25	56,727,711	-	-	56,727,711
Deposit liabilities	27	15,540,903	-	-	15,540,903
Other liabilities	26	7,118,184	-	-	7,118,184
		115,581,237	**-**	**-**	**115,581,237**

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Company

At 31 December 2023	Note	Amortised cost	Fair value through P or L	Fair value through OCI	Total carrying amount
Assets		**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	14	756,157	-	-	756,157
Investment securities	16.1 & 16.2	23,872,856	-	9,629,088	33,501,944
Fixed debt placements	16.1	5,547,378	-	-	5,547,378
Unquoted equities & mutual funds	16.3	-	14,836,744	-	14,836,744
Other receivables	22	6,640,022	-	-	6,640,022
		36,816,413	**14,836,744**	**9,629,088**	**61,282,245**
Liabilities					
Borrowings	25	67,047,548	-	-	67,047,548
Other liabilities	26	6,058,655	-	-	6,058,655
		73,106,203	**-**	**-**	**73,106,203**
At 31 December 2022		**₦'000**	**₦'000**	**₦'000**	**₦'000**
Assets					
Cash and cash equivalents	14	232,540	-	-	232,540
Investment securities	16.1 & 16.2	5,630,933	-	4,183,723	9,814,656
Fixed debt placements	16.1	4,680,710	-	-	4,680,710
Unquoted equities & mutual funds	16.3	-	12,153,111	-	12,153,111
Other receivables	22	20,540,918	-	-	20,540,918
		31,085,101	**12,153,111**	**4,183,723**	**47,421,935**
Liabilities					
Borrowings	25	48,019,160	-	-	48,019,160
Other liabilities	26	4,148,761			4,148,761
		52,167,921	**-**	**-**	**52,167,921**

3.7 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) assist the Board and executive management in formulating and 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.

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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 Executive Management, business plans are approved by the board.

3.8 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.

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3.9 Fair value of financial assets and liabilities

(a) Financial instruments measured at fair value

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

Group	**Level 1 ₦'000**	**Level 2 ₦'000**	**Level 3 ₦'000**	**Total ₦'000**
As at 31 December 2023				
Assets measured at fair value				
Unquoted equity instrument and mutual funds - at FVTPL	-	-	15,982,531	15,982,531
Financial investments - at FVOCI	12,063,923	-	-	12,063,923
Funds under management - quoted equity	2,644,878	-	-	2,644,878
Assets for which fair value is disclosed				
Financial Investments - at amortised cost	-	-	23,989,049	23,989,049
Funds under management - at amortised cost	-	-	59,373,734	59,373,734
Loans and advances - at amortised cost	-	-	19,533,384	19,533,384
	14,708,801	-	118,878,699	133,587,500
Liabilities for which fair value is disclosed				
Funds under management	-	-	61,788,494	61,788,494
Borrowings	-	-	81,599,925	81,599,925
Deposit liabilities	-	-	26,999,662	26,999,662
	-	-	170,388,081	170,388,081
As at 31 December 2022				
Assets measured at fair value				
Unquoted equity instrument and mutual funds - at FVTPL	-	-	13,944,750	13,944,750
Financial investments - at FVOCI	4,476,523	-	-	4,476,523
Funds under management - quoted equity	-	-	-	-
Assets for which fair value is disclosed				
Financial Investments - at amortised cost	-	-	11,768,099	11,768,099
Funds under management - at amortised cost	-	-	26,981,985	26,981,985
Loans and advances - at amortised cost	-	-	21,734,456	21,734,456
	4,476,523	-	74,429,290	78,905,813
Liabilities for which fair value is disclosed				
Funds under management	-	-	36,194,439	36,194,439
Borrowings	-	-	56,727,711	56,727,711
Deposit liabilities	-	-	15,540,903	15,540,903
	-	-	108,463,053	108,463,053

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Company	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
As at 31 December 2023				
Assets measured at fair value				
Financial investments - at FVTPL	-	-	14,836,744	14,836,744
Financial investments - at FVOCI	9,629,088	-	-	9,629,088
Assets for which fair value is disclosed				
Financial Investments - at amortised cost	-	-	29,420,234	29,420,234
	9,629,088	-	44,256,978	53,886,066
Liabilities for which fair value is disclosed				
Borrowings	-	-	67,047,548	67,047,548
	-	-	67,047,548	67,047,548

	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
As at 31 December 2022				
Assets measured at fair value				
Financial investments - at FVTPL	-	-	12,153,111	12,153,111
Financial investments - at FVOCI	4,183,723	-	-	4,183,723
Assets for which fair value is disclosed				
Financial Investments - at amortised cost	-	-	10,311,643	10,311,643
	4,183,723	-	22,464,754	26,648,477
Liabilities for which fair value is disclosed				
Borrowings	-	-	48,019,160	48,019,160
	-	-	48,019,160	48,019,160

Quoted equity instrument
Level 1 equity securities relates to securities quoted on the Nigerian Exchange Group and NASD.
Level 3 equity instruments were measured using the market approach.
There have been no transfer between the levels.

(b) Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements.

Group

	Carrying value		Fair value	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Financial investments - at FVTPL	15,982,531	13,944,750	15,982,531	13,944,750
Financial investments - at FVOCI	12,063,923	4,476,523	12,063,923	4,476,523
Funds under management - quoted equity	2,644,878	-	2,644,878	-
Financial Investments - at amortised cost	23,989,049	11,768,099	23,989,049	11,768,099
Funds under management - at amortised cost	59,373,734	26,981,985	59,373,734	26,981,985
Loans and advances - at amortised cost	19,533,384	21,734,456	19,533,384	21,734,456
	133,587,500	78,905,813	133,587,500	78,905,813
Funds under management	61,788,494	36,194,439	61,788,494	36,194,439
Borrowings	81,599,925	56,727,711	81,599,925	56,727,711
Deposit liabilities	26,999,662	15,540,903	26,999,662	15,540,903
	170,388,081	108,463,053	170,388,081	108,463,053

(c) Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements.

Company

	Carrying value		Fair value	
	2023	**2022**	**2023**	**2022**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Financial investments - at FVTPL	14,836,744	12,153,111	14,836,744	12,153,111
Financial investments - at FVOCI	9,629,088	4,183,723	9,629,088	4,183,723
Financial Investments - at amortised cost	29,420,234	10,311,643	32,362,257	11,342,807
	53,886,066	26,648,477	56,828,090	27,679,642
Borrowings	67,047,548	48,019,160	67,047,548	48,019,160
	67,047,548	48,019,160	67,047,548	48,019,160

(d) Level 3 fair value measurements

(i) Level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. The enterprise value to EBITDA ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the illiquidity discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity.

Type of instruments	**Fair values as at 31 December 2023**	**Fair values as at 31 December 2023**	**Valuation technique**	**Observable inputs**	**Unobservable inputs**	**Relationship of unobservable inputs to fair value**
	Group ₦'000	**Company ₦'000**				
Unquoted equity investment	13,574,640	13,204,937	Adjusted fair value comparison approach	Median P/B multiples of comparable companies	illiquidity discount	The higher the illiquidity discount, the lower the fair value

Fair value if inputs increased by 5%	14,253,372	13,865,184
Fair value if inputs decreased by 5%	12,895,908	12,544,690
Fair value if unobservable inputs increased by 5%	13,471,122	13,104,239
Fair value if unobservable inputs decreased by 5%	13,678,157	13,305,636

(e) Fair valuation methods and assumptions

(i) Cash and cash equivalents
Cash and cash equivalents represents cash on hand, short term placements and balances held with banks. The fair value of these balances is their carrying amounts.

(ii) Loans and advances
Loans and advances are carried at amortized cost net of provision for impairment. The estimated fair value of loans and advances represents the discounted amount of amortised cost balance net of provision for impairment. The balance is discounted at current market rates to determine the fair value.

(iii) Other financial assets and liabilities
Other financial assets/financial liabilities represent monetary assets, which usually have a short recycle period and as such, whose fair values approximate their carrying amount

(iv) Deposit liabilities
The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(v) Borrowings
The estimated fair value of fixed interest-bearing borrowings not quoted in an active market is based on the market rates for similar instruments for these debts over their remaining maturity.

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		Group		Company	
		31 December 2023 ₦'000	31 December 2022 ₦'000	31 December 2023 ₦'000	31 December 2022 ₦'000
4	**Investment and similar income**				
	Interest from placements & investment Income	15,016,731	6,717,077	3,446,506	3,256,911
	Interest from debt instruments at EIR	1,814,762	309,091	1,420,734	305,671
	Dividend income	191,724	334,825	1,290,395	416,227
	Brokerage fee income	113,384	870,256	5,760	580,591
	Business support fees	636,600	1,176,722	311,750	1,176,722
	Interest from treasury bills and commercial papers	134,461	60,294	-	278
	Derivative income	-	2,049,120	-	2,049,120
	Interest from loans & advances	7,088,198	6,087,892	-	-
	Operating lease income	85,460		-	-
	Hospitality, freight and warehouse income	377,136	216,468	-	-
	Income from investment in real estate	5,210,400	2,553,754	-	-
	Income from investment in logistics and haulage business	3,614,167	-	-	-
	Other investment income	-	93,169	-	-
		34,283,023	**20,468,668**	**6,475,145**	**7,785,520**
5	**Investment and similar expense**				
	Fixed debt takings	23,818,827	9,048,896	11,557,055	5,647,400
	Borrowings	1,514,526	549,472	834,678	782,513
	Commission expense	-	202,531	-	-
	Cost of sales	6,116,722	1,646,039	-	-
	Operating lease expense	1,304,877	860,863	-	-
		32,754,953	**12,307,800**	**12,391,733**	**6,429,913**
6	**Other income**				
	Rental Income	2,456,515	1,664,827	18,980	29,960
	Exchange gain/(loss)	2,129,640	1,087,947	(449,856)	2,040,720
	Gain on disposal of investment property	68,989	92,892	68,989	32,961
	Gain on disposal of PPE	2,455	88,341	2,455	99,625
	Gain on disposal of shares*	393,396	-	479,120	-
	Fair value gain on investment property	229,930	5,251,650	100,000	92,892
	Fees and commission income	928,723	622,160	-	-
	Gain on disposal of financial assets	73,589	909,912	57,952	-
	Others	715,857	784,844	0	737,895
	Net monetary loss arising from hyperinflationary economy**	(241,683)	-	-	-
		6,757,412	**10,502,573**	**277,640**	**3,034,053**

All fees and commission income of ₦929m (2022: ₦624m) have been recognised at point in time.
*Gain of ₦479m arose from part disposal of the company's shares in Atiat Limited
** Net monetary loss arising from hyperinflationary economy is wth respect to the remeasurement of monetary items in VFD Ghana Limited following the designation of Ghana as a hyperinflationary economy.

		Group		Company	
		31 December 2023 ₦'000	31 December 2022 ₦'000	31 December 2023 ₦'000	31 December 2022 ₦'000
6.1	**Net gain from financial assets at FVTPL**				
	Net gain from financial assets at FVTPL	3,293,632	2,719,144	3,722,233	2,719,144
		3,293,632	**2,719,144**	**3,722,233**	**2,719,144**
6.2	**Bargain purchase***	**404,268**	**-**	**-**	**-**

*This relates to the acquision of Movis Logistics Ltd, Ghana in the period (see note 44).

7	**Personnel expenses**				
	Salaries and wages	2,519,450	1,564,518	339,637	357,857
	Contributions to defined contribution scheme	185,084	125,373	32,182	34,641
	Other staff costs**	396,789	907,062	92,402	330,827
	Staff bonus	289,260	-	-	-
		3,390,582	**2,596,952**	**464,221**	**723,325**

**Other staff costs also includes staff medical expense costs of N106.79million and staff training of N41.07 million

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		Group		Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
8	**Other operating expenses**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Repairs and maintenance	180,034	78,415	20,504	15,423
	Auditors remuneration	91,171	80,006	24,573	22,538
	Professional fees	1,063,591	592,691	637,810	410,957
	Travel and accommodation	499,395	418,924	330,330	307,683
	Insurance	193,390	85,082	71,541	38,599
	Advertisement, branding & business promo	1,817,406	2,058,980	185,409	75,716
	Fees and commission expense	441,478	-	441,478	-
	Corporate gift	153,305	167,731	152,786	177,009
	Donations	13,530	57,145	5,636	18,572
	AGM/Dividend processing expenses	14,105	46,463	14,105	5,346
	Rent and rates	346,215	132,914	232,725	75,935
	Directors fees and other allowances	295,050	198,194	45,810	50,638
	Subscription	139,304	119,284	29,922	27,177
	Training	643,744	157,711	92,475	26,489
	IT license and maintenance fee	775,950	815,307	14,703	25,348
	Bank charges	104,801	56,639	30,649	36,549
	Security expenses	149,698	83,327	133,768	81,951
	Business entertainment	337,331	1	-	-
	Fraud losses	3,943	-	-	-
	General administrative expenses	1,084,455	1,323,629	649,270	278,314
		8,347,895	**6,472,444**	**3,113,492**	**1,674,245**
9	**Impairment/(writeback) on financial assets**				
	Other receivables (Note 23.1)	(355,844)	116,080	(57,129)	(43,287)
	Loans and advances (Note 17.1)	554,976	119,572	-	-
	Funds under management (Note 15.1)	182,060	712,649	-	-
	Financial assets (Note 16.1)	(210,114)	2,025,547	(281,772)	1,760,700
		171,077	**2,973,849**	**(338,901)**	**1,717,413**
10	**Income tax expense**				
	Recognised in the profit or loss				
	Income tax	260,784	1,123,801	47,569	362,821
	Education tax	46,945	101,412	-	2,669
	Information technology tax	1,422	1,448	-	-
	Police trust fund	54	511	-	152
	NASENI levy	-	81	-	-
	Prior year under provision	-	6,075	-	-
		309,204	1,233,328	47,569	365,642
	Deferred tax	(579,790)	544,821	(1,204,749)	420,289
	Prior year overprovision	-	(32,188)	-	-
		(270,585)	**1,745,961**	**(1,157,181)**	**785,931**

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	Group		Company	
	31 December 2023 ₦'000	31 December 2022 ₦'000	31 December 2023 ₦'000	31 December 2022 ₦'000
11 Depreciation and amortisation				
Depreciation - Note 19	961,304	667,317	164,554	150,830
Depreciation - Note 22	366,677	162,587	-	-
Amortisation	142,011	207,812	737	43,891
	1,469,992	**1,037,716**	**165,291**	**194,721**
12 Investment in associates				
At 1 January	4,927,371	4,095,920	4,328,443	4,095,920
Additions during the year	49,167	496,645	-	-
Disposals	(271,640)	-	(209,545)	-
Share of profit from associate	375,138	334,806	329,084	232,523
At 31 December	**5,080,036**	**4,927,371**	**4,447,982**	**4,328,443**

Set out below are the summarised financial information for associates which are accounted for using the equity method.

	HSE Gourmet Limited		O'Spaces Nigeria Limited		E'Bar Metro		Abbey Mortgage Bank	
	December 2023 ₦'000	December 2022 ₦'000	December 2023 ₦'000	December 2022 ₦'000	December 2023 ₦'000	December 2022 ₦'000	December 2023 ₦'000	December 2022 ₦'000
Assets								
Cash on hand	54,954	86,086	1,514	381,698	15,478	-	37,987	26,501
Cash balances with central bank	-	-	-	-	-	-	766,369	629,891
Due from other banks	-	-	-	-	-	-	12,730,016	27,813,952
Loans and advances to customers	-	-	-	-	-	-	14,138,284	5,159,962
Financial investments - securities at FVTPL	-	-	-	-	-	-	550,527	497,111
Financial Investments- securities at amortised cost	21,141	-	29,474	111,954	28,000	-	26,775,781	3,731,668
Investment in subsidiaries	30,000	30,000	-	-	-	-	-	-
Other assets	17,610	92,343	404,013	1,011,132	39,414	-	1,072,504	554,320
Property and equipment	77,025	84,016	533,528	249,046	53,698	-	1,351,533	1,324,111
Intangible assets	-	-	-	-	-	-	73,990	65,466
Non-current assets held for sale		-	-	-	-	-	45,251	55,251
Total Assets	**200,730**	**292,445**	**968,529**	**1,753,830**	**136,589**	**-**	**57,542,242**	**39,858,231**
Liabilities								
Due to other Banks	-	-	-	-	-	-	10,033	3,738,255
Deposits from customers	-	-	444,874	-	-	-	40,049,606	27,627,753
Current income tax payable	1,171	6,035	-	1,385,650	16,562	-	83,843	63,989
Other liabilities	-	37,815	103,311	-	12,048	-	540,871	414,670
Borrowings	12,234	22,164	67,145	30,000	-	-	3,998,567	-
Deposit for Shares	-	-	-	-	-	-	4,000,000	-
Due to National Housing Fund	-	-	-	-	-	-	289,624	315,153
Deferred tax liabilities	-	2,285	-	-	-	-	-	-
Total Liabilities	**13,405**	**68,299**	**615,331**	**1,415,650**	**28,610**	**-**	**48,972,544**	**32,159,820**
Net Assets	**187,325**	**224,146**	**353,199**	**338,181**	**107,979**	**-**	**8,569,698**	**7,698,412**

Reconciliation to carrying amounts:	HSE Gourmet Limited ₦'000	O'Spaces Nigeria Limited ₦'000	E'Bar Metro ₦'000	Abbey Mortgage Bank ₦'000
Opening net assets (1 January 2023)	183,589	338,181	85,569	6,827,127
Profit for the year	3,737	15,018	22,410	871,284
Closing net assets (31 December 2023)	**187,325**	**353,199**	**107,979**	**7,698,412**

Summary statement of comprehensive income	HSE Gourmet Limited December 2023 ₦'000	O'Spaces Nigeria Limited December 2023 ₦'000	E'Bar Plaza December 2023 ₦'000	Abbey Mortgage Bank December 2023 ₦'000
Revenue	17,648	297,250	149,981	7,203,071
Direct expenses/Cost of sales	-	-	-	(4,629,097)
Fees and commission income	-	-	-	395,082
Other operating income	-	-	-	217,599
Net Impairment write back on financial asset	-	-	-	108,484
Operating expenses	(13,912)	(280,151)	(127,571)	(2,343,796)
Taxation	-	(2,080)	-	(80,059)
Profit for the year	3,737	15,018	22,410	871,284

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HSE Gourmet Limited
The principal activity of HSE Gourmet Limited is offering comfort-food style restaurant services.
The Group holds an equity interest of 370,000 ordinary shares in HSE Cafe Ltd as at 31 December 2023, representing 37% equity participation in the company. No dividend income was received from HSE Cafe Ltd during the year. As at 31 December 2023, the value of the investment was N187m

O'Spaces Nigeria Limited
O'Spaces Nigeria Limited is a building construction company that has since inception in 1991 delivered numerous public, industrial, commercial, and residential projects, meeting the needs of clients. The company handles all phases of building construction from renovations to new construction, and are committed to excellent quality construction and timely delivery of projects within budget.

The Group holds an equity interest of 310,000,000 ordinary shares in O'Spaces Nigeria Ltd as at 31 December 2023, representing 30% equity participation in the company. No dividend income was received from O'Spaces Nigeria Ltd during the year. As at 31 December 2023, the value of the investment was N353m

E'Bar Metro
The principal activities of the EBAR Metro is serving as a bar for relaxation and leisure, offering homestyle cookings.
The Group holds an equity interest of 49,166,667 ordinary shares of N1 each in E'Bar Metro as at 31 December 2023, representing 20% equity participation in the company. No dividend income was received from E'Bar during the year. As at 31 December 2023, the value of the investment was N108m

Abbey Mortgage Bank
Incorporated in August, 1991 and licensed to carry on business as a primary mortgage institution in January, 1992, Abbey Mortgage Bank have in the last 30 years developed strong resilience.
The Group holds an equity interest of 3,835,181,810 ordinary shares of 50k each in Abbey Mortage Bank as at 31 December 2023, representing 37.77% equity participation in the company. No dividend income was received from Abbey Mortgage Bank during the year. As at 31 December 2023, the fair value of the investment was N8.5Bn

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
13 (Loss)/Earnings per share				
Basic/diluted earnings/(loss) per share				
Basic (loss)/earnings attributable to shareholders (₦'000)	(750,441)	7,092,733	(3,834,552)	2,245,692
Number of ordinary shares in issue ('000)	190,028	190,027	190,027	190,027
Basic (loss)/earnings per share (kobo)	**(395)**	**3,732**	**(2,018)**	**1,182**
14 Cash and cash equivalents				
Cash in hand	13,340	7,735	5,697	22,080
Balance with banks and other financial institutions	8,132,998	1,903,921	750,460	210,459
Short term placements	227,371	1,068,218	-	-
	8,373,710	**2,979,874**	**756,157**	**232,540**

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. Also, expected credit loss on cash and cash equivalents are immaterial.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Classified as:	₦'000	₦'000	₦'000	₦'000
Current	8,373,710	2,979,874	756,157	232,540
Non-current	-	-	-	-
	8,373,710	**2,979,874**	**756,157**	**232,540**
15 Funds under management - Asset				
Placements	54,667,723	24,889,607	-	-
Quoted equity instruments	2,644,878	-	-	-
Bonds	5,748,120	2,092,378	-	-
	63,060,722	**27,842,035**	**-**	**-**
Less allowances for impairment on placements	(959,002)	(602,035)	-	-
Less allowances for impairment on investment securities	(83,107)	(258,015)	-	-
	62,018,613	**26,981,985**	**-**	**-**
15.1 Movement in loss allowance				
At 1 January	860,050	147,401	-	-
Charge during the year:				
Increase in loss allowance	182,059	712,649	-	-
At 31 December	**1,042,109**	**860,050**	**-**	**-**
Classified as:				
Current	56,353,600	23,411,684	-	-
Non-current	5,665,013	3,570,301	**-**	**-**
	62,018,613	**26,981,985**	**-**	**-**

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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.

18 Investment in subsidiaries

	Holding	2023 Value	Holding	2022 Value	Country
		₦'000		**₦'000**	
VFD Microfinance Bank Limited	90%	954,000	90%	954,000	Nigeria
Anchoria Asset Management Limited	62%	417,500	84%	417,500	Nigeria
Kairos Capital Limited	55%	146,850	55%	146,850	Nigeria
Anchoria Investment and Securities Limited	60%	329,924	60%	329,924	Nigeria
Herel Limited	77%	13,682,778	77%	12,561,759	Nigeria
Atiat Limited	57%	4,344,753	57%	4,932,235	Nigeria
Atiat Insurance Brokers Limited	0%	-	0%	55,000	Nigeria
VFD Tech Limited	95%	1,250,000	95%	1,250,000	Nigeria
VFD Ghana Limited	63%	1,506,182	63%	361,580	Ghana
		22,631,987		**21,008,849**	

Based on the contractual arrangements between the company and the shareholders in each of the entities, the company has the power to appoint and remove the majority of the Board of Directors of each entity. The relevant activities of each of the listed subsidiaries are determined by the Board of Directors of each entity based on simple majority shares. Therefore, the Directors of the company concluded that the Group has control over each of the above listed entities and were consolidated in the Group's financial statements.
All investment in subsidiaries have been classified as non current with a closing balance of ₦22.63bn (2022: ₦21.0bn)

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		Group		Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
16	**Investment in financial assets**	₦'000	₦'000	₦'000	₦'000
	Financial assets measured at amortised cost - (Note 16.1)	23,989,049	11,768,099	29,420,234	10,311,643
	Financial assets measured at FVOCI - (Note 16.2)	12,063,923	4,476,523	9,629,088	4,183,723
	Financial assets measure at FVTPL - (Note 16.3)	15,982,531	13,944,750	14,836,744	12,153,111
		52,035,503	**30,189,372**	**53,886,066**	**26,648,477**
	Classified as:				
	Current	18,989,049	8,768,099	24,420,234	7,311,643
	Non current	33,046,454	21,421,273	29,465,832	19,336,834
		52,035,503	**30,189,372**	**53,886,066**	**26,648,477**
16.1	**Financial assets measured at amortized cost**				
	Investment in debt securities	18,664,550	7,446,135	25,406,286	7,446,135
	Fixed debt placements	6,930,704	5,227,434	5,547,378	4,680,710
	Treasury bills	-	910,849	-	-
		25,595,254	**13,584,418**	**30,953,664**	**12,126,845**
	Loss allowance on financial assets at amortized costs	(1,606,205)	(1,816,319)	(1,533,430)	(1,815,202)
		23,989,049	**11,768,099**	**29,420,234**	**10,311,643**
	Movement in loss allowance				
	At 1 January	1,816,319	(209,228)	1,815,202	54,502
	Movement during the year:				
	(Decrease)/Increase in loss allowance	(210,114)	2,025,547	(281,772)	1,760,700
	At 31 December	**1,606,205**	**1,816,319**	**1,533,430**	**1,815,202**
16.2	**Fair value through other comprehensive income (FVTOCI)**				
	Quoted equity securities	9,446,730	5,662,268	8,116,727	3,029,454
	Treasury bills	3,723,840	75,886	-	-
	Fair value adjustments (16.2a)	896,650	(1,261,631)	1,512,361	1,154,269
		12,063,923	**4,476,523**	**9,629,088**	**4,183,723**
16.2a	**Changes in fair value reserve**				
	At 1 January	1,261,631	1,040,679	1,154,269	764,522
	Loss/(gain) on instruments at FVOCI	(364,981)	220,952	358,092	389,747
	At 31 December	**896,650**	**1,261,631**	**1,512,361**	**1,154,269**
16.3	**Fair value through profit or loss (FVTPL)**				
	Unquoted equity securities	13,574,640	11,448,980	13,204,937	9,685,933
	Mutual funds investments	2,407,892	337,988	1,631,807	312,760
	Derivatives	-	1,796,488	-	1,793,124
	Swaps	-	361,294	-	361,294
		15,982,531	**13,944,750**	**14,836,744**	**12,153,111**
17	**Loans and advances**	-			
	Loans and advances at amortised cost	21,322,408	22,968,503	-	-
	Less loss allowance (17.1)	(1,789,023)	(1,234,047)	-	-
		19,533,384	**21,734,456**	**-**	**-**
	Current	-	-		
	Non current	19,533,384	21,734,456		
		19,533,384	**21,734,456**	**-**	**-**
17.1	**Loss allowance on loans and advances**				
	At 1 January	1,234,047	1,277,801	-	-
	Charge during the year:				
	Write-back allowance on loan to customers	554,976	(36,434)	-	-
	On acquisition of subsidiary	-	(7,320)	-	-
		1,789,023	**1,234,047**	**-**	**-**

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18.1 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 (Note 3) of the financial statements.

18.2 Condensed results of consolidated entities

The condensed financial data of the consolidated entities as at December 2023 are as follows:

Condensed statement of profit or loss	Anchoria Asset Management ₦'000	VFD Microfinance Bank ₦'000	Kairos Capital Limited ₦'000	Anchoria Investments and Securities Limited ₦'000	Atiat Limited ₦'000	Atiat Insurance Brokers ₦'000	VFD Ghana ₦'000	Herel Limited ₦'000	Xenia Lifestyle Limited ₦'000	VFD Tech Limited ₦'000	Movis Logistics Limited ₦'000	Cedi Capital Microfinance Bank Limited ₦'000
Operating income	9,776,588	5,246,668	593,165	371,928	7,060,977	122,590	571,878	6,970,551	148,653	551,621	4,549,455	276,268
Operating expenses	(7,914,146)	(5,429,330)	(459,115)	(244,895)	(6,060,914)	(114,477)	(168,513)	(6,591,244)	(162,729)	(855,554)	(2,897,853)	(196,220)
Profit before tax	1,862,443	(182,662)	134,050	127,033	1,000,063	8,113	403,365	379,307	(14,076)	(303,933)	1,651,601	80,048
Income tax expense	(197,255)	(28,789)	(48,006)	(37,909)	(325,296)	(2,363)	(33,135)	82,473	-	59,075	(351,662)	(3,728)
Profit for the period	**1,665,188**	**(211,450)**	**86,044**	**89,123**	**674,767**	**5,749**	**370,230**	**461,780**	**(14,076)**	**(244,858)**	**1,299,939**	**76,320**

The condensed statement of financial position of the consolidated entities as at December 2023 are as follows:

Condensed statement of financial position	Anchoria Asset Management ₦'000	VFD Microfinance Bank ₦'000	Kairos Capital Limited ₦'000	Anchoria Investments and Securities Limited ₦'000	Atiat Limited ₦'000	Atiat Insurance Brokers ₦'000	VFD Ghana ₦'000	Herel Limited ₦'000	Xenia Lifestyle Limited ₦'000	VFD Tech Limited ₦'000	Movis Logistics Limited ₦'000	Cedi Capital Microfinance Bank Limited ₦'000
Assets												
Cash and cash equivalents	845,352	5,136,191	10,751	244,040	200,374	124,477	82,290	202,515	1,258	690,958	226,515	46,827
Funds under management Asset	62,018,613	-	-	-	-	-	-	-	-	-	-	-
Investment in financial assets	1,044,120	13,263,498	332,590	1,432,772	2,626,715	-	-	1,799,239	90,365	247,904	-	-
Loans and advances	-	7,980,926	-	-	10,858,872	-	-	59,728	-	-	-	633,859
Investment in subsidiaries	-	-	-	-	74,615	-	-	172,958	-	-	-	-
Investment in associates	-	-	-	-	-	-	-	632,054	-	-	-	-
Property, plant and equipment	495,424	101,654	48,045	23,129	662,153	14,346	40,159	7,227,127	4,683	42,147	2,772,441	16,683
Goodwill	-	-	-	-	4,154,627	-	41,450	1,337,503	-	-	-	-
Intangible assets	9,399	37,718	-	5,388	800	10,957	-	8,793	5,684	259,332	-	19,061
Investment property and development property	-	-	-	-	-	-	-	27,568,615	-	-	-	-
Operating lease	-	-	-	-	2,652,556	-	-	-	-	-	-	-
Statutory deposit	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	1,734,947	1,630,747	224,904	126,734	4,186,218	3,221	547,548	1,864,068	117,002	239,716	4,952,654	9,440
Deferred tax assets	59,763	-	-	6,728	-	-	-	15,745	-	405,789	-	3,324
	66,207,618	**28,150,734**	**616,289**	**1,838,791**	**25,416,929**	**153,000**	**711,446**	**40,888,345**	**218,993**	**1,885,845**	**7,951,610**	**729,195**
Financed by:												
Funds under management Liability	61,655,401	-	-	133,093	-	-	-	-	-	-	-	-
Borrowings	-	-	-	232,855	17,490,424	1,341	-	9,792,971	-	48,745	433,243	-
Other liabilities	877,731	204,105	103,733	873,386	581,937	109,026	57,570	9,285,276	62,561	1,730,250	2,758,522	3,459
Deposit liabilities	-	26,825,384	-	-	-	-	-	118,237	28,027	-	-	267,231
Current tax liabilities	38,115	23,856	49,147	69,376	321,959	2,363	43,762	74,938	-	-	571,429	6,759
Deferred tax liabilities	-	8,110	-	2,382	236,935	-	-	597,881	-	-	199,924	-
Equity	3,636,370	1,089,279	463,408	527,700	6,785,674	40,269	610,115	21,019,042	128,406	106,850	3,988,491	451,747
	66,207,618	**28,150,734**	**616,289**	**1,838,791**	**25,416,929**	**153,000**	**711,446**	**40,888,345**	**218,993**	**1,885,845**	**7,951,610**	**729,195**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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18.2 Condensed results of consolidated entities
The condensed financial data of the consolidated entities as at December 2022 are as follows:

Condensed statement of profit or loss	**Anchoria Asset Management ₦'000**	**VFD Microfinance Bank ₦'000**	**Kairos Capital Limited ₦'000**	**Anchoria Investments and Securities Limited ₦'000**	**Atiat Limited ₦'000**	**Atiat Insurance Brokers ₦'000**	**Herel Limited ₦'000**	**VFD Tech Limited ₦'000**	**Xenia Lifestyle Limited ₦'000**	**VFD Ghana Limited ₦'000**	**Cedi Capital Microfinance Bank Limited ₦'000**
Operating income	1,239,227	1,979,816	412,053	162,703	2,886,467	53,338	7,100,333	343,544	62,892	52,349	20,795
Operating expenses	(1,996,834)	(1,947,484)	(299,494)	(194,066)	(2,248,878)	(68,338)	(807,241)	(777,638)	(70,410)	(97,517)	(72,292)
Profit before tax	(757,607)	32,333	112,559	(31,363)	637,589	(15,000)	6,293,091	(434,094)	(7,518)	(45,168)	(51,497)
Income tax (expense)/income	71,477	(27,342)	(39,963)	12,451	(236,809)	(1,105)	(887,517)	149,434	-	-	-
Profit for the period	**(686,130)**	**4,991**	**72,596**	**(18,912)**	**400,779**	**(16,105)**	**5,507,858**	**(284,660)**	**(7,518)**	**(45,168)**	**(51,497)**

The condensed statement of financial position of the consolidated entities as at December 2022 are as follows:

Condensed statement of financial position	**Anchoria Asset Management ₦'000**	**VFD Microfinance Bank ₦'000**	**Kairos Capital Limited ₦'000**	**Anchoria Investments and Securities Limited ₦'000**	**Atiat Limited ₦'000**	**Atiat Insurance Brokers ₦'000**	**Herel Limited ₦'000**	**VFD Tech Limited ₦'000**	**Xenia Lifestyle Limited ₦'000**	**VFD Ghana ₦'000**	**Cedi Capital Microfinance Bank Limited ₦'000**
Assets											
Cash and cash equivalents	291,301	2,355,627	224,286	220,348	359,530	23,515	12,542,668	43,578	8,826	14,600	68,711
Funds under management	43,396,531	-	-	147,158	-	-	-	-	-	-	-
Investment in financial assets	1,538,923	7,088,632	166,097	1,242,876	70,798	8,101	886,354	320,051	80,914	-	-
Loans and advances	-	7,760,206	-	104,702	15,272,183	-	2,716,004	-	-	-	18,482
Investment in subsidiaries	-	-	-	-	53,082	-	-	-	-	161,793	-
Investment in associates	-	-	-	-	-	-	582,351	16,576	-	-	-
Property, plant and equipment	386,427	94,453	68,321	32,397	591,551	21,811	1,630,401	79,097	4,703	23,073	3,758
Goodwill	-	-	-	-	4,154,627	-	1,337,503	-	-	-	-
Intangible assets	19,804	44,642	63	9,013	942	9,000	14,234	138,435	-	-	11,634
Investment property and development property	-	-	-	-	-	-	27,137,786	-	24,983	-	-
Statutory deposit	-	-	-	-	-	-	-	-	-	-	-
Other receivables	780,421	1,302,722	107,715	184,196	1,195,487	9,425	834,692	162,730	90,397	1,003,823	2,850
Deferred tax assets	561,332	-	-	-	3,298	-	-	346,714	-	-	655
	46,974,738	**18,646,282**	**566,482**	**1,940,691**	**21,701,498**	**71,852**	**47,681,992**	**1,107,182**	**209,823**	**1,203,289**	**106,090**
Financed by:											
Funds under management	45,195,019	1,738,987	-	147,158	15,193,323	4,900	20,350,233	64,434	-	-	-
Borrowings	-	-	-	-	-	-	4,306,522	-	-	-	-
Other liabilities	908,008	162,291	126,771	1,307,672	1,126,357	16,735	(14,451)	691,040	67,342	34,477	14,792
Deposit liabilities	-	15,413,891	-	-	-	-	-	-	-	-	56,874
Current tax liabilities	499,691	19,161	38,845	41,369	201,317	-	151,944	-	-	-	-
Deferred tax liabilities	-	8,110	5,353	(11,233)	81,407	15,697	741,589	-	-	-	-
Equity	372,020	1,303,842	395,514	455,725	5,099,095	34,520	22,146,155	351,708	142,481	1,168,812	34,424
	46,974,738	**18,646,282**	**566,482**	**1,940,691**	**21,701,498**	**71,852**	**47,681,992**	**1,107,182**	**209,823**	**1,203,289**	**106,090**

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19 (i) Property, plant and equipment
Group

	Furniture & Fittings ₦'000	Motor vehicles ₦'000	Plant & Machinery ₦'000	Leasehold Improvement ₦'000	Office Equipment ₦'000	Computer Equipment ₦'000	Land ₦'000	Operating Lease asset ₦'000	Work in-progress ₦'000	Total ₦'000
Cost										
At 1 January 2023	132,832	930,355	5,124	65,544	952,818	125,904	1,435,420	1,546,261	-	5,194,258
Additions	566,669	3,149,187	205,725	634,046		175,967	-	2,536,464	71,282	7,339,341
Disposals	-	(60,000)	(38,964)	(104,432)	(226,845)	-	(844,889)	(46,200)	-	(1,321,329)
Reclassification*	39,949	-	37,978		-	(110,427)	-	-	-	(32,500)
Reclassification from investment property** (see note 21)	-	-	-	6,070,072	-	-	641,676	-	-	6,711,748
At 31 December 2023	739,450	4,019,542	209,864	6,665,231	725,973	191,444	1,232,208	4,036,525	71,282	17,891,518
Accumulated Depreciation										
At 1 January 2023	61,535	458,289	4,098	5,427	345,392	87,224	-	1,039,243	-	2,001,208
Charge in the year	157,105	443,761	41,865	176,930	15,897	125,746	-	366,677	-	1,327,981
Disposals	-	(15,417)	(38,694)	(38,164)	-	-	-	(21,950)	-	(114,225)
Reclassification	(14,531)	-	-	-	-	-	-		-	(14,531)
At 31 December 2023	278,940	938,333	7,269	183,300	268,806	139,814	-	1,383,970	-	3,200,432
Carrying amounts										
At 31 December 2023	**460,510**	**3,081,210**	**202,594**	**6,481,931**	**457,167**	**51,629**	**1,232,208**	**2,652,555**	**71,282**	**14,691,086**
Classified as:										
Current	-	-	-	-	-	-	-		-	
Non-current	460,510	3,081,210	202,594	6,481,931	457,167	51,629	1,232,208	2,652,555	71,282	14,691,086
	460,510	**3,081,210**	**202,594**	**6,481,931**	**457,167**	**51,629**	**1,232,208**	**2,652,555**	**71,282**	**14,691,086**

i) Reclassifications from furniture & fittings relate to digital artworks which were transferred to other assets, and are now carried at cost.
ii) Reclassifications from leasehold improvements during the year relate mainly to properties previously recognised in prior year as investment properties but their use changed during the year due to their current use in the generation of revenue in the ordinary course of business.

(ii) Company

	Furniture & Fittings ₦'000	Motor vehicles ₦'000	Plant & Machinery ₦'000	Leasehold Improvement ₦'000	Office Equipment ₦'000	Computer Equipment ₦'000	Land ₦'000	Operating Lease asset ₦'000	Work in-progress ₦'000	Total ₦'000
Cost										
At 1 January 2023	58,007	484,986	-	17,482	27,251	105,849	-	-	-	693,575
Additions	223,046	140,392	-	101,150	76,418	14,881	-	-	-	555,887
Disposals	-	(60,000)	-	-	-	-	-	-	-	(60,000)
Reclassifications	(32,500)	-	-	-	-	-	-	-	-	(32,500)
At 31 December 2023	248,553	565,378	-	118,632	103,669	120,730	-	-	-	1,156,962
Accumulated Depreciation										
At 1 January 2023	37,143	271,994	-	17,117	26,262	79,301	-	-	-	431,817
Charge in the year	15,656	117,128	-	6,617	7,385	17,766	-	-	-	164,553
Disposals	-	(15,417)	-	-	-	-	-	-	-	(15,417)
Reclassifications	(14,531)	-	-	-	-	-	-	-	-	(14,531)
At 31 December 2023	38,268	373,706	-	23,734	33,647	97,067	-	-	-	566,422
Carrying amounts										
At 31 December 2023	**210,285**	**191,672**	**-**	**94,897**	**70,022**	**23,664**	**-**	**-**	**-**	**590,540**
Classified as:										
Current	-	-	-	-	-	-	-	-	-	
Non-current	210,285	191,672	-	94,897	70,022	23,664	-	-	-	590,540
	210,285	**191,672**	**-**	**94,897**	**70,022**	**23,664**	**-**	**-**	**-**	**590,540**

a) Reclassifications from furniture & fittings relate to digital artworks which were transferred to other assets, and are now carried at cost.
b) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting period. Any changes are accounted for prospectively as a change in estimate.
c) There were no impairment losses on any class of property, plant and equipment during the year (31 December 2022: Nil).
d) There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year (31 December 2022: Nil).
e) All property, plant and equipment are non-current.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

19b (i) Property, plant and equipment

Group	Furniture & Fittings	Motor vehicles	Plant & Machinery	Leasehold Improvement	Office Equipment	Computer Equipment	Right of use asset	Land	Operating Lease asset	Total
Cost	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
At 1 January 2022	129,799	747,004	137	267,206	320,690	42,113	98,221	-	1,185,168	2,790,338
Arising from consolidation of previous acquired subsidiary	2,311	13,300	2	4,757	5,710	750	-	-	-	26,831
Additions	30,429	352,459	7,952	-	675,242	86,252	-	1,435,420	536,318	3,124,072
Disposals	(29,707)	(182,408)	(2,967)	(206,419)	(48,824)	(3,211)	(98,221)		(175,225)	(746,982)
At 31 December 2022	132,832	930,355	5,124	65,544	952,818	125,904	-	1,435,420	1,546,261	5,194,258
							-			
Accumulated Depreciation										
At 1 January 2022	63,060	329,596	137	31,015	161,791	15,616	58,697	-	1,050,531	1,710,443
Charge in the year	11,540	191,221	14,083	11,192	196,551	73,824	-	-	162,587	660,998
Disposals	(13,065)	(62,528)	(10,122)	(36,780)	(12,950)	(2,216)	(58,697)	-	(173,875)	(370,233)
At 31 December 2022	61,535	458,289	4,098	5,427	345,392	87,224	-	-	1,039,243	2,001,207
Carrying amounts										
At 31 December 2022	**71,297**	**472,066**	**1,026**	**60,117**	**607,426**	**38,680**	**-**	**1,435,420**	**507,018**	**3,193,050**
Classified as:										
Current	-	-	-	-	-	-		-		
Non current	71,297	472,066	1,026	60,117	607,426	38,680	-	1,435,420	507,018	3,193,050
	71,297	**472,066**	**1,026**	**60,117**	**607,426**	**38,680**	**-**	**1,435,420**	**507,018**	**3,193,050**

(ii) Company

Company	Furniture & Fittings	Motor vehicles	Plant & Machinery	Leasehold Improvement	Office Equipment	Computer Equipment	Right of use asset	Land	Total
Cost	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
At 1 January 2022	86,488	424,306	-	57,632	139,137	-	-	-	707,563
Additions	-	228,722	-	-	12,167	928	-	-	241,817
Disposals	(27,455)	(168,402)	-	(42,099)	(17,848)	-	-	-	(255,804)
Reclassifications	(1,026)	360	-	1,949	(106,205)	104,921	-	-	-
At 31 December 2022	58,007	484,986	-	17,482	27,251	105,849	-	-	693,576
Accumulated Depreciation									
At 1 January 2022	36,984	186,440	-	48,995	94,776	-	-	-	367,195
Charge in the year	13,048	133,716	-	482	16,796	7,453	-	-	171,495
Disposals	(12,370)	(48,522)	-	(33,781)	(12,200)	-	-	-	(106,873)
Reclassifications	(519)	360	-	1,421	(73,110)	71,848	-	-	-
At 31 December 2022	37,143	271,994	-	17,117	26,262	79,301	-	-	431,817
Carrying amounts									
At 31 December 2022	**20,864**	**212,992**	**-**	**365**	**989**	**26,548**		**-**	**261,759**
Classified as:									
Current	-	-	-	-	-	-		-	
Non current	20,864	212,992	-	365	989	26,548		-	261,759
	20,864	**212,992**	**-**	**365**	**989**	**26,548**		**-**	**261,759**

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20 Intangible assets
Purchased software

	Group ₦'000	Company ₦'000
Cost		
At 1 January 2023	431,455	81,315
Addition	257,739	7,100
Write off	(16,499)	-
At 31 December 2023	672,694	88,414
Accumulated amortization		
At 1 January 2023	167,671	65,296
Charge in the year	142,011	737
Write off	(16,499)	-
At 31 December 2023	293,183	66,033
Carrying amounts		
At 31 December 2023	**379,512**	**22,380**
Current	-	-
Non-current	379,512	22,380
	379,512	**22,380**

Intangible assets
Purchased software

	Group ₦'000	Company ₦'000
Cost		
At 1 January 2022	710,703	111,113
Addition	16,202	16,202
Adjustment	(295,450)	(46,000)
At 31 December 2022	431,455	81,315
Accumulated amortization		
At 1 January 2022	97,882	21,405
Charge in the year	207,812	43,891
Adjustment	(138,023)	-
At 31 December 2022	167,671	65,296
Carrying amounts		
At 31 December 2022	**263,783**	**16,019**
Current	-	-
Non-current	263,783	16,019
	263,783	**16,019**

20.1 Goodwill

At 1 January 2023	5,854,418
Arising on consolidation	-
Write off	(320,839)
At 31 December 2023	**5,533,579**
At 1 January 2022	198,552
Arising on consolidation	5,655,866
Write off	-
At 31 December 2022	**5,854,418**
Current	-
Non-current	5,533,579
	5,533,579

Goodwill is reviewed annually or more frequently for impairment when there are objective indicators that impairment may have occurred by comparing the carrying value to its recoverable amount.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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20.2 Goodwill is attributable to the acquisition of the following subsidiaries:

	2023	
	Group ₦'000	**Company ₦'000**
Dynasty Real Estate (see note (a) below)	1,337,503	-
VFD Bridge (see note (b) below)	4,154,627	-
Cedi Capital Microfinance Bank Ltd	41,400	-
	5,533,529	**-**

(a) Dynasty Real Estate:
The recoverable amount of Goodwill as at 31 December 2023 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N45.12bn with the CGU being N38.11bn

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the year and no losses on goodwill were recognized as at 31 December 2023 (31 December 2022: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to the following assets of the business - property, plant and equipment, investment property, development property, intangible assets and other assets

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 3.06%. A discount rate of 10.40% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU’s declining below their carrying amounts.

The key assumption used in computing the value-in-use for goodwill in during the year are as follows:

Terminal growth rate (i)	3.06%
Discount rate (ii)	10.40%

(i) Weighted average growth rate used to extrapolate cash flows beyond the budget period.
(ii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Post-tax discount rate of 11.85% was applied in determining the recoverable amounts. This was determined by reference to the company's weighted avaerage cost of capital

Terminal growth rate
The terminal growth rate applied was based on the long term growth rate in GDP of Nigeria.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	(₦'5.011bn)	₦'6.403bn
Impact of change in growth rate on value-in-use computation (increase/(decrease)	₦'3.162bn	(₦'2.938bn)

There were no write-downs of goodwill due to impairment during the year

(b) VFD Bridge
The recoverable amount of Goodwill as at 31 December 2023 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N41.8bn with the CGU being N21.18bn

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the year and no losses on goodwill were recognized as at 31 December 2023 (31 December 2022: Nil)

Goodwill is monitored by the Group on cash generating units (CGU) basis. For the purpose of impairment testing, the goodwill has been allocated to the following assets of the business - operating lease assets, loans and advances, intangible assets and other assets.

Goodwill impairment test was done by comparing the value-in-use for the CGU to the carrying amount of the goodwill based on cash flow projections. The approach is based on estimating the free cash flow to equity to determine the value in use. Cash flows were projected for the first 5 years based on operating results, expected future financial performance and past experience. Beyond 5 years, cash flows were assumed to grow at terminal growth rate of of 3.06%. A discount rate of 11.85% was applied based on estimate of cost of capital. This was estimated using the Capital Asset Pricing Model. There were no write-downs of goodwill due to impairment during the period. All assumptions are subject to market and economic conditions. However, we do not see possible changes in these assumptions adversely causing the recoverable amounts of the CGU’s declining below their carrying amounts.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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The key assumption used in computing the value-in-use for goodwill during the year are as follows:

Terminal growth rate (i)	3.06%
Discount rate (ii)	11.85%

(i) Weighted average growth rate used to extrapolate cash flows beyond the budget period.
(ii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience and actual operating results. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Discount Rate
Post-tax discount rate of 11.85% was applied in determining the recoverable amounts. This was determined by reference to the company's weighted avaerage cost of capital

Terminal growth rate
The terminal growth rate applied was based on the long term growth rate in GDP of Nigeria.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the entity (from which the goodwill arose) to decline below their carrying amount.

Sensitivity analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation (increase/(decrease)	(₦'4.720bn)	₦'6.030bn
Impact of change in growth rate on value-in-use computation (increase/(decrease)	₦'2.918bn	(₦'2.716bn)

There were no write-downs of goodwill due to impairment during the year

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21 Investment property

		Group ₦'000	Company ₦'000
a)	**Cost**		
	At 1 January 2023	23,777,147	1,880,855
	Addition	2,001,557	559,813
	Fair value gain	129,930	100,000
	Borrowing cost	970,851	-
	Reclassified to property, plant and equipment (See note 19)	(6,711,748)	-
	Reclassified to development property (See note 21.1)	(1,044,293)	-
	Disposal	(1,940,668)	(1,940,668)
	At 31 December 2023	17,182,776	600,000
	Carrying amounts		
	At 31 December 2023	**17,182,776**	**600,000**
	At 31 December 2022	**23,777,147**	**1,880,855**
	Current	-	-
	Non-current	17,182,776	600,000
		17,182,776	**600,000**
b)	**Cost**		
	At 1 January 2022	2,389,201	2,389,201
	Addition	24,482,801	1,508,290
	Fair value gain	5,558,651	92,892
	Reclassification to other assets	(33,000)	(33,000)
	Reclassification to development property	(4,360,601)	-
	Disposal	(4,259,906)	(2,076,528)
	At 31 December 2022	23,777,147	1,880,855
	Carrying amounts		
	At 31 December 2022	**23,777,147**	**1,880,855**
	At 31 December 2021	**4,571,669**	**2,389,201**
	Current	-	
	Non current	23,777,147	1,880,855
		23,777,147	**1,880,855**

c) The analysis of investment properties is as follows:

	Group		Company	
	31 December 2023 ₦'000	**31 December 2022 ₦'000**	**31 December 2023 ₦'000**	**31 December 2022 ₦'000**
UK Property	-	279,673	-	279,673
Living Gold, Hampton	600,000	752,039	600,000	500,000
Bank Road Property	2,224,777	2,534,382	-	482,382
Banana Island Property	-	1,411,293	-	618,800
Bourdillon Road	5,278,000	4,954,760	-	-
Ruxton Road	-	3,737,000	-	-
Hampton Habour, Freedom Way	7,200,000	6,400,000	-	-
Broad Street	1,880,000	1,530,000	-	-
Prince Samuel Adedeyi Street, Ikate	-	2,178,000	-	-
	17,182,777	**23,777,147**	**600,000**	**1,880,855**

d) Details of the valuer

Investment properties are stated at fair value as at 31 December 2023. During the year, the properties situated at Prince Samuel Adedoyin, Ikate, Lekki was reclassified to property plant and equipment in line with IAS 16.

The fair value was supplied by market evidence and represents the price that would be received to sell properties in an orderly transaction between willing market participants at the measurement date and determined by the Financial Reporting Council accredited professional valuer named DAN ODIETE & CO.

Property Location	Name of Valuer	FRC Number	Valuer's Address
Property Situate at No. 11, Bank Road, Ikoyi, Lagos State.	DAN ODIETE & CO.	FRC/2013/0000000/1647	Road 2, Ikota Shopping Complex, Victoria Garden City, Lekki
Property Situate at No. 13, Bourdillon Road, Ikoyi Lagos State.	DAN ODIETE & CO.	FRC/2013/0000000/1647	Road 2, Ikota Shopping Complex, Victoria Garden City, Lekki
40,000 Square Metres Bare-Land, Situate At Hampton Harbour, Freedom Way, Lekki, Lagos State	DAN ODIETE & CO.	FRC/2013/0000000/1647	Road 2, Ikota Shopping Complex, Victoria Garden City, Lekki
Ap House Situate at No. 54, Broad Street, Lagos Island, Lagos State	DAN ODIETE & CO.	FRC/2013/0000000/1647	Road 2, Ikota Shopping Complex, Victoria Garden City, Lekki
Property Situate at No. 14, Ruxton Road, Ikoyi, Lagos State.	DAN ODIETE & CO.	FRC/2013/0000000/1647	Road 2, Ikota Shopping Complex, Victoria Garden City, Lekki
Boardroom apartments Situate at Prince Samuel Adedeyi Street, Ikate, Lekki, Lagos State.	DAN ODIETE & CO.	FRC/2013/0000000/1647	Road 2, Ikota Shopping Complex, Victoria Garden City, Lekki

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Valuation technique and Observable inputs

The following table shows the valuation technique used in measuring the fair value of Investment property as well as the observable inputs used

Valuation Technique	Significant unobservable inputs	Interrelationship between the
The fair value of the investment property located at **No. 11, Bank Road, Ikoyi, Lagos State** was determined by applying the investment basis to derive the open market capital value upon which prospective investor would likely make a bid. The technique reflects the discounted information of the benefits derivable from the property over its useful economic life or the cost of erecting a similar property.	The unobservable input is the price of other similar properties in the area. The market value of the property is ₦2.22 billion.	The estimated fair value would increase/(decrease) if; —The rate of development in the area increases or (decreases). —Influx of people and business to the area or (decreases). —The quality of building increases or (decreases).
The fair value of the investment property located at **No. 13, Bourdillon Road, Ikoyi, Lagos State** was determined by applying the depreciated replacement cost approach to derive the open market capital value upon which prospective investor would likely make a bid. The technique involves the determination and application of the current unit cost of construction of similar new developments to the superficial area of the buildings/structures under consideration and deducting therefrom allowances to account for depreciation occasioned by physical wear and tear to obtain a figure which is the reinstatement value.	The unobservable input is the price of other similar properties in the area. The market value of the property is ₦5.28billion.	The estimated fair value would increase/(decrease) if; —The rate of development in the area increases or (decreases). —Influx of people and business to the area or (decreases). —The quality of building increases or (decreases).
The fair value of 40,000 Square Metres Bare-Land, Situate **At Hampton Harbour, Freedom Way, Lagos State** was determined by applying the direct comparison approach to derive the open market capital value upon which prospective investor would likely make a bid. This method of valuation involves the determination of the current open market value of similar bare sites in the neighborhood, from recent sale transactions in the open market and application of same to the property under consideration, taking into account its special features and developmental potentials.	The unobservable input is the price of other similar properties in the area. The market value of the property is ₦7.37billion.	The estimated fair value would increase/(decrease) if; —The rate of development in the area increases or (decreases). —Influx of people and business to the area or (decreases). —The quality of building increases or (decreases).
The fair value of the investment property located at **No. 54, Broad Street, Lagos Island, Lagos State** was determined by applying the investment basis to derive the open market capital value upon which prospective investor would likely make a bid. The technique reflects the discounted information of the benefits derivable from the property over its useful economic life or the cost of erecting a similar property	The unobservable input is the price of other similar properties in the area. The market value of the property is ₦1.88 billion.	The estimated fair value would increase/(decrease) if; —The rate of development in the area increases or (decreases). —Influx of people and business to the area or (decreases).

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21.1 Development property

	Group		Company	
	31 December 2023 ₦'000	**31 December 2022 ₦'000**	**31 December 2023 ₦'000**	**31 December 2022 ₦'000**
Available-for-sale	10,237,910	5,241,495	-	-
Work-in-progress	747,928	-	-	-
	10,985,838	5,241,495	-	-
At 31 December 2022				
Current	-	-	-	-
Non-current	10,985,838	5,241,495	-	-
	10,985,838	**5,241,495**	**-**	**-**

Movement in Development property

	Property ₦'000	**Land ₦'000**	**Total ₦'000**
As at 1 January 2023	3,847,410	1,394,085	5,241,495
Addition during the year	746,853	6,612,803	7,359,656
Propertiess sold during the year	(2,964,632)	(971,289)	(3,935,921)
Reclassification	392,456	651,837	1,044,293
Borrowings cost reclassified and charged	633,384	642,931	1,276,315
Balance as at 31 December 2023	**2,655,471**	**8,330,367**	**10,985,838**
As at 1 January 2022	-	-	-
Addition during the year	880,894	-	880,894
Property reclassified from investment property during the year	1,849,209	2,511,392	4,360,601
Balance as at 31 December 2022	**2,730,103**	**2,511,392**	**5,241,495**

Development properties ready for sale and properties under construction as at year end. During the year, borrowing cost previously recognised in other assets was reclassified and included in the cost of development properties.

The Company develops residential properties, which it sells in the ordinary course of business and has entered into contracts to sell certain of these properties on completion of construction.

The Company has concluded that these pre-completion contracts were not, in substance, construction contracts.

Revenue from sales of residential property is recognized when both of the following conditions are fulfilled:

i) Construction is complete; and

ii) Either legal title to the property has been transferred or there has been an unconditional exchange of contracts

Construction and other expenditure attributable to such property are included in development property until disposal.

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		Group		Company	
		31 December 2023 ₦'000	31 December 2022 ₦'000	31 December 2023 ₦'000	31 December 2022 ₦'000
22	**Other receivables**				
	Financial assets				
	Account receivables	8,940,620	13,467,570	2,124,375	12,820,066
	Due from related entities	65,311	261,509	9,141	788,662
	Deposit for shares	4,898,297	4,721,691	4,662,433	3,848,481
	Operating lease receivable	424,995	-	-	-
	Receivable from stockbrokers	-	3,296,765	-	3,296,765
	Non-financial assets				
	Prepayments	1,642,642	1,374,279	91,139	124,610
	WHT receivable	2,472,850	530,370	34,842	4,029
	Digital asset	166,753	-	-	-
	Inventory	10,949	-	-	-
	Other receivables	3,463,874	1,813,005	-	-
		22,086,291	**25,465,189**	**6,921,929**	**20,882,613**
	Loss allowance on other receivables (note 23.1)	(664,990)	(309,146)	(155,927)	(213,057)
		21,421,300	**25,156,043**	**6,766,002**	**20,669,557**
	Current	16,523,003	17,137,587	2,103,569	13,524,311
	Non current	4,898,297	8,018,456	4,662,433	7,145,247
		21,421,300	**25,156,043**	**6,766,002**	**20,669,557**
22.1	**Loss allowance on trade receivables**				
	At 1 January	309,146	341,979	213,057	256,344
	Additions/(writeback) of loss allowance	355,844	(32,833)	(57,130)	(43,287)
	At 31 December	**664,990**	**309,146**	**155,927**	**213,057**

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.

		Group		Company	
		31 December 2023 ₦'000	31 December 2022 ₦'000	31 December 2023 ₦'000	31 December 2022 ₦'000
23	**Deferred tax**				
23.1	**Deferred tax assets**				
	Deferred tax asset	2,041,790	1,221,525	1,550,440	309,525
	Deferred tax asset recoverable within 12 months	-	-	-	-
	Deferred tax asset recoverable after 12 months	2,041,790	1,221,525	1,550,440	309,525
		2,041,790	**1,221,525**	**1,550,440**	**309,525**

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	Group		Company	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Movement in deferred tax assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**
At 1 January	1,221,525	343,019	309,525	95,944
Charge/(released) in the period	820,266	878,505	1,240,915	213,581
At 31 December	**2,041,790**	**1,221,525**	**1,550,440**	**309,525**
The break down of deferred tax assets are as follows:				
Tax loss	1,552,307	928,686	1,178,750	235,322
Unutilised tax credit (capital allowance)	489,483	292,839	371,690	74,203
	2,041,790	**1,221,525**	**1,550,440**	**309,525**
23.2 Deferred tax liabilities				
Deferred tax liability	**(1,953,826)**	(1,713,351)	(908,594)	(872,430)
Current	-	-	-	-
Non-current	(1,953,826)	(1,713,351)	(908,594)	(872,430)
	(1,953,826)	**(1,713,351)**	**(908,594)**	**(872,430)**
Movement in deferred tax liabilities				
At 1 January	(1,713,351)	(290,025)	(872,430)	(238,560)
(Charge)/released in the period	(240,476)	(1,423,326)	(36,165)	(633,870)
At 31 December	**(1,953,826)**	**(1,713,351)**	**(908,594)**	**(872,430)**
The break down of deferred tax liabilities are as follows:				
Property and equipment	(128,460)	(112,649)	(59,738)	(57,360)
Provisions	(1,825,367)	(1,600,702)	(848,856)	(815,069)
	(1,953,826)	**(1,713,351)**	**(908,594)**	**(872,430)**

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		Group		Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		₦'000	₦'000	₦'000	₦'000
24	**Funds under management - liabilities**				
	FUM placements	61,788,494	33,008,276	-	-
	Investment securities	-	3,186,163	-	-
		61,788,494	**36,194,439**	**-**	**-**
	Current	61,788,494	33,008,276	-	-
	Non-current	-	3,186,163	-	-
		61,788,494	**36,194,439**	**-**	**-**
25	**Borrowings**				
	Borrowings from related parties	865,453	6,138,505	14,099,063	15,794,929
	Borrowing from banking institutions	4,830,854	6,870,710	1,547,725	3,205,618
	Commercial note and private placement investment	73,946,439	36,684,564	51,314,945	21,984,681
	Other financial liabilities	1,957,180	7,033,932	85,815	7,033,932
		81,599,925	**56,727,711**	**67,047,548**	**48,019,160**
	Current	20,875,181	9,027,616	19,410,796	7,098,372
	Non-current	60,724,744	47,700,095	47,636,752	40,920,788
		81,599,925	**56,727,711**	**67,047,548**	**48,019,160**

Borrowings represents funds obtained from different parties with tenor ranging from one to three years and with an interest ranging from 5% to 25%

26	**Other liabilities**				
	Financial liabilities	-			
	Due to related entities	39,361	176,551	39,365	171,091
	Accounts payable	8,085,828	1,973,136	4,415,692	2,838,290
	Accrued expenses	1,247,009	892,652	188,943	321,152
	Non financial liabilities				
	Other payables	3,260,026	4,075,845	1,414,654	818,228
		12,632,224	**7,118,184**	**6,058,655**	**4,148,761**
	Current	12,632,224	7,118,184	6,058,655	4,148,761
	Non current	-	-	-	-
		12,632,224	**7,118,184**	**6,058,655**	**4,148,761**
27	**Deposit liabilities**				
	Current deposits	6,080,045	2,659,046	-	-
	Savings deposits	6,080,501	4,739,072	-	-
	Term deposits	14,804,764	8,126,562	-	-
	Unclaimed deposits	34,352	16,224	-	-
		26,999,662	**15,540,903**	**-**	**-**
	Current	26,999,662	15,540,903	-	-
	Non current				
		26,999,662	**15,540,903**	**-**	**-**
28	**Current tax liabilities**				
	Per statement of financial position:				
	At 1 January	1,625,947	903,618	673,863	438,889
	Charge for the year	309,204	1,233,328	47,569	365,642
	Reclassification	-	-	-	(90,315)
	Tax paid	(162,725)	(510,998)	(150,709)	(40,352)
	At 31 December	**1,772,426**	**1,625,947**	**570,723**	**673,863**

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act 2004 as amended, while Education Tax is based on Tertiary Education Trust Fund (Establishment, etc.) Act, 2011.

Income tax liability is to be settled within one year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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29 (i) Share capital

Ordinary shareholding

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Company. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the Company.

		Group		Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
	The share capital comprises:	₦'000	₦'000	₦'000	₦'000
(i)	Authorised -				
	300,000,000 shares of 50k each	**150,000**	**150,000**	**150,000**	**150,000**
(ii)	Issued and fully paid -shares of 50k each				
	At 1 January	95,014	63,342	95,014	63,342
	Bonus issue	-	31,672	-	31,672
		95,014	**95,014**	**95,014**	**95,014**

30 Share premium

Share premium is the excess paid by shareholders over the nominal value for their shares.

At 1 January	7,880,427	7,912,098	7,880,427	7,912,098
Bonus issue	-	(31,671)	-	(31,671)
At 31 December	**7,880,427**	**7,880,427**	**7,880,427**	**7,880,427**

31 Retained earnings

Retained earnings represent undistributed profits, net of statutory appropriations attributable to the ordinary shareholders.

At 1 January	11,007,552	5,732,971	6,269,983	5,391,221
Opening balance adjustment	(103,256)	1,281,748	-	-
Restated opening balance as at 1 January	**10,904,295**	**7,014,719**	**6,269,983**	**5,391,221**
Transfer from profit or loss account	(2,462,793)	5,359,820	(3,834,552)	2,245,692
Transfer to regulatory risk reserve	(15,218)	2,438	-	-
Transfer to statutory reserve	(70,259)	(2,496)	-	-
Share of newly consolidated subsidiary	(1,892,337)	-		
Dividend paid during the year	(1,499,316)	(1,366,930)	(1,499,316)	(1,366,930)
At 31 December	**4,964,372**	**11,007,552**	**936,115**	**6,269,983**

32 Regulatory risk reserve

The regulatory risk reserve represents the cumulative difference between the loan loss provision determined per the Prudential Guidelines of the Central Bank of Nigeria and the Central Bank of other subsidiaries vis-a-viz the allowance/reserve for loan losses as determined in line with the principles of IFRS 9

At 1 January	867	3,482	-	-
Opening balance adjustment	-	(177)		
Transfer from reserve	15,218	(2,438)	-	-
At 31 December	**16,085**	**867**	**-**	**-**

33 Statutory reserves

This represents the cumulative amount set aside from general reserves/retained earnings by the subsidiaries in line with the requirement of the various central banks. Nigerian banking regulations require the Microfinance Bank, on of the subsidiary of the Group, to make an annual appropriation to a statutory reserve. Transfer to statutory reserve is made at the rate of 50% of the profit after tax in line with the requirements of the Regulatory and Supervisory framework for Microfinance Banks in Nigeria issued by the Central Bank of Nigeria.

The Other Non-Nigerian subsidiary, Cedi Capital Microfinance Bank Ltd, also make appropriation which is based on their profit and in line with the requirement of their Central Bank.. This amount is non-distributable.

At 1 January	139,143	137,235	-	-
Opening balance adjustment	-	(587)		
Transfer from reserve	70,259	2,496	-	-
At 31 December	**209,402**	**139,143**	**-**	**-**

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34 Other reserves

This warehouses the fair value movement on equity and debt instruments that are carried at fair value through other comprehensive income, exchange differences resulting from the translation to Naira of the results and financial position of Group companies that have a functional currency other than Naira, and merger balances arising from the merger and disposal of some entities within the Group.

	Group		Company	
	31 December 2023 ₦'000	31 December 2022 ₦'000	31 December 2023 ₦'000	31 December 2022 ₦'000
At 1 January	6,689,648	846,359	7,396,388	764,522
Arising during the year:				
Fair valuation of items that will be subsequently reclassified to profit or loss	-	218,456	-	389,748
Fair valuation of items that will not be subsequently reclassified to profit or loss	(364,981)	-	358,092	-
Merger reserve*	-	6,242,118	-	6,242,118
Translation reserve**	1,109,395	(617,285)	-	
At 31 December	**7,434,061**	**6,689,648**	**7,754,480**	**7,396,388**

*Merger reserve arose from merger and disposal of some entities within the Group

34.1 Fair valuation of items that will not be subsequently reclassified to profit or loss

Net fair value loss/(gain) on investments in quoted equity instruments measured at FVTOCI	(364,981)	-	358,092	-
Transfer of gain/(loss) from OCI to retained earnings on disposal of FVOCI Instruments	-	-	-	-
	(364,981)	**-**	**358,092**	**-**
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 FVTOCI	-	238,330	-	389,748
	-	**238,330**	**-**	**389,748**

35 Non controlling interest

At 1 January	6,787,335	1,387,611		
Arising during the year:				
Profit for the year	1,712,352	1,476,146		
Share of newly consolidated subsidiary	3,409,001	3,925,647		
Fair valuation of items that will be subsequently reclassified to profit or loss	-	19,874		
Fair valuation of items that will not be subsequently reclassified to profit or loss	253,741	-		
Translation reserve	255,255			
Dividend paid	(486,475)	(21,943)		
	11,931,209	**6,787,335**	**-**	**-**

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36 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.

36.1 Identity of related parties

Company	Relationship	Place of Incorporation	Primary Business Operation
VFD Microfinance Bank Limited	Subsidiary	Nigeria	Microfinance banking services
Anchoria Asset Management Limited	Subsidiary	Nigeria	Investment and fund management
Kairos Capital Limited	Subsidiary	Nigeria	Issuing house and investment adviser
Anchoria Investment and Securities Limited	Subsidiary	Nigeria	Stock brokerage services
Atiat Insurance Brokers (i)	Subsidiary	Nigeria	Insurance brokerage services
Atiat Limited	Subsidiary	Nigeria	Auto and finance leasing
Herel Limited	Subsidiary	Nigeria	Real estate & hospitality
VFD Tech Limited	Subsidiary	Nigeria	IT infrastructure and development
Xenia Lifestyle Limited (ii)	Subsubsidiary	Nigeria	Hospitality management
VFD Ghana Limited	Subsubsidiary	Ghana	Investment company
Movis Logistics Limited (iii)	Subsubsidiary	Ghana	Logistics and haulage company
Cedi Capital Microfinance Bank Ltd (iv)	Subsubsidiary	Ghana	Microfinance banking services
Abbey Mortgage Bank Plc	Associate	Nigeria	Provision of mortgage services
O'Spaces Nigeria Limited	Associate of subsidiary	Nigeria	Building construction services
HSE Gourmet Limited	Associate of subsidiary	Nigeria	Comfort-food style restaurant services
EBAR Metro	Associate of subsidiary	Nigeria	Relaxation, leisure and homestyle cookings services

(i) Atiat Insurance Brokers Limited is an indirect subsidiary to the Group through Atiat Limited's 60% holding in the subsidiary.
(ii) Xenia Lifestyle Limited is an indirect subsidiary to the Group through Herel Limited's 100% holding in the subsidiary.
(iii) Movis Logistics Limmited is an indidrect subsidiary of the Group through VFD Ghana Limited's 80% holding in the subsidiary
(iv) Cedi Capital Microfinance Bank Limited is an indirect subsidiary of the Group through VFD Ghana Limited's 100% holding in the subsidiary

36.2 Key management personnel

Key management personnel constitute 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 officers.

		Group		Company	
		31 December 2023 ₦'000	31 December 2022 ₦'000	31 December 2023 ₦'000	31 December 2022 ₦'000
36.3	**Other information on key management personnel**				
	Emoluments:				
	Chairman	12,500	12,215	4,900	4,865
	Other Directors	620,323	327,422	118,765	163,113
		632,823	**339,637**	**123,665**	**167,978**
	Fees	129,924	65,870	26,600	33,500
	Sitting allowance	124,407	48,022	19,210	24,192
	Other emoluments	378,492	225,745	77,855	110,286
		632,823	**339,637**	**123,665**	**167,978**
	The total number of Directors were:	88	64	14	15
36.4	The number of persons employed (excluding directors)in the company during the year was as follows:	457	200	25	28

36.5 Transactions and balances with related companies

The following transactions and balances arising from dealings with subsidiaries, subsidiaries and associate companies of VFD Group Plc during the period

	31 December 2023 ₦'000	31 December 2022 ₦'000
Cash and cash equivalents		
VFD Microfinance Bank Limited	34,409	-
Abbey Mortgage Bank Plc	5	-
Placements		
Herel Limited	8,105,850	15,392,700
Kairos Capital Limited	32,761	43,889
Atiat Limited	37,055	-
Anchoria Investment and Securities Limited	-	14,315
Other receivables		
Anchoria Investment and Securities Limited	9,141	788,662
Other liabilities		
VFD Microfinance Bank Limited	-	50,000

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	31 December 2023 ₦'000	31 December 2022 ₦'000
Borrowings		
Anchoria Asset Management Limited	12,146,052	11,497,977
Atiat Limited	178,237	-
Herel Limited	58	-
Xenia Limited	90,916	-
VFD Tech Limited	381,053	-
Interest income		
Anchoria Asset Management Limited	-	2,356,007
VFD Microfinance Bank Limited	616	701
Herel Limited	1,132,889	-
Kairos Capital Ltd	8,096	-
Interest expense		
Herel Limited	556,312	-
Anchoria Asset Management Limited	3,509,961	-
Dividend income		
Herel Limited	1,097,424,098	-
Atiat Limited	77,219,968	-

37 Events after reporting period

There were no signifcant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

38 Non audit services

The Group paid the external auditors' professional fees of N1m for the provision of non audit services in relation to the deposit liabilities certification in line with the provision of the Nigeria Deposit Insurance Corporation Act, 2023 ('the Act")

39 Contraventions

There were no penalties paid during the year.

40 Comparatives

Certain disclosures and some prior year figures have been re-presented to conform with current year presentation

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41 Segment reporting

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

The Group CEO is considered the chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities within the group. Inter-segment pricing is determined at arm's length basis.

41.1 Geographical segments

The Group operates in the following geographical regions:
- Nigeria
- Ghana

Below is presented the Group's revenue and results from continuing operations by reportable segment

31 December 2023	Nigeria ₦'000	Ghana ₦'000	Total ₦'000
Investment and similar income	30,314,586	3,968,436	34,283,023
Investment and similar expense	(30,677,641)	(2,077,312)	(32,754,953)
Net investment income/(loss)	**(363,055)**	**1,891,125**	**1,528,070**
Other income	5,732,516	1,024,897	6,757,412
Bargain purchase	-	404,268	404,268
(Impairment)/write-back of financial assets	(166,131)	(4,946)	(171,077)
Net gains on financial assets at fair valued through profit or loss	3,293,632	-	3,293,632
Net revenue	**8,496,962**	**3,315,342**	11,812,305
Personnel expenses	(3,017,343)	(373,239)	(3,390,582)
Other operating expenses	(7,796,303)	(551,591)	(8,347,895)
Depreciation and amortisation	(1,214,494)	(255,498)	(1,469,992)
Total expenses	**(12,028,140)**	**(1,180,328)**	(13,208,469)
Operating (loss)/profit before income tax	(3,531,178)	2,135,014	(1,396,164)
Share of profit from associate	375,138	-	375,138
(Loss)/profit before income tax	**(3,156,041)**	**2,135,014**	**(1,021,026)**
Taxation	659,110	(388,524)	270,585
(Loss)/profit for the year	**(2,496,931)**	**1,746,490**	(750,441)
Total assets	209,884,876	9,392,251	219,277,127
Total liabilities	182,404,659	4,341,899	186,746,558

31 December 2022	Nigeria ₦'000	Ghana ₦'000	Total ₦'000
Investment and similar income	20,422,067	46,601	20,468,668
Investment and similar expense	(12,304,409)	(3,391)	(12,307,800)
Net investment income/(loss)	**8,117,658**	**43,209**	**8,160,868**
Other income	10,476,029	26,544	10,502,573
Bargain purchase	-	-	-
(Impairment)/write-back of financial assets	(3,028,516)	165	(3,028,352)
Net gains on financial assets at fair valued through profit or loss	2,719,144	-	2,719,144
Net revenue	**18,284,316**	**69,917**	18,354,233
Personnel expenses	(2,541,102)	(55,850)	(2,596,952)
Other operating expenses	(6,370,053)	(102,391)	(6,472,444)
Depreciation and amortisation	(1,029,375)	(8,341)	(1,037,716)
Total expenses	**(9,940,530)**	**(166,582)**	(10,107,112)
Operating (loss)/profit before income tax	8,343,786	(96,665)	8,247,121
Share of profit from associate	334,806	-	334,806
(Loss)/profit before income tax	**8,678,592**	**(96,665)**	**8,581,927**
Taxation	(1,745,961)	-	(1,745,961)
(Loss)/profit for the year	**6,932,630**	**(96,665)**	6,835,966
Total assets	150,331,485	1,189,035	151,520,520
Total liabilities	118,814,392	106,143	118,920,535

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2023

42 Restatement of comparative financial incormation

a Prior period corresponding balances

The restatement relates to the recognition of previous acquired/incorporated entities of VFD Group Plc that were not consolidated in the financial statements of the affected years 2021 and 2022.

In September 2021, VFD Group Plc acquired 100% equity interest in a Microfinance Bank, Cedi Capital Microfinance Bank Ltd, Ghana. The acquisition was made at zero consideration. The fair value of the net liability position of the business was N41,449,580 on the date of acquisition. Subsequently, VFD Group made a capital injection of N209,844,848 into the business. This capital injection was treated as a deposit for shares reporting in other receivables, and not as an investment in subsidiary. For the period ended 31 December 2021, the entity was not consolidated.

In July 2021, VFD Group Plc incorporated a subsidiary entity in Ghana, (VFD Ghana Ltd) which commenced operation in June 2022. The amount invested as of 2022 was N151m, This was treated in the books of VFD Group Plc as a deposit for share (reporting in other receivables), but the entity was not consolidated for the year ended 31 December 2022.

Group

Statement of financial position (extract) 31 December 2022	Note	As previously reported	Adjustment	Restated
Cash and cash equivalents	14	2,896,563	83,311	2,979,874
Loans and advances	17	21,715,974	18,482	21,734,456
Property, plant and equipment	19	2,659,202	26,831	2,686,033
Goodwill	20	5,812,968	41,450	5,854,418
Intangible assets	20	252,150	11,634	263,783
Other receivables	22	24,149,371	1,006,672	25,156,043
Deferred tax assets	23.1	1,220,869	655	1,221,525
Other liabilities	26	7,068,672	49,512	7,118,184
Deposit liabilities	27	15,484,029	56,874	15,540,903
Current tax liabilities	28	1,626,190	(243)	1,625,947
Retained earnings	31	9,250,316	1,757,235	11,007,551
Regulatory risk reserve	32	252	615	867
Statutory reserve	33	138,028	1,116	139,144
Other reserves	34	7,365,721	(676,074)	6,689,647

Group

Statement of profit or loss and other comprehensive income (extract) 31 December 2022		As previously reported	Adjustment	Restated
Investment and similar income	4	20,422,067	46,601	20,468,668
Investment and similar expense	5	(12,304,409)	(3,391)	(12,307,800)
Other income	6	10,476,029	26,544	10,502,573
(Impairment)/write-back of financial assets	9	(3,028,516)	165	(3,028,351)
Personnel expenses	7	(2,541,102)	(55,850)	(2,596,952)
Other operating expenses	8	(6,370,053)	(102,391)	(6,472,444)
Depreciation and amortisation	11	(866,788)	(8,341)	(875,129)
Unrealised foreign currency translation difference	34	-	(617,286)	(617,286)

Company

Statement of financial position (extract) 31 December 2022		As previously reported	Adjustment	Restated
Investment in subsidiaries	18	20,647,269	361,580	21,008,849
Other receivables	22	21,031,138	(361,580)	20,669,558

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2023

Group **Statement of financial position (extract)** **31 December 2021**		**As previously reported**	**Adjustment**	**Restated**
Cash and cash equivalents	14	3,881,378	16,027	3,897,405
Investment in financial assets	16	48,788,900	140,842	48,929,742
Loans and advances	17	-	956	956
Property, plant and equipment	19	945,259	2,368	947,627
Goodwill	20	157,102	41,450	198,552
Intangible assets	20	612,821	2,621	615,442
Other receivables	22	24,342,354	(197,969)	24,144,385
Deferred tax assets	23.1	52,339	1,001	53,340
Other liabilities	26	15,816,560	818	15,817,378
Deposit liabilities	27	15,197,054	57,511	15,254,565
Deferred tax liabilities	23.2	-	44,765	44,765
Retained earnings	31	5,772,476	(39,505)	5,732,971
Regulatory risk reserve	32	2,690	792	3,482
Statutory reserves	33	135,532	1,703	137,235
Other reserves	34	905,147	(58,788)	846,359

Company **Statement of financial position (extract)** **31 December 2021**		**As previously reported**	**Adjustment**	**Restated**
Investment in subsidiaries	18	4,181,406	209,858	4,391,264
Other receivables	22	21,510,382	(209,858)	21,300,524

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2023

43 Business combination

a Business combination with Movis Logistics Ltd, Ghana

During the period, the Group, through its subsidiary company, VFD Ghana Ltd, acquired Movis Logistics Ltd, Ghana with effect from 31 May 2023. The acquisition involved the Group acquiring 80% of the issued share capital of Movis Logistics Ghana Ltd in exchange for shares in VFD Ghana Ltd. The value of the consideration transferred was N830,331,948. (Eight hundred and thirty million, three hundred and thirty one thousand, nine hundred and fourty eight naira). The fair value of the net asset on the date of acquistion was N1,543,249,482 (One billion, five hundred and and the value of the non controlling interest was N308,649,896.

	₦'000
Value of consideration transferred	830,332
Non controlling interest at acquistion date	308,650
Fair value of net asset acquired from business combination	(1,543,249)
Bargain purchase	**(404,268)**

Assets	**₦'000**
Property, plant and equipment	1,043,152
Inventory	7,383
Short term investments	18,757
Trade receivables	591,519
Other receivables	932,050
Other receivables	369,466
Cash	28,475
Prepayment	64,652
Total assets	**3,055,454**
Liabilities	
Other liabilities	1,023,486
Deferred tax	47,353
Borrowings	164,911
Deferred income	29,172
Current income tax liability	247,282
Total liabilities	**1,512,204**
Net asset	**1,543,249**
Non controlling interest	308,650
Owner of the company equity	**1,234,600**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2023

b Business combination with Cedi Capital Microfinance Bank Ltd, Ghana

In September 2021, VFD Group Plc acquired 100% equity interest in a Microfinance Bank, Cedi Capital Microfinance Bank Ltd, Ghana. The acquisition was made at zero consideration. The fair value of the net liability position of the business was GHC637,997 (N41,449,580) on the date of acquisition.

	₦'000
Value of consideration transferred	-
Fair value of net asset acquired from business combination	(41,400)
Goodwill	**41,400**

Assets	**₦'000**
Cash and Cash Equivalents	6,041
Loans and Advances to Customers	27,312
Property, plant and equipments	3,720
Intangible assets	1,634
Other Assets	10,581
Total assets	**49,287**
Liabilities	
Deposit from customers	51,653
Other liabilities	39,034
Total liabilities	**90,687**
Net asset	**(41,400)**
Owner of the company equity	**(41,400)**

c. Business combination with between Atiat Ltd and VFD Bridge Ltd

In 2022, Atiat Ltd acquired VFD Bridge Ltd. The value of the consideration transferred on the date of acquisition was N4,661,699,317 (Four billion, six hundred and sixty one million, six hundred and ninety nine thousand, three hundred and seventeen naira. The fair value of net asset on the date of acquisition was N507,072,704 (Five hundred and seven million, seventy thousand, and seven hundred and four naira).

	₦'000
Value of consideration transferred	4,661,699
Fair value of net asset acquired from business combination	(507,072)
	4,154,627

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2023

Assets	**₦'000**
Cash and cash equivalents	4,658,005
Loans and receivables	10,904,372
Investment securities	463,734
Receivables	2,382
Other assets	804,935
Property plant and equipment	272,339
Deferred tax asset	18,777
Total assets	**17,124,544**
Liabilities	
Debt notes	9,641,899
Borrowings & overdraft	5,603,049
Other liabilities	57,946
Payables	1,289,091
Deferred tax liability	25,487
Total liabilities	**16,617,472**
Net asset	**507,072**

d Business combination with between Dynasty Real Estate Limited (DRE) and Herel Limited

In 2022, Herel Ltd acquired Dynasty Real Estate. The value of the consideration transferred on the date of acquisition was N2,866,264,349 (Two billion, eight hundred and sixty six million, two hundred and sixty four thousand, three hundred and forty naine naira. The fair value of net asset on the date of acquisition was N1,528,761,758 (Five hundred and seven million, seventy thousand, and seven hundred and four naira).

	₦'000
Value of consideration transferred	2,866,264
Fair value of net asset acquired from business combination	(1,528,761)
	1,337,503

STATEMENT OF VALUE ADDED
31 December 2023

	Group				Company			
	2023 ₦'000	**%**	**2022 ₦'000**	**%**	**2023 ₦'000**	**%**	**2022 ₦'000**	**%**
Gross earnings	45,113,473		34,025,191		10,804,102		13,771,240	
Investment expense	(32,754,953)		(12,307,800)		(12,391,733)		(6,429,913)	
	12,358,520		21,717,391		(1,587,631)		7,341,327	
Impairment loss on financial and non-financial instruments	(171,077)		(3,028,352)		338,901		(1,717,413)	
	12,187,442		18,689,039		(1,248,730)		5,623,914	
Bought in materials and services	(8,347,895)		(6,472,444)		(3,113,492)		(1,674,245)	
VALUE ADDED	**3,839,548**	**100%**	**12,216,595**	**100%**	**(4,362,222)**	**100%**	**3,949,669**	**100%**
Applied as follows:								
To pay employees:								
Salaries and other benefits	3,390,582	88%	2,596,952	21%	464,221	-11%	723,325	18%
To pay government:								
Taxes	309,204	8%	1,233,328	10%	47,569	-1%	365,642	9%
Retained for future replacement of assets								
- Deferred tax	(579,790)	-15%	512,633	4%	(1,204,749)	28%	420,289	11%
- Depreciation and amortisation	1,469,992	38%	1,037,716	8%	165,291	-4%	194,721	5%
- Profit for the year	(750,441)	-20%	6,835,966	56%	(3,834,552)	88%	2,245,693	57%
	3,839,548	100%	**12,216,595**	100%	**(4,362,222)**	100%	**3,949,669**	100%

Value added represents the additional wealth which the Group 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 Group for the future creation of more wealth.

FINANCIAL SUMMARY
as at 31 December 2023

Group		**Restated**	**Restated**		
	2023	**2022**	**2021**	**2020**	**2019**
ASSETS	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	8,373,710	2,979,874	3,897,405	4,490,804	1,461,325
Funds under management	62,018,613	26,981,985	15,170,585	12,792,413	18,668,089
Investment in financial assets	52,035,503	30,189,372	48,929,742	25,899,754	6,305,682
Loans and advances	19,533,384	21,734,456	956	-	-
Investment in associates	5,080,036	4,927,371	4,095,920	-	-
Property, plant and equipment	14,691,086	3,193,050	1,082,264	1,808,409	1,432,500
Goodwill	5,533,579	5,854,418	198,552	-	-
Intangible assets	379,512	263,783	615,442	113,007	63,852
Investment property	17,182,776	23,777,147	4,571,669	6,080,258	-
Development property	10,985,838	5,241,495	-	-	137,365
Other receivables	21,421,300	25,156,043	24,144,385	5,373,563	6,131,815
Deferred tax assets	2,041,790	1,221,525	53,340	117,076	36,069
Special placement with CBN	-	-	-	25,000,000	10,000,000
TOTAL ASSETS	**219,277,127**	**151,520,520**	**102,760,259**	**81,675,283**	**44,236,696**
LIABILITIES					
Funds under management	61,788,494	36,194,439	26,062,482	25,248,777	16,018,428
Borrowings	81,599,925	56,727,711	28,594,111	7,366,177	15,743,876
Other liabilities	12,632,224	7,118,184	15,817,378	29,068,808	6,204,954
Deposit liabilities	26,999,662	15,540,903	15,254,565	9,285,817	-
Current tax liabilities	1,772,426	1,625,947	903,861	812,396	287,337
Deferred tax liabilities	1,953,826	1,713,351	44,765	12,630	-
TOTAL LIABILITIES	**186,746,558**	**118,920,535**	**86,677,162**	**71,794,605**	**38,254,595**
EQUITY					
Share capital	95,014	95,014	63,342	59,616	59,616
Share premium	7,880,427	7,880,427	7,912,098	3,822,062	3,822,062
Retained earnings	4,964,372	11,007,551	5,732,971	4,199,113	1,406,457
Regulatory risk reserve	16,085	867	3,482	13,486	6,462
Statutory reserves	209,403	139,144	137,235	135,532	-
Other reserves	7,434,061	6,689,647	846,359	684,847	(81,389)
SHAREHOLDER'S FUND	**20,599,362**	**25,812,650**	**14,695,487**	**8,914,656**	**5,213,208**
Non-controlling Interest	11,931,208	6,787,335	1,387,610	966,022	768,893
TOTAL LIABILITIES AND EQUITY	**219,277,128**	**151,520,520**	**102,760,259**	**81,675,283**	**44,236,696**

FINANCIAL SUMMARY
as at 31 December 2023

Company	**2023**	**Restated 2022**	**Restated 2021**	**2020**	**2019**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
ASSETS					
Cash and cash equivalents	756,157	232,540	2,306,643	4,077,652	1,185,918
Investment in financial assets	53,886,066	26,648,477	26,954,249	17,997,508	3,328,484
Investments in subsidiaries	22,631,987	21,008,849	4,391,264	2,414,124	1,514,125
Investment in associates	4,447,982	4,328,443	4,095,921		
Property, plant and equipment	590,540	261,759	340,367	1,424,005	1,248,922
Intangible assets	22,380	16,019	89,708	98,670	49,817
Investment property	600,000	1,880,855	2,389,201	3,825,175	-
Other receivables	6,766,002	20,669,557	21,300,524	4,060,099	6,213,312
Special Placement with CBN	-	-		25,000,000	10,000,000
Deferred tax assets	1,550,440	309,525	95,944	95,944	-
TOTAL ASSETS	**91,251,555**	**75,356,025**	**61,963,822**	**58,993,179**	**23,540,578**
LIABILITIES					
Borrowings	67,047,548	48,019,160	33,536,150	22,161,396	12,643,657
Other liabilities	6,058,655	4,148,761	13,619,041	28,487,798	6,019,867
Current tax liabilities	570,723	673,863	438,889	499,038	56,535
Deferred tax liabilities	908,594	872,430	238,559	-	15,786
TOTAL LIABILITIES	**74,585,520**	**53,714,214**	**47,832,639**	**51,148,233**	**18,735,845**
EQUITY					
Share capital	95,014	95,014	63,342	59,616	59,616
Share premium	7,880,427	7,880,427	7,912,098	3,822,062	3,822,062
Retained earnings	936,115	6,269,983	5,391,221	3,197,496	989,987
Other reserves	7,754,480	7,396,388	764,522	765,772	(66,932)
SHAREHOLDERS' FUND	**16,666,036**	**21,641,811**	**14,131,183**	**7,844,946**	**4,804,733**
TOTAL LIABILITIES AND EQUITY	**91,251,556**	**75,356,025**	**61,963,822**	**58,993,179**	**23,540,578**