VFD GROUP PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2024

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CORPORATE INFORMATION

DIRECTORS:

Mr. Olatunde Busari (SAN)	Chairman
Mr. Nonso Okpala	Group Managing Director
Mr. John Okonkwo	Executive Director
Mrs Morenike Ominike	Executive Director (Appointed 5th July 2024)
Mr. Azubike Emodi	Non- Executive Director
Mr. Mobolaji Adewumi	Non- Executive Director
Mr. Chuks Ozigbo	Non- Executive Director
Mr. Kelvin Orogun	Non- Executive Director
Mr. Hubert Asamoah	Non- Executive Director(Appointed 5th July 2024)
Mr. Abe Ibraheem	Non-Executive Director (Appointed 5th July 2024)
Mr. Adeniyi Adenubi	Non- Executive Director (Appointed 5th July 2024)
Mr. Gbenga Omolokun	Non- Executive Director(Resigned effective 30th May 2024)
Mr. Femi Akinware	Non- Executive Director(Resigned effective 26 June 2024)
Mr. Adegboyega Fatoki	Independent Non- Executive Director
Ms. Omolola Bolusire	Independent Non- Executive Director
Dr. Nneka Okekearu	Independent Non- Executive Director
Ms. Rashida Saleh	Independent Non- Executive Director

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
Greenwich Merchant Bank Limited
Abbey Mortgage Bank Plc

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 Corporate Governance Report contains detailed information on the VFD Group PLC's (VFD Group) governance structures, policies, and practices, as well as environmental and social risks which is in compliance with the Securities and Exchange Commission's Code of Corporate Governance for Public Companies of 2011, the Nigerian Code of Corporate Governance of 2018, the Rules and Regulations the Nigerian Exchange Limited, the Investment and Securities Act No. 29 of 2007, the Companies and Allied Matters Act 2020 as may be amended from time to time and global best practices in relation to its governance framework, culture and the activities of its Board of Directors, Executive Committee and Management Committee during the reporting period.

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.

a) THE BOARD OF DIRECTORS

As at December 31, 2024, the Board comprised a Chairman (who is an independent Non-Executive Director), four (4) other Independent Non-Executive Directors, seven (7) Non-Executive Directors and three (3) Executive Directors [including the Group Managing Director/Chief Executive Officer], 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, Investment, Risk Management, Legal, Planning and Strategy, Corporate Finance, Compliance, Information Technology and Business 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.

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 is a Management Committee which ensures 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 Group Managing Director 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.

According to the Company's Articles of Association, the responsibility of managing the Company's business lies with the Board of Directors. The Board has the power to exercise any rights not reserved for the Company in general meetings, as required by statute or the Articles of Association. As of now, the Board consists of fifteen (15) members, an Independent Non-Executive Chairman heads the Board, and the Group Managing Director (GMD) leads the Company's management team as per the Board's mandate.

CORPORATE GOVERNANCE REPORT (CONT'D)

1	Mr. Olatunde Busari [SAN]	Chairman/ Independent Non-Executive Director
2	Mr. Nonso Okpala	Group Managing Director
3	Mr. Adegboyega Fatoki	Independent Non-Executive Director
4	Ms. Omolola Bolusire	Independent Non-Executive Director
5	Ms. Rashida Saleh	Independent Non-Executive Director
6	Dr. Nneka Okekearu	Independent Non-Executive Director
7	Mr. Mobolaji Adewumi	Non-Executive Director
8	Mr. Azubike Emodi	Non-Executive Director
9	Mr. Chuks Ozigbo	Non-Executive Director
10	Mr. Kelvin Orogun	Non-Executive Director
11	Mr. Adeniyi Adenubi	Non-Executive Director
12	Mr. Hubert Asamoah	Non-Executive Director
13	Mr. Abe Ibraheem	Non-Executive Director
14	Mr. John Okonkwo	Executive Director- Finance, Risk Management and Compliance
15	Mrs. Morenike Ominike	Executive Director- Operations

CONDUCT AT BOARD MEETINGS

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

The Board met five (5) times during the year ended 31 December 2024, and the attendance is represented below:

S/N	DIRECTORS	FEBRUARY 14, 2024	MAY 30, 2024	JULY 5, 2024	SEPTEMBER 2, 2024	OCTOBER 28, 2024
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. Abe Ibraheem	NYA	NYA	NYA	P	P
6.	Mr. Gbenga Omolokun	P	P	R	R	R
7.	Mr. Mobolaji Adewumi	P	P	P	P	P
8.	Mrs. Morenike Ominike	NYA	NYA	NYA	P	P
9.	Mr. Adegboyega Fatoki	P	P	P	P	P
10.	Ms. Omolola Bolusire	P	P	P	P	P
11.	Mr. Hubert Asamoah	NYA	NYA	NYA	P	P
12.	Mr. Azubike Emodi	P	P	P	P	P
13.	Ms. Rashida Saleh	P	P	P	P	P
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	R	R	R
17.	Dr. Nneka Okekearu	AWA	P	P	P	P

b) BOARD COMMITTEES

During the financial year ended December 31, 2024, 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, accounts, strategy, tax strategy, treasury activities, risk assessment and Management, insurance programs/coverage, financial exposures and financial objectives and monitoring the implementation of those strategies and objectives, reviewing and approving proposals for the allocation of capital and other resources, considering and approving major capital projects being proposed by Management as well as review of extraordinary business initiatives of Management on behalf of the Board, recommend to the Board of Directors dividends to shareholders and other shareholder actions 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	Dr. Nneka Okekearu	Committee Member
5	Mr. Kelvin Orogun	Committee Member
6	Mr. John Okonkwo	Committee Member
7	Mr. Hubert Asamoah	Committee Member

CORPORATE GOVERNANCE REPORT (CONT'D)

The Finance and General-Purpose Committee met four (4) times during the 2024 financial year. The following table shows attendance of members at the meetings.

S/N	COMMITTEE MEMBERS	MAY 28, 2024	AUGUST 16, 2024	OCTOBER 25, 2024	DECEMBER 19, 2024
1	Mr. Chuks Ozigbo	P	P	P	P
2	Mr. Nonso Okpala	P	P	P	P
3	Mr. John Okonkwo	P	P	P	P
4	Mr. Hubert Asamoah	NYA	P	P	P
5	Mr. Mobolaji Adewumi	P	P	AWA	P
6.	Mr. Kelvin Orogun	P	NLC	NLC	NLC
7.	Dr. Nneka Okekearu	P	P	P	P

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. The Committee provides input to the annual report of the Company in respect of Directors' compensation, attract, retain and motivate key talent who add value to the Company based on individual and team contributions, engage as necessary, the services of an independent adviser to carry out periodic compensation surveys across comparative organizations and ensure adequate disclosure of Directors' remuneration to stakeholders.

Composition

1	Ms. Omolola Bolusire	Chairman
2	Mr. Adegboyega Fatoki	Committee Member
3	Mr. Chuks Ozigbo	Committee Member
4	Mr. Azubike Emodi	Committee Member
5	Dr. Nneka Okekearu	Committee Member
6	Ms. Rashida Saleh	Committee Member

The Board Remuneration Committee met four (4) times during the 2024 financial year. The following table shows attendance of members at the meetings.

S/N	COMMITTEE MEMBERS	APRIL 16, 2024	AUGUST 13, 2024	OCTOBER 22, 2024	DECEMBER 10, 2024
1.	Ms. Omolola Bolusire	P	P	P	P
2.	Mr. Chuks Ozigbo	P	P	P	P
3.	Mr. Azubike Emodi	P	P	P	P
4.	Mr. Adegboyega Fatoki	P	P	P	P
5.	Dr. Nneka Okekearu	P	P	P	P
6.	Ms. Rashida Saleh	P	P	P	AWA

3 Board Nomination and Governance Committee

Its functions include reviewing and making recommendations for improvement to the Company's VFD Group's Corporate Governance framework, establishing a formal and transparent process for Board appointments, including establishing the criteria for appointment to the Board and Board committees, reviewing prospective candidates' qualifications and any potential conflict of interest, assessing the contribution of current Directors against their re-nomination suitability, and making appropriate recommendations to the Board, ensuring that the company has a formal program for the induction and training of Directors, undertaking the annual assessment of the independent status of each INED, ensuring that the Company has a succession policy and plan in place for the Chairman of the Board, the MD/CEO, and all other EDs, NEDs and senior management positions to ensure leadership continuity, developing a process and ensuring that the Board undertakes an annual performance evaluation of itself, its committees, the Chairman and individual Directors, developing and reviewing the Board and committee policy and other governance policies, such as the code of ethics, conflict of interest and whistleblowing among others while ensuring adequate Corporate Governance disclosures are made in the Annual Reports 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
7	Mr. Abe Ibraheem	Committee Member
8	Mr. Adeniyi Adenubi	Committee Member

The Board Nomination and Governance Committee met four (4) times during the 2024 financial year. The following table shows attendance of members at the meetings.

S/N	COMMITTEE MEMBERS	APRIL 15, 2024	AUGUST 27, 2024	OCTOBER 25, 2024	DECEMBER 16, 2024
1	Mr. Kelvin Orogun	P	P	P	P
2	Mr. Azubike Emodi	P	P	P	P
3	Mr. Adeniyi Adenubi	NAC	P	P	P
4	Mr. Adegboyega Fatoki	P	NLC	NLC	NLC
5	Ms. Omolola Bolusire	P	P	P	P
6	Ms. Rashida Saleh	P	P	P	AWA
7	Mr. Femi Akinware	P	R	R	R
8	Mr. Abe Ibraheem	NYA	P	P	P

CORPORATE GOVERNANCE REPORT (CONT'D)

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
7	Mr. Nonso Okpala	Committee Member
8	Mrs. Morenike Ominike	Committee Member
9	Mr. Chuks Ozigbo	Committee Member

The Board Risk and Compliance Committee met four (4) times during the 2024 financial year. The following table shows attendance of members at the meetings.

S/N	COMMITTEE MEMBERS	APRIL 18, 2024	AUGUST 14, 2024	OCTOBER 23, 2024	DECEMBER 13, 2024
1	Mr. Adegboyega Fatoki	P	P	P	P
2	Mr. Gbenga Omolokun	P	R	R	R
3	Mr. Adeniyi Adenubi	P	NLC	NLC	NLC
4	Mr. John Okonkwo	P	P	P	P
5	Mr. Kelvin Orogun	P	NLC	NLC	NLC
6	Ms. Omolola Bolusire	P	P	P	P
7	Mrs. Morenike Ominike	NYA	P	P	P
8	Mr. Nonso Okpala	NAC	AWA	P	AWA
9	Mr. Chuks Ozigbo	NAC	P	P	P

5 Board Investment Committee

Under the delegated powers of the Board of Directors, the Board Investment Committee is responsible for the review, provide advice, approve expert advice 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 in the subsequent Board meetings.

Composition

1	Mr. Abe Ibraheem	Chairman
2	Mr. Femi Akinware	Committee Member
3	Mr. Nonso Okpala	Committee Member
4	Mr. Adeniyi Adenubi	Committee Member
5	Mr. Mobolaji Adewumi	Committee Member
6	Mr. Adegboyega Fatoki	Committee Member
7	Mr. Gbenga Omolokun	Committee Member
8	Mrs. Morenike Ominike	Committee Member
9	Mr. Hubert Asamoah	Committee Member

The Board Investment Committee met four (4) times during the 2024 financial year. The following table shows attendance of members at the meetings.

S/N	COMMITTEE MEMBERS	MAY 7, 2024	AUGUST 19, 2024	OCTOBER 24, 2024	DECEMBER 13, 2024
1.	Mr. Abe Ibraheem	NYA	P	P	P
2.	Mr. Femi Akinware	P	R	R	R
3.	Mr. Nonso Okpala	AWA	P	P	P
4.	Mr. Adeniyi Adenubi	P	P	P	P
5.	Mr. Mobolaji Adewumi	AWA	P	P	AWA
6.	Mr. Adegboyega Fatoki	P	P	P	P
7.	Mr. Gbenga Omolokun	P	R	R	R
8.	Mr. Hubert Asamoah	NYA	P	P	P
9.	Mrs. Morenike Ominike	NYA	P	P	P

CORPORATE GOVERNANCE REPORT (CONT'D)

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, authorizing the Internal Auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee, review the findings in management letter in conjunction with the external auditor and management responses, make recommendations to the Board regarding the appointment, removal, and remuneration of the external auditors of the Company. exercise oversight over Management’s processes to ascertain the integrity of the Company’s financial statements, compliance with all applicable legal, oversee the process for the identification of fraud risks across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place, discuss the interim or annual audited financial statements as well as significant financial reporting findings and recommendations with Management and External Auditors, maintain oversight of financial and non-financial reporting, review and ensure that adequate whistle-blowing policies and procedures are in place, Preserve auditor independence, by setting clear hiring policies.

Composition

1	Dr. 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	Mr. Abe Ibraheem	Committee Member
8	Mr. Adeniyi Adenubi	Committee Member
9	Kelvin Orogun	Committee Member

S/N	COMMITTEE MEMBERS	MAY 29, 2024	AUGUST 15, 2024	OCTOBER 22, 2024	DECEMBER 11, 2024
1.	Dr. Nneka Okekearu	P	P	P	P
2.	Mr. Chuks Ozigbo	P	NLC	NLC	NLC
3.	Ms. Rashida Saleh	P	P	P	P
4.	Mr. Femi Akinware	P	R	R	R
5.	Mr. Mobolaji Adewumi	P	AWA	AWA	AWA
6.	Mr. Azubike Emodi	P	NLC	NLC	NLC
7.	Mr. Abe Ibraheem	NYA	P	P	P
8.	Mr. Adeniyi Adenubi	NAC	P	P	AWA
9.	Mr. Kelvin Orogun	NAC	P	AWA	P

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	Alhaji Tambari Kabiru	Chairman/Shareholder (present)
2	Mr. Adeyemi Lawal	Chairman/Shareholder (former)
3	Mr. Akinola Oladapo	Shareholder
4	Mr. Afolabi Adegbayo	Shareholder
5	Mr. Chijioke Ugorji	Shareholder
6	Mr. Mobolaji Adewumi	Director
7	Mr. Chuks Ozigbo	Director
8	Mr. Kelvin Orogun	Director
9	Mr. Adeniyi Adenubi	Director

S/N	COMMITTEE MEMBERS	AUGUST 15, 2024	NOVEMBER 22, 2024	DECEMBER 18, 2024
1	Mr. Adeyemi Lawal	NLC	NLC	NLC
2	Mr. Akinola Oladapo	AWA	AWA	AWA
3	Mr. Afolabi Adegbayo	NLC	NLC	NLC
4	Alhaji Kabiru Tambari	P	P	P
5	Mr. Chijioke Ugorji	P	P	P
6	Mr. Chuks Ozigbo	NLC	NLC	NLC
7	Mr. Mobolaji Adewumi	NLC	NLC	NLC
8	Mr. Kelvin Orogun	AWA	P	P
9	Mr. Adeniyi Adenubi	P	P	P

c) ALTERNATE DIRECTORSHIP

There was no alternate directorship during the year under review.

CORPORATE GOVERNANCE REPORT (CONT'D)

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.

e) 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.

f) COMPLIANCE WITH STATUTORY REPORT

VFD Group Plc complied with all applicable regulatory and financial reporting requirements during FY 2024. However, VFD Group Plc paid penalty imposed by the Nigeria Exchange due to the late filing of the 2023 year end and Q1 2024 unaudited financial Statements.

g) BOARD PERFORMANCE AND EVALUATION

To ensure effective governance and best practices, the Board engaged an independent consultant Messrs. Ernest & Young to conduct the annual Board and Directors Appraisal for the 2024 financial year. The Board believes that using an independent consultant encourages objectivity in evaluating the Board's performance and enhances transparency in the evaluation process. The Board, Board Committees, and individual directors were assessed and found to have satisfactory performance. Feedback from the exercise was communicated to the Board Chairman.

h) REMUNERATION OF DIRECTORS

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

i) 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.

j) BOARD APPOINTMENT PROCESS, TRAINING AND INDUCTION

The process of appointing directors involves assessing whether there is a need to appoint a new director, either to fill a vacancy or for other reasons and the nomination of a candidate to the board is done in accordance with the Appointment of Directors Policy. The resume of suitable candidates with the required skills, competence, and experience are referred to the Nomination and Governance Committee, who then interview the candidates and recommend the best fit to the board for approval. Any director appointed by the board is presented at the next Annual General Meeting of the company's members for election in compliance with statutory requirements.

The Board ensures that its members receive regular training and education to enhance their decision-making acumen, performance, and overall effectiveness. Newly appointed Directors receive a customized induction program that includes one-on-one meetings with Executive Directors and Senior Executives. These sessions are designed to provide an understanding of the challenges, opportunities, and risks facing the organization. The induction program covers an overview of all business units, Board processes, and policies. The Board is committed to providing regular training and development opportunities to its members. It is the opinion of the Board that robust professional development will significantly enhance Directors' performance in fulfilling their oversight responsibilities.

CORPORATE GOVERNANCE REPORT (CONT'D)

k) EXECUTIVE COMMITTEES

The Executive Management is made up of the Group Managing Director (GMD), the Executive Directors and Departmental Heads. The role of the committee is led by the GMD, who ensures that VFD Group's strategic objectives as set by the Board are achieved and the company is optimized. The committee meets weekly and is responsible for the day-to-day operation of VFD Group.
The members of the committee include:

S/No.	Names	Position Held
1.	Nonso Okpala	Group Managing Director
2.	John Okonkwo	ED Finance, Risk and Compliance
3.	Morenike Ominike	ED, Operations
4.	Raphael Olope	Chief Financial Officer
5.	Obiaajum Chimbo	Chief Risk Officer
6.	Chukwuemeka Benaiah	Head Treasury

l) 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 reports, 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 monitoring performance throughout the financial year, in addition to monthly reporting of key performance indicators. Messrs. PriceWaterHouse Coopers acted as external auditors to the Group for the year ended December 31, 2024. 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 Control**

The Group has consistently improved its internal control system to ensure effective management of risks. The Directors review the effectiveness of the system of internal control through regular reports and reviews at Board Risk & Compliance Committee meetings.

- **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 to make informed decisions about the Group. The Board is committed to maintaining high standards of corporate disclosure. It ensures that the rights of shareholders are always protected. Notice of meetings and all other statutory notices and information are communicated to the shareholders regularly. The Group always ensures the protection of statutory and general rights of shareholders, particularly their right to vote at general meetings. All shareholders are treated equally regardless of their equity interest or social status. The General Meeting of Shareholders is the highest decision-making body of the Group and meetings are conducted in a fair and transparent manner that gives shareholders the opportunity to express their opinion. 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 including 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.

m) 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/PRO/NBA/002/00000011768
Group Company Secretary
8, MacGregor Road, Ikoyi
Lagos.

28 March 2025

DIRECTORS' REPORT

In accordance with Section 385 of the Companies and Allied Matters Act, 2020 [“CAMA”], the Board of Directors present their report on the affairs of the Company and its subsidiaries (together “the Group”) together with the audited consolidated and separate financial statements and independent auditor's report for the year ended December 31, 2024.

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.

VFD Group Plc following a special resolution of Members in the General Meeting on May 25, 2023, deregistered from National Association of Securities Dealers OTC(NASD) on September 28, 2023, and was listed by introduction on the main board of Nigerian Exchange Group Plc.

PRINCIPAL ACTIVITIES

VFD Group Plc is a proprietary investment and operates through its portfolio companies to provide alternative funding and investment channels that are accessible to individuals, small businesses and operators. Its investment portfolio cuts across different industries, particularly Financial services, Capital Market, Technology, Security Services, Banking, Remittance, Real Estate and Hospitality, Leasing, Media and Entertainment, Infrastructure and Energy.

RESULT 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	
	2024	**2023**	**2024**	**2023**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Profit/(loss) before tax	11,249,810	(1,021,026)	2,574,549	(4,991,733)
Taxation	(2,556,767)	270,585	(391,043)	1,157,181
Profit/(loss) for the year	**8,693,043**	**(750,441)**	**2,183,505**	**(3,834,552)**

BOARD CHANGES

1) Resignation

The following Directors resigned during the financial year:

=> Mr. Gbenga Omolokun (effective May 30, 2024)
=> Mr. Femi Akinware (effective June 27, 2024)

2) Board Appointments

The Nomination and Governance Committee of the Board is responsible for identifying and proposing suitable candidates to fill vacant Board positions in accordance with the Board's Appointment of Directors Policy. Following the provisions of the Business Facilitation Act 2022, one-third of a public company's Board members must be Independent Non-Executive Directors and VFD Group has complied with same. Mr. Abe Ibraheem Mrs. Morenike Ominike and Mr. Hubert Asamoah were appointed to the Board as Non-Executive Directors on July 5, 2024. 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 Annual General Meeting.

DIRECTORS' REPORT (CONT'D)

3.Retirement and Re-Election of Directors

In accordance with the provision of Section 285[1] of the Companies and Allied Matters Act 2020, one third of the directors of the Company shall retire from office. The directors to retire every year shall be those who have been longest in office since their last election. In accordance with this provision. Mr. Nonso Okpala, Mr. Olatunde Busari (SAN), Mr. Adeniyi Adenubi, Mr. Azubike Emodi and Mr. Chuks Ozigbo will retire by rotation and Mr. Nonso Okpala, Mr. Olatunde Busari (SAN), Mr. Adeniyi Adenubi, Mr. Azubike Emodi and Mr. Chuks Ozigbo have offered themselves up for re-election.

4. Dividend

No dividend was declared by the Directors during the year ended. However, the Company issued a bonus of 1,013,479,280 ordinary shares of 50 kobo each was distributed to shareholders whose names appeared in the register of members as at June 14th, 2024 on the basis of 4:1.

5. 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.

6. 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			
	2024		2023	
	Direct	Indirect	Direct	Indirect
Mr. Olatunde Busari	-	-	-	-
Mr. Nonso Okpala	-	242,207,190	-	36,442,320
Mr. Adeniyi Adenubi	89,070	38,117,608	83,264	8,006,914
Mr. John Okonkwo	980,655	-	196,131	-
Mr. Adegboyega Fatoki	-	-	-	-
Mr. Gbenga Omolokun	-	-	150,169	4,169,161
Mrs. Morenike Ominike	70,350	-	-	-
Mr. Mobolaji Adewumi	71,105,150	-	14,221,030	-
Dr. Nneka Okekearu	-	-	-	-
Ms. Omolola Bolusire	-	-	-	-
Mr. Azubike Emodi	9,036,010	3,526,785	1,532,240	935,374
Ms. Rashida Saleh	-	-	-	-
Mr. Chuks Ozigbo	-	41,723,870	-	8,344,774
Mr. Femi Akinware	-	4,643,578	-	4,643,578
Mr. Kelvin Orogun	22,417,595	100,362,270	3,362,639	15,050,420
Mr. Hubert Asamoah	-	-	-	-
Mr. Abe Ibraheem	-	-	-	-

7. GENDER DIVERSITY AND PROPORTION OF FEMALE IN VFD GROUP PLC

VFD Group is dedicated to providing equal job opportunities for all employees regardless of their gender. The company has a good representation of women in middle and senior management positions. The Company is also fully committed in ensuring appointments of more female Directors on the Board.

8. SHAREHOLDING AND SUBSTANTIAL SHAREHOLDERS

The current Authorized Capital of the Company is N633,424,550 [Six Hundred and Thirty-Three Million, Four Hundred and Twenty-Four Thousand, Five Hundred and Fifty Naira] divided into 1,266,849,100 [One Billion, Two Hundred and Sixty-Six Million, Eight Hundred and Forty-Nine Thousand, One Hundred] 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 2024	
	Number	Percentage (%)
Osnon Capital Limited	242,207,190	19.12
Jotani Investments Limited	100,362,270	7.92
Anchoria Asset Management Limited	74,976,455	5.92
Bilinear Limited	72,308,240	5.71
Adewumi Mobolaji	71,105,150	5.61

DIRECTORS' REPORT (CONT'D)

SHAREHOLDERS STRUCTURE AS AT DECEMBER 31, 2024

	VFD GROUP PLC		
	STRUCTURE AS AT DECEMBER 31, 2024		
S/N	**HOLDER TYPE**	**HOLDER COUNT**	**HOLDINGS**
1.	corporate	114	985,078,478
2.	foreign	10	1,790,883
3.	government	5	70,785
4.	individual	1,151	278,246,344
5.	institution	3	177,800
6.	joint	19	1,483,485
7.	pension	1	1,325
	Total	1,303	1,266,849,100

ANALYSIS OF SHAREHOLDINGS

The details of shareholding of the Company as at December 31, 2024 is as stated below;

VFD GROUP PLC						
RANGE ANALYSIS AS OF DECEMBER 31, 2024						
HEADLINE	**SHAREHOLDERS**			**HOLDINGS**		
RANGE	**NO. OF HOLDERS**	**HOLDERS %**	**CUMMULATIVE HOLDERS**	**UNITS**	**UNITS %**	**CUMMULATIVE UNITS**
1-1,000	603	0.46	603	142,710	0.00	142,710
1,001-5,000	250	0.19	853	676,731	0.00	819,441
5,001-10,000	79	0.06	932	635,884	0.00	1,455,325
10,001-50,000	162	0.12	1,094	3,826,010	0.00	5,281,335
50,001-100,000	49	0.04	1,143	3,637,726	0.00	8,919,061
100,001-500,000	56	0.04	1,199	12,701,584	0.01	21,620,645
500,001-1,000,000	28	0.02	1,227	19,905,364	0.02	41,526,009
1,000,001-5,000,000	42	0.03	1,269	99,185,884	0.08	140,711,893
5,000,001-10,000,000	9	0.01	1,278	72,641,786	0.06	213,353,679
10,000,001-50,000,000	19	0.01	1,297	454,966,290	0.36	668,319,969
50,000,001-100,000,000	4	0.00	1,301	255,959,671	0.20	924,279,640
100,000,001-500,000,000	2	0.00	1,303	342,569,460	0.27	1,266,849,100
	1,303	100%		1,266,849,100	100%	

CLAW BACK PROVISIONS

In accordance with Section 16.9 of the Nigerian Code of Corporate Governance, the contracts of Executive Directors contain clawback provisions. This is also stated in the Remuneration Policy of the VFD Group.

DONATIONS

The value of donations made by the Company during the year amounted to N10.7m (2023: N5.6m).

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.

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

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 Company as at December 31, 2024 and results attributable to equity holders.

FIXED ASSETS

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

AUDITORS

The Auditors, Messrs. PricewaterhouseCoopers have indicated their willingness to continue in the office as the Company's Auditors. The firm ensured that its responsibilities to the Company were carried out in an independent manner.

BY ORDER OF THE BOARD

Oluwagbeminiyi Shoda
Group Company Secretary
FRC/2015/PRO/NBA/002/00000011768
8, Macgregor Road, Ikoyi,
Lagos.
28 March 2025

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 2024, 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)
Chairman
FRC/2019/PRO/NBA/004/00000019449

Nonso Okpala
Group Managing Director
FRC/2013/PRO/DIR/003/00000004697

CERTIFICATION OF FINANCIAL STATEMENTS

In accordance with Section 405 of the Companies and Allied Act 2020, 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 2024 were approved and authorized for issue by Directors on 28 March 2025.

On behalf of the Directors of the Group:

Nonso Okpala	**Raphael Olope**
Group Managing Director	*Chief Financial Officer*
FRC/2013/PRO/DIR/003/00000004697	FRC/2013/PRO/ICAN/001/00000001354

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 2024 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 2024 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	Alhaji Kabiru Tambari	Chairman/Shareholder
2	Mr. Akinola Oladapo	Shareholder
3	Mr. Chijioke Ugorji	Shareholder
4	Mr. Kelvin Orogun	Director
5	Mr. Adeniyi Adenubi	Director

The Company Secretary serves as the Secretary to the Committee.

For:

Alhaji Kabiru Tambari
FRC/2022/PRO/AUDITCOM/002/00000023780
Chairman, Audit Committee
28 March 2025

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 2024:

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 2024 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.

Olatunde Busari (SAN)
FRC/2019/PRO/NBA/004/00000019449
Chairman
Date: 28 March 2025

Nonso Okpala
FRC/2013/PRO/DIR/003/00000004697
Managing Director/CEO
Date: 28 March 2025

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 2024.

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/PRO/DIR/003/00000004697
Managing Director/CEO
'Date: 28 March 2025

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 2024.

I, Raphael Olope, 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.

Raphael Olope
FRC/2013/PRO/ICAN/001/00000001354
Chief Financial Officer
Date: 28 March 2025

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 2024 , 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, 2024, 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.

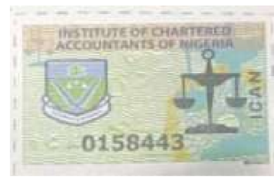
Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

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 consolidated and separate financial statements of VFD Group Plc and our report dated 01 April 2025 expressed an unqualified opinion.



For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
FRC/2023/COY/176894

01 April 2025

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 2024, 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 as issued by the International Accounting Standards Board ("IFRS Accounting 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 ended 31 December 2024;
- the consolidated and separate statements of financial position as at 31 December 2024;
- 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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Expected credit losses on loans and advances to customers - N2.68 billion (refer to notes 2.6, 9 and 17)

The expected credit losses (ECL) on loans and advances to customers 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 2024 was N64.96 billion and the associated impairment allowance was N2.68 billion.

The key areas where significant judgement in the calculation of ECL include:

- the definition of default as adopted by the group;
- the criteria used to assess Significant Increases in Credit Risk (SICR);
- the methodologies employed by the group to model the Probability of Default (PD) used in the ECL model;
- the estimation of Loss Given Default (LGD) and the assumptions used in its calculation;
- the approach used to determine Exposure at Default (EAD); and
- the incorporation of Forward-Looking Information (FLI) and the determination of multiple economic scenarios applied in the ECL model.

This is considered a key audit matter in the consolidated financial statements.

</td><td>

We understood the process and evaluated and tested key controls around the determination of the allowance for ECL. 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 a detailed review of credit files on a sample basis 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;
- verified the accuracy of EAD computations by independently performing computations for all loans;
- checked the reasonableness of the forward-looking information applied in the ECL model and considered the multiple economic scenarios;
- validated the accuracy of the ECL computation by performing an independent computation for all loans; and
- evaluated the IFRS 9 disclosures for adequacy and appropriateness.

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</table>

Impairment of goodwill – N5.53 billion (refer to notes 2.11, 20.1 and 20.2) The consolidated financial statements as of 31 December 2024 report a goodwill carrying value of N5.53 billion, attributed to the Group's acquisitions in Nigeria (N5.49 billion) and Ghana (N41.40 million). The assessment of impairment for goodwill arising from these acquisitions is identified as a key audit matter due to its materiality, the significant judgement required, the valuation methodology, and the reliance on assumptions regarding the cash flow forecast used to evaluate the performance of the cash-generating unit (CGU) to which the goodwill is allocated. The directors have relied on several critical assumptions and assertions to evaluate the goodwill carrying value. These include growth rates and discount rates applied to projected performance, reflecting their perspective on future business prospects. This is considered a key audit matter in the consolidated financial statements.	Our procedures regarding the goodwill impairment assessment included the following steps: • evaluated the appropriateness of the valuation methodology employed by the directors; • examined and challenged key assumptions, such as growth and discount rates, leveraging our understanding of the business and industry context; • Validated input data within the cash flow forecasts against supporting documentation; • conducted an independent calculation of the goodwill's recoverable amount and compared it to it carrying value in the consolidated financial statements; • Performed sensitivity analyses to assess the impact of reasonably possible adverse changes in key assumptions; and • checked the disclosures in the consolidated financial statements to the requirement of the accounting standards.

Other information

The directors are responsible for the other information. The other information comprises the 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, Chief Executive Officer's Certification of Management's Assessment of Internal Control over Financial Reporting, Chief Financial Officer's Certification of Management's Assessment of Internal Control over Financial Reporting, Statement of Value Added, and Five-Year 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 2024 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 2024 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 IFRS Accounting 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.
- 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 units within the Group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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

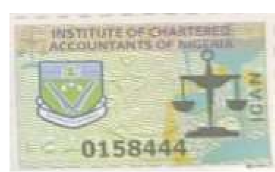
The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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 2024. 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 01 April 2025.



Chidi Ojechi

For: **PricewaterhouseCoopers** 01 April 2025
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 2024

		Group		Company	
	Notes	**31 December 2024 ₦'000**	**31 December 2023 ₦'000**	**31 December 2024 ₦'000**	**31 December 2023 ₦'000**
Gross earnings		**87,763,526**	**45,355,155**	**28,476,868**	**10,804,102**
Investment and similar income (Note 4.1)	4	74,566,203	37,668,261	24,080,015	6,494,125
Investment and similar expense	5.2	(15,583,363)	(7,421,599)	-	-
Net investment income/(loss)		**58,982,840**	**30,246,662**	**24,080,015**	**6,494,126**
Other income	6	9,264,043	3,540,267	1,172,334	200,708
Bargain purchase	6.3	-	404,268	-	-
(Impairment)/write-back of financial assets	9	(1,168,255)	(171,077)	780,852	338,901
Net gains on financial assets at fair valued through profit or loss	6.1b	3,898,893	3,367,221	3,181,292	3,780,185
Net revenue		**70,977,521**	**37,387,342**	**29,214,494**	**10,813,920**
Personnel expenses	7	(5,308,941)	(3,390,582)	(739,088)	(464,221)
Other operating expenses	8	(14,068,507)	(8,589,577)	(5,037,595)	(3,113,492)
Depreciation and amortisation	11	(2,796,754)	(1,469,992)	(231,917)	(165,291)
Total expenses		**(22,174,202)**	**(13,450,152)**	**(6,008,599)**	**(3,743,004)**
Operating profit/(loss) before income tax		**48,803,320**	**23,937,190**	**23,205,895**	**7,070,916**
Finance Cost	5.1	(37,587,896)	(25,333,354)	(20,674,573)	(12,391,733)
Share of profit from associate	6.2	34,387	375,138	43,226	329,084
Profit/(loss) before income tax		**11,249,810**	**(1,021,026)**	**2,574,549**	**(4,991,733)**
Taxation	10	(2,556,767)	270,585	(391,043)	1,157,181
Profit/(loss) for the year		**8,693,043**	**(750,441)**	**2,183,505**	**(3,834,552)**
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	858,476	(364,981)	967,637	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	3,856,694	1,364,650		-
Fair value movement on debt instruments	34.1	-	-	-	-
Other comprehensive income for the year, net of taxes		**4,715,170**	**896,413**	**967,637**	**358,092**
Total comprehensive income/(loss) for the year		**13,408,214**	**145,972**	**3,151,142**	**(3,476,460)**
Profit/(loss) for the year attributable to:					
Equity holders of the Company		6,264,938	(2,462,793)	2,183,505	(3,834,552)
Non Controlling Interest		2,428,105	1,712,352	-	-
		8,693,043	**(750,441)**	**2,183,505**	**(3,834,552)**
Other comprehensive income attributable to:					
Equity holders of the Company		3,204,529	615,984	967,637	358,092
Non Controlling Interest		1,510,642	280,428	-	-
		4,715,170	**896,413**	**967,637**	**358,092**
Earning/(loss) per share-basic (kobo)	13	516	(259)	180	(404)
Earning/(loss) per share-diluted (kobo)	13	516	(259)	180	(404)

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

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CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
as at 31 December 2024

		Group		Company	
	Notes	31 December 2024 ₦'000	31 December 2023 ₦'000	31 December 2024 ₦'000	31 December 2023 ₦'000
ASSETS					
Cash and cash equivalents	14	13,345,755	8,373,710	1,224,998	756,157
Funds under management	15	49,381,873	62,018,613	-	-
Investment in financial assets	16	50,990,113	52,035,503	54,996,205	53,886,066
Loans and advances	17	62,300,053	19,533,384	-	-
Investment in subsidiaries	18	-	-	30,555,336	22,631,987
Investment in associates	12	6,735,675	5,080,036	5,856,295	4,447,982
Property, plant and equipment	19	12,649,468	14,691,086	574,185	590,540
Goodwill	20.1b	5,533,579	5,533,579	-	-
Intangible assets	20	341,853	379,512	21,476	22,382
Investment property	21	24,832,638	17,182,776	8,802,000	600,000
Inventory	21.1	11,811,786	10,985,838	-	-
Trade and Other receivables	22	55,657,599	21,421,300	25,222,296	6,766,002
Deferred tax assets	23.1	2,088,977	2,041,790	1,337,417	1,550,440
TOTAL ASSETS		**295,669,368**	**219,277,127**	**128,590,210**	**91,251,556**
LIABILITIES					
Funds under management	24	49,599,852	61,788,494	-	-
Borrowings	25	121,427,577	81,599,925	83,961,449	67,047,548
Other liabilities	26	25,207,790	12,632,224	10,896,491	6,058,655
Deposit liabilities	27	34,900,483	26,999,662	-	-
Current tax liabilities	28	3,092,376	1,772,426	725,811	570,723
Deferred tax liabilities	23.2	2,915,065	1,953,826	873,115	908,594
TOTAL LIABILITIES		**237,143,143**	**186,746,558**	**96,456,866**	**74,585,520**
SHAREHOLDERS' FUND					
Share capital	29	633,425	95,014	633,425	95,014
Share premium	30	19,216,943	7,880,427	19,216,943	7,880,427
Retained earnings	31	10,876,675	4,964,373	4,090,442	936,115
Regulatory risk reserve	32	185,424	16,085	-	-
Statutory reserve	33	392,698	209,402	-	-
Other reserves	34	10,800,230	7,434,061	8,192,534	7,754,480
Attributable to equity holders of the parent		42,105,396	20,599,361	32,133,344	16,666,036
Non-controlling interest	35	16,420,829	11,931,208	-	-
TOTAL SHAREHOLDERS' FUND		**58,526,225**	**32,530,569**	**32,133,344**	**16,666,036**
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		**295,669,368**	**219,277,127**	**128,590,210**	**91,251,556**

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

The financial statements were approved by the Board of Directors on 28 March 2025 and signed on its behalf by:

Olatunde Busari (SAN)
(Chairman)
FRC/2019/PRO/NBA/004/00000019449

Nonso Okpala
(Group Managing Director)
FRC/2013/PRO/DIR/003/00000004697

Additionally certified by:

Raphael Olope
Chief Financial Officer
FRC/2013/PRO/ICAN/001/00000001354

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2024

(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 2024	95,014	7,880,427	4,964,371	16,085	209,403	7,434,061	11,931,208	32,530,568
Impact of IAS 29 adoption	-	-	(138,660)	-	-	-	-	(138,659)
IAS 29 adjusted balance at 1 January 2024	95,014	7,880,427	4,825,711	16,085	209,403	7,434,061	11,931,208	32,391,909
Transfer from profit or loss account	-	-	6,264,938	-	-	-	2,428,105	8,693,044
Other comprehensive loss/(income)								
Fair value movement on equity instruments	-	-	-	-	-	1,075,111	634,539	1,709,650
Unrealised foreign currency translation difference	-	-	-	-	-	2,429,717	1,426,977	3,856,694
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**3,504,828**	**2,061,515**	**5,566,344**
Transactions with owners in their capacity as owners								
Transfer between reserves	-	-	(352,635)	169,339	183,296	-	-	-
Right issue	31,671	11,843,256	-	-	-	-	-	11,874,927
Bonus issue	506,740	(506,740)	-	-	-	-	-	-
At 31 December 2024	**633,424**	**19,216,943**	**4,473,076**	**185,424**	**392,699**	**10,938,889**	**13,992,724**	**58,526,224**

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 2024	**95,014**	**7,880,427**	**936,116**	**-**	**-**	**7,754,480**	**-**	**16,666,037**
Transfer from profit or loss account	-	-	2,183,505	-	-	-	-	2,183,505
Other comprehensive income								
Transfer between reserves	-	-	970,821	-	-	(970,821)	-	-
Fair value movement on equity instruments	-	-	-	-	-	1,408,875	-	1,408,875
Total comprehensive income for the year	**-**	**-**	**970,821**	**-**	**-**	**438,054**	**-**	**1,408,875**
Transactions with owners in their capacity as owners								
Right issue	31,671	11,843,256	-	-	-	-	-	11,874,927
Bonus issue	506,740	(506,740)	-	-	-	-	-	-
At 31 December 2024	**633,425**	**19,216,943**	**4,090,442**	**-**	**-**	**8,192,534**	**-**	**32,133,344**

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	31,319,001
Correction of prior period error			1,281,748	(177)	(587)	-	-	1,280,984
Impact of IAS 29 adoption	-	-	(103,256)	-	-	-	-	(103,256)
Restated total equity at 1 January 2023	**95,014**	**7,880,427**	**10,904,295**	**867**	**139,144**	**6,689,647**	**6,787,335**	**32,496,729**
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 income	**-**	**-**	**(2,462,793)**	**-**	**-**	**744,414**	**2,221,348**	**502,969**
Transactions with owners in their capacity as owners								
Share of newly consolidated subsidiary	-	-	(1,892,338)	-	-	-	3,409,001	1,516,663
Transfer between reserves	-	-	(85,477)	15,218	70,259	-	-	-
Dividend paid	-	-	(1,499,316)	-	-	-	(486,476)	(1,985,792)
At 31 December 2023	**95,014**	**7,880,427**	**4,964,371**	**16,085**	**209,403**	**7,434,061**	**11,931,208**	**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	95,014	7,880,427	6,269,983	-	-	7,396,388	-	21,641,812
Transfer from profit or loss account	-	-	(3,834,552)	-	-	-	-	(3,834,552)
Other comprehensive loss/(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	**95,014**	**7,880,427**	**936,116**	**-**	**-**	**7,754,480**	**-**	**16,666,036**

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS
for the year ended 31 December 2024

		Group		Company	
	Notes	31 December 2024 ₦'000	31 December 2023 ₦'000	31 December 2024 ₦'000	31 December 2023 ₦'000
Profit/(loss) before tax		11,249,810	(1,021,026)	2,574,549	(4,991,733)
Adjustments for:					
Interest from placements & investment income	4	(12,489,227)	(15,016,731)	(5,380,334)	(3,446,506)
Interest from debt instruments at EIR	4	(3,423,336)	(1,814,762)	(1,588,198)	(1,420,734)
Dividend income	4	(492,147)	(191,724)	(1,086,534)	(1,290,395)
Interest from loans & advances	4	(14,416,067)	(7,088,198)	-	-
Finance cost	5.1	37,587,896	31,450,076	20,674,573	12,391,733
Exchange (gain)/loss	6	1,937,353	(2,129,640)	234,557	449,856
Gain on disposal of investment property	6	(514,981)	(68,989)	(124,178)	(68,989)
Gain on disposal of property, plant and equipment	6	(53,786)	(2,455)	(124)	(2,455)
Gain on disposal of shares	6	-	(393,396)	-	(479,120)
Fair value gain on investment property	6	(5,622,499)	(229,930)	(813,476)	(100,000)
Net gain from financial assets at FVTPL	6.1b	(3,898,893)	(3,367,221)	(3,181,292)	(3,780,185)
Impairment/(write-back) of financial assets	9	1,168,255	171,077	(780,852)	(338,901)
Depreciation and amortisation	11	2,796,754	1,469,992	231,917	165,291
Share of profit from associate	12	(34,387)	(375,138)	(43,226)	(329,084)
Goodwill write off		-	320,839	-	-
		13,794,745	**1,712,775**	**10,717,380**	**(3,241,222)**
Movement in working capital					
Other receivables		(35,473,872)	4,151,605	(18,764,797)	14,043,657
Funds under management		1,611,718	(9,085,332)	-	-
Loans and advances		(46,520,228)	228,456	-	-
Development properties		(240,820)	(3,423,735)	-	-
Deposit liabilities		8,916,615	12,474,553	-	-
Other liabilities		12,575,566	5,514,040	4,837,836	1,909,894
Cash (used in) /generated from operations		(45,336,277)	11,572,362	(3,209,581)	12,712,330
Interest received		33,464,094	23,990,557	9,736,595	6,586,922
Interest paid		(28,041,491)	(44,127,733)	(20,674,573)	(18,587,600)
Income taxes paid	28	(256,513)	(162,725)	(6,900)	(150,709)
Net cash (used in)/generated from operating activities		**(40,170,186)**	**(8,727,540)**	**(14,154,459)**	**560,944**
Cash flows from investing activities					
Purchase of investment property	21	(8,067,352)	(2,001,557)	(7,988,524)	(559,813)
Purchase of property, plant and equipment	19	(5,857,644)	(7,339,341)	(287,623)	(555,887)
Purchase of intangible assets	20	(81,196)	(257,739)	(10,988)	(7,100)
Purchase of financial assets		(34,661,183)	(36,016,237)	(9,506,406)	(34,368,694)
Additions to investment in subsidiary		-	-	(8,043,213)	(2,275,620)
Additional investment in associates	12	-	(49,167)	-	-
Proceeds on disposal of investment property		10,385,579	3,138,805	724,178	2,009,657
Proceeds on disposal of property, plant and equipment		864,573	1,231,509	84,079	47,039
Proceeds on maturity/liquidation of financial assets		40,717,803	19,927,783	8,489,710	11,551,154
Proceed on partial disposal of investment in subsidiary		-	1,066,602	67,365	1,066,602
Proceed on partial disposal of investment in associate		4,242,816	271,640	4,221,981	209,545
Dividend received		-	191,724	1,086,534	1,290,395
Net cash generated from/(used in) investing activities		**7,543,395**	**(19,835,977)**	**(11,162,909)**	**(21,592,723)**
Cash flows from financing activities					
Dividend paid to owners of equity capital	31	-	(1,499,316)	-	(1,499,316)
Proceeds from share issue		11,874,927	-	11,874,927	-
Proceeds from borrowings		64,685,190	69,693,507	34,247,199	58,077,920
Repayment of borrowings		(40,232,652)	(34,435,745)	(20,739,939)	(35,651,893)
Net cash generated by financing activities		**36,327,465**	**33,758,446**	**25,382,187**	**20,926,711**
Net increase/(decrease) in cash and cash equivalents		3,700,674	5,194,929	64,819	(105,068)
Effect of foreign exchange changes on cash		1,271,371	198,907	404,022	628,685
Cash and cash equivalents at beginning of year	14	8,373,710	2,979,874	756,157	232,540
Cash and cash equivalents at end of year	14	**13,345,755**	**8,373,710**	**1,224,998**	**756,157**

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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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. The principal activities of the subsidiaries cover real estate and hospitality, logistics and haulage, lending and technology services.

VFD Group Plc is domiciled in Nigeria and its registered address is at 8 Macgregor road, Ikoyi, Lagos.

The consolidated and separate financial statements for the year ended 31 December 2024 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 2024 were approved for issue by the Board of Directors on 28 March 2025.

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 2024 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.

NOTES TO THE CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS
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2.1 New Standards and Interpretations

In 2024, the International Accounting Standards Board (IASB) introduced several new standards and amendments to existing International Financial Reporting Standards (IFRS). While these pronouncements have effective dates in the future, it is essential to disclose them in the Group's 2024 consolidated and separated audited financial statements to inform stakeholders about upcoming changes. Below is a summary of these new standards and amendments:

2.1.1 Standards and interpretations effective and adopted in the current year

In 2024, the International Accounting Standards Board (IASB) introduced several amendments to existing International Financial Reporting Standards (IFRS) that became effective for annual reporting periods beginning on or after January 1, 2024. These amendments aim to enhance clarity and consistency in financial reporting. The key amendments effective in 2024 are:

Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants – Amendments to IAS 1

These amendments clarify the criteria for classifying liabilities as current or non-current, particularly in situations involving covenants. They specify that the classification should be based on rights in existence at the end of the reporting period and provide guidance on how covenants affect this classification. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

The amendment has been adopted in the preparation of the Group's financial statements. However, the amendment did not have significant impact on the Group's financial statements.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

These amendments address the accounting for sale and leaseback transactions, specifically clarifying how to measure the lease liability and recognize any gains or losses. They aim to ensure consistent application of IFRS 16's principles in such transactions. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

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

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

These amendments introduce disclosure requirements for supplier finance arrangements, aiming to provide users of financial statements with information about the effects of such arrangements on an entity's liabilities and cash flows. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

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

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2.1.2 Standards and interpretations not yet effective

In 2024, the International Accounting Standards Board (IASB) issued several new standards and amendments to existing International Financial Reporting Standards (IFRS) that have effective dates in future reporting periods. These pronouncements are essential for entities to consider in their financial reporting to ensure compliance and transparency. Below is a summary of these new standards and amendments:

IFRS 18: Presentation and Disclosure in Financial Statements

Overview: Issued in 2024, IFRS 18 aims to enhance the transparency and comparability of financial statements by providing comprehensive guidelines on presentation and disclosure requirements. This standard replaces IAS 1 and introduces new requirements for the structure and content of financial statements.

Effective Date: Annual periods beginning on or after January 1, 2027. Early adoption is permitted.

Key Changes:

Introduction of a single statement of comprehensive income, combining profit or loss and other comprehensive income.
Enhanced disclosures about management judgments and estimates.
Requirements for presenting comparative information and reclassification adjustments.
Tha Group has not early adopted this standard for the current financial reporting period. The standard is not expected to have any significant impact on the Group's financial statements.

IFRS 19: Subsidiaries without Public Accountability: Disclosures

Overview: Issued in 2024, IFRS 19 provides disclosure requirements for subsidiaries that do not have public accountability but are included in the consolidated financial statements of a parent that applies IFRS. This standard aims to reduce the disclosure burden on such subsidiaries while maintaining the usefulness of financial information.

Effective Date: Annual periods beginning on or after January 1, 2027. Early adoption is permitted.

Key Provisions:

Simplified disclosure requirements for qualifying subsidiaries.
Alignment of disclosures with those of the parent entity to ensure consistency.
Flexibility for subsidiaries to tailor disclosures based on materiality and relevance.
Tha Group has not early adopted this standard for the current financial reporting period. The standard is not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

Overview: These amendments, issued in 2024, clarify the classification and measurement of financial instruments, particularly concerning financial assets with environmental, social, and governance (ESG)-linked features and the settlement of financial liabilities by electronic payments.

Effective Date: Annual periods beginning on or after January 1, 2026. Early adoption is permitted.

Key Amendments:

Clarification on the classification of financial assets with ESG features under the amortized cost or fair value categories.
Guidance on accounting for electronic payment systems and their impact on the derecognition of financial liabilities.
Enhanced disclosures related to the nature and extent of risks arising from financial instruments with ESG features.
Tha Group has not early adopted this standard for the current financial reporting period. The amendment is not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Standards – Volume 11

Overview: This set of annual improvements includes minor amendments to various standards, such as IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify guidance and correct unintended consequences to ensure consistent application of IFRS.

Effective Date: Annual periods beginning on or after January 1, 2026. Early adoption is permitted.

Key Improvements:

Clarifications on the application of first-time adoption provisions in IFRS 1.
Enhancements to disclosure requirements in IFRS 7 regarding credit risk management practices.
Corrections to examples in IFRS 9 illustrating the classification of financial liabilities.
Clarifications on the accounting for changes in ownership interests in a subsidiary under IFRS 10.
Guidance on the classification of liabilities arising from financing activities in IAS 7.
Tha Group has not early adopted this standard for the current financial reporting period.

NOTES TO THE CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2024

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. The Group controls an entity where the Group is exposed to or has right to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Control is assessed on a continuous basis.

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

• power over more than one-half of the voting rights of the other entity;

• power to govern the financial and operating policies of the other entity;

• power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or

• power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

a. Separate financial statements

Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually for impairment indicators and, where an indicator of impairment exists, are impaired to the higher of the investment's fair value less costs to sell and value in use.

b. Consolidated financial statements

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

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

i. Acquisition

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred is measured as the sum of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. The consideration includes any asset, liability or equity resulting from a contingent consideration arrangement. The obligation to pay contingent consideration is classified as either a liability or equity based on the terms of the arrangement. The right to a return of previously transferred consideration is classified as an asset. Transaction costs are recognised within profit or loss as and when they are incurred. Where the initial accounting is incomplete by the end of the reporting year in which the business combination occurs (but no later than 12 months since the acquisition date), the Group reports provisional amounts. Where applicable, the Group adjusts retrospectively the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and affected the measurement of the provisional amounts. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI. The excess (shortage) of the sum of the consideration transferred (including contingent consideration), the value of NCI recognised and the acquisition date fair value of any previously held equity interest in the subsidiary over the fair value of identifiable net assets acquired is recorded as goodwill in the statement of financial position (gain on bargain purchase, which is recognised directly in profit or loss).When a business combination occurs in stages, the previously held equity interest is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss. Increases in the Group's interest in a subsidiary, when the Group already has control, are accounted for as transactions with equity holders of the Group. The difference between the purchase consideration and the Group's proportionate share of the subsidiary's additional net asset value acquired is accounted for directly in equity.

ii. Loss of Control

The Group could lose control of a subsidiary through the disposal of the subsidiary. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the fair value of the consideration received (including the fair value of any retained interest in the underlying investee) and the carrying amount of the assets and liabilities and any non-controlling interest. Any gains or losses in OCI that relate to the subsidiary are reclassified to profit or loss at the time of the disposal.

iii. Partial Disposal

Where the Group partially disposes a subsidiary which gives rise to a reduction in the Group's ownership interest in an investee that is not a disposal (i.e. a reduction in the group's interest in a subsidiary whilst retaining control). Decreases in the Group's interest in a subsidiary, where the Group retains control, are accounted for as transactions with equity holders of the Group. Gains or losses on the partial disposal of the Group's interest in a subsidiary are computed as the difference between the sales consideration and the Group's proportionate share of the investee's net asset value disposed of and are accounted for directly in equity.

iv Initial measurement of Non-Controlling Interest (NCI)

The Group elects on each acquisition to initially measure NCI on the acquisition date at either fair value or at the NCI's proportionate share of the investees' identifiable net assets.

NOTES TO THE CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS
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2.3 Associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over these policies. Significant influence is generally demonstrated by the Group holding in excess of 20%, but less than 50%, of the voting rights.
The Group's share of results of the associate entity is included in the consolidated income statement. Investments in associates are carried in the statement of financial position at cost plus the Group's share of post-acquisition changes in the net assets of the associate. Investments in associates are reviewed for any indication of impairment at least at each reporting date. The carrying amount of the investment is tested for impairment, where there is an indication that the investment may be impaired.
When the Group's share of losses or other reductions in equity in an associate equals or exceeds the recorded interest, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity. The Group's share of the results of associates is based on financial statements made up to a date not earlier than three months before the balance sheet date, adjusted to conform with the accounting policies of the Group. Unrealised gains and losses on transactions are eliminated to the extent of the Group's interest in the investee. Losses may provide evidence of impairment of the asset transferred in which case appropriate allowance is made for impairment.
In the separate financial statements of the Company, investments in associates are initially recognised at cost and subsequently adjusted for by the post-acquisition changes in the investor's share of net assets of the investees. The Group uses the equity method in accounting for investments in associates.

2.4 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 and balances are translated into the functional currency (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 Non-derivative 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 instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

Financial instruments carried at amortised cost and fair value through other comprehensive income are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

Financial instruments are recognised or de-recognised on the date the Company settles the purchase or sale of the instruments (settlement date accounting) in the following events viz:

i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

iii) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

iv) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

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All other financial assets are classified as measured at FVTPL.
In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities
The Company classifies financial liabilities into two categories: financial liabilities measured at amortised cost and financial liabilities measured at fair value through profit or loss (FVTPL). By default, the Company measures its financial liabilities at amortised cost. However, there are exceptions to this approach. If a financial liability is held for trading purposes, it must be measured at FVTPL. Additionally, the Company may choose to designate a financial liability at FVTPL by applying the fair value option, as permitted under IFRS.

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

Business model assessment

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

(a) the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
(b) how the performance of the portfolio is evaluated and reported to the Company's management;
(c) the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
(d) how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
(e) the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.
In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers

(a) contingent events that would change the amount and timing of cash flows;
(b) leverage features;
(c) prepayment and extension terms;
(d) terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans);
(e) features that modify consideration of the time value of money (e.g periodical reset of interest loans)

Non-recourse loans
Loans made by the Company that are secured by collateral of the borrower may limit the Company's claim to cash flows of the underlying collateral (non-recourse loans). The Company applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The Company typically considers the following information when making this judgement:

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers

(a) whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the loan;

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(b) the fair value of the collateral relative to the amount of the secured financial asset;
(c) the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value of collateral;
(d) the Company's risk of loss on the asset relative to a full-recourse loan;
(e) the extent to which the collateral represents all or a substantial portion of the borrower's assets; and
(f) whether the Company will benefit from any upside from the underlying assets.

Reclassifications
Financial assets are not reclassified subsequent to their intial recognition, except in the period after the company changes its business model for managing financial assets.

Subsequent measurement
Subsequent to initial recognition, financial instruments are measured at amortized cost, fair value through profit or loss (FVTPL), or fair value through other comprehensive income (FVOCI), depending on their classification:

(i) **Financial assets at amortized cost**

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments. These include Cash and cash equivalents, Placements with bank, Mortgage Refinance loans, Staff loans, other receivables, treasury bills and a portfolio of investments in bonds.

The carrying amounts of these assets are measured at amortised cost using the effective interest method, less any impairment losses. Transaction costs that are integral to the effective rate are capitalised to the value of the loan and receivable and amortised through interest income as part of the effective interest rate.

ii) **Financial assets at fair value through other comprehensive income (FVOCI)**
FVOCI financial assets are non-derivative financial assets. The Company's investments in a portfolio of bonds, treasury bills and equity instruments are classified as FVOCI financial assets.
Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented within equity in the fair value reserve.
Expected credit loss (ECL) on FVOCI financial assets is not deducted from the asset itself but is instead recognized in profit or loss and other comprehensive income (OCI) as part of the fair value reserves.
When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transfered to profit or loss except for those gains or losses on equity instruments.

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iii) **Other financial liabilities**

Other financial liabilities are measured at amortised cost subsequent to initial recognition. The Company's borrowings and debt securities and other liabilities are included in this category.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability norbased on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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

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

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

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

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on financial assets that are debt instruments and that are not measured at fair value through profit or loss (FVTPL).

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

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12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

Measurement of ECL

The Group applies the Expected Credit Loss (ECL) model in accordance with IFRS 9 – Financial Instruments to measure impairment on financial assets. The ECL model is designed to provide a forward-looking assessment of credit losses, replacing the previous incurred loss model.

The ECL model is applied to the following financial assets:

Loans and advances to customers

Debt instruments at amortized cost and fair value through other comprehensive income (FVOCI)

Trade and other receivables

Financial guarantee contracts and loan commitments

Cash and cash equivalents (where applicable)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:
- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition.
- This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

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In making an assessment of whether an investment in sovereign debt is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Inputs into ECL measurement

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed under the heading 'Generating the term structure of PD'.

Loss Given Default (LGD) is the measure of the proportion of the outstanding balance that the Company stands to lose in the event of a default. The LGD as a percentage of EAD is then a combination of the losses associated with the debt instrument. Multi-year LGD is a collection of LGD values referring to different time periods over the lifetime of a financial asset. The LGD model considers the collateral value and class, unsecured recovery rate, collateral hair cut, recovery costs and time to recovery of any collateral that is integral to the financial asset. For loans secured by real estate property, loan to value (LTV) ratios are a key parameter in determining LGD.

Exposure at Default (EAD) is the measure of the expected outstanding balance on a facility at a given time of default. Multi-year EAD is a collection of the monthly EAD values referring to different time periods over the lifetime of a financial asset. The outstanding balance on financial assets at every time period depends primarily on the nature of its cash flows. All financial assets in the scope of IFRS 9 can be classified into assets with deterministic cash flows and assets with stochastic cash flows. However, all assets with the Company possess deterministic cash flows, therefore they can be modelled based on their repayment types in the following categories:

- Bullet repayment
- Annuity repayment
- Linear repayment
- Unstructured repayment

However, the loans and advances of the Company are computed on an annuity repayment basis.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Company measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Company considers a longer period. The maximum contractual period extends to the date at which the Company has the right to require repayment of an advance.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Offsetting financial instruments

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

Income and expenses are presented on a net basis only when permitted under IFRSs or for gains and losses arising from a group of similar transactions.

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Derecognition

(i) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.
On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.
Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities.
The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Modification of financial assets and liabilities

(i) Financial assets

If the terms of a financial asset are modified, then the company evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

– fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and

– other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest

(ii) Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.
If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

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Mortgage refinance loans

The 'mortgage refinance loans' caption in the statement of financial position includes loans and advances measured at amortised cost ; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

Investment Securities

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost ; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI.
- For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Company elects to present changes in the fair value of certain investments in equity instruments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Fair value gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

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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 land, leasehold improvement, plant and machinery, office equipment, computer 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 historical cost less accumulated depreciation and accumulated 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 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Motor vehicles 3 to 5 years
If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.
ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.
Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.
In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings
iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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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.

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.

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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.

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 Inventory

Properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental and capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value (NRV). Cost includes:

a.Freehold and leasehold rights to land.

b.Amounts paid to contractors for construction.

c.Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventory recognised in the profit or loss on disposal is determined with reference to the specific costs incurred on the properties sold and an allocation of any non-specific costs based on the relative size of the property sold.

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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 2024, 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;

• 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 date.

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3 Financial risk management

Nigeria's economy faced significant challenges in 2024. Throughout the year, each key macroeconomic indicator presented distinct macroeconomic risks, contributing to a period of economic strain.

Nigeria's Economic Landscape in 2024:

The message of ‘renewed hope’ continued to reverberate through the Nigerian economy in 2024 under President Bola Tinubu. The reality, however, voiced a different song with lyrics deviating from hope.

The two difficult but necessary reforms undertaken by the government in mid-2023: petrol subsidy removal and foreign exchange liberalisation, were expected to shift the natural order of key indicators and trigger some socio-economic benefits for the country in 2024. On the contrary, the trend of GDP growth, Debt-to-GDP, Trade figures, and FDI, among others largely showed no inflection points while cost-related indicators, which tend to directly affect households, have responded with speed and size. Although positive, economic growth has remained below desired, suggesting a lack of capacity to expand the job market and expand business activities. More worrisome is the sky-high inflation rates, which continued to create a vicious cycle of rising input costs and household prices.

Growth

Nigeria’s gross domestic product (GDP) growth rates showed the resilience of the Nigerian economy, remaining positive over the quarters. However, growth has bucked the desired 7% rate targeted by the federal government, stalling at roughly around 3%.

Inflation

As inflation trended upward over the four quarters, rising consumer prices bit deeper into households' real purchasing power as prices rose due to higher business costs amidst a currency slide.

Monetary Policy

The Central Bank of Nigeria (CBN) embarked on quantitative tightening; however, Inflation has defied the apex bank's hawkish approach. On the other hand, foreign exchange markets achieved unification, but strategic measures toward currency

Trade and Liquidity Flows

Global commodity prices remained high in 2024 as shocks and geopolitical tensions persisted. While the depreciation of the Naira supported exports of goods and services, the cost of imports played a major role in the high cost of production and elevated prices

Liquidity inflows have doubled over the four quarters; however, liquidity challenges may recur as inflows remain driven by foreign portfolio investments (FPIs). Growth in foreign direct investment (FDI) flows in 2024 has marginally moved above the $94.34mn average of 2023; however, the constrained macroeconomic environment, energy crisis, infrastructural deficit and insecurity have not provided an attractive enough environment for FDI inflows

Nigerian Households in 2024

Policy enactments aimed at restoring/rekindling hope amongst Nigerian households fell deeper and deeper into a cost-of-living difficulty. Inflation remained largely upward trending while the real value of household purchasing power gradually diminished, eroding over 60% despite an increase in the minimum salary to N70,000 from N30,000

Malnutritional concerns grew stronger over the past four quarters as the affordability of basic meals became more challenging for

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.

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IFRS 9 outlines two approaches for assessing impairment on financial assets:

iGeneral Approach - This approach determines ECL based on two categories:
•12-month ECL - This applies to assets that have not experienced a Significant Increase in Credit Risk (SICR) since their initial recognition. It involves estimating the ECL for a financial instrument over the 12-month period following the reporting date. This method is primarily used for Stage 1 assets under IFRS 9, where credit risk remains low, and only a portion of the lifetime ECL is recognized.
•Lifetime ECL - For assets that have experienced a SICR since their initial recognition, this involves estimating the ECL over the entire expected life of the financial instrument. This approach applies to Stage 2 & 3 assets under IFRS 9, reflecting a higher credit risk.
iiSimplified Approach - IFRS 9 allows a simplified approach for trade receivables, lease receivables, and contract assets, where the ECL is calculated on a lifetime basis without requiring a staging assessment.
In estimating expected credit losses, entities must consider the following factors:
•Probability Weighted Outcome - Estimating the likelihood of various default scenarios and their financial impact.
•Time Value of Money - Discounting the ECLs to their present value as of the reporting date.
•Forward-Looking Information (FLI) - Include adjustments for potential changes in macroeconomic conditions that may influence the financial instruments over their lifetime.
•Reasonable and supportable Information that is available without undue cost or effort.

Default Definition
In accordance with the IFRS 9, VFD considers default for the purpose of stage classification in its impairment assessment. Facilities that are more than 90 days past due are classified as being in default, aligning with regulatory guidelines and industry best practices.
Model Development Approach
In developing the ECL model, the following steps were adopted:
Data Preparation
The first step involved preparing the required data in accordance with IFRS 9 requirements, and this was carried out by VFD.

Portfolio Segmentation
In measuring impairment under the IFRS 9 Standard, facilities with shared credit characteristics may be grouped and assessed in distinct portfolios. To achieve this, all the VFD's financial assets under the listed portfolio has been assessed.
iReceivables: This segment of the portfolio contains Receivable term.
iiDebt securities: This segment of the portfolio contains FGN bonds, FGN Treasury Bills, FGN Eurobonds, state government bonds, corporate bonds, Eurobonds and Ghana Eurobonds.
Stage Classification
The Significant Increase in Credit Risk (SICR) is assessed to determine the final stage classification for VFD's customers. This evaluation requires the entity to assess the change in the risk of default over the life of a financial asset. In applying the IFRS 9 standard, it is critical to ascertain whether the credit risk of a financial asset has increased significantly relative to the credit risk at the date of initial recognition. This is the basis with which an account is classified as either Stage 1, 2 or 3 and impairment is computed from 12-month ECL to Lifetime ECL.
iStage 1: At initial recognition, all financial assets are allocated to Stage 1. In this stage, the Expected Credit Loss (ECL) is measured over a 12-month period.
iiStage 2: Financial assets that have experienced a significant increase in credit risk (SICR) since initial recognition are classified under Stage 2. In this stage, the ECL is measured on a lifetime basis.
iiiStage 3: Financial assets are classified into Stage 3 when they exhibit objective evidence of default. The ECL for Stage 3 assets is also measured over the lifetime of the asset.
In line with available data, 3 quantitative criteria have been adopted for the staging analysis within the model. These criteria are as follows:
•Days Past Due (DPD)
This classification is based on the number of days from the contractual repayment date in which the obligor has not fulfilled the contractual repayment obligation.

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Table 1: Staging by past due
Stage Classification Days Past Due
Stage 1 Less than 30 days
Stage 2 Between 30 – 90 days
Stage 3 Above 90 days

Performance Classification
This criterion involves analyzing the staging based on CBN prudential classification.
Table 2: Staging by Performance Classification
Stage Classification Days Past Due
Stage 1 Performing
Stage 2 Watchlist
Stage 3 Substandard, Doubtful, Lost

Credit Rating Migration
This classification reflects the change to the obligor's credit rating. It incorporates an assessment of the obligor's initial credit rating in comparison to their credit rating as of the reporting date. This evaluation captures any shifts in the obligor's creditworthiness over the given period, tracking any deterioration that might necessitate a downgrade.
Table 3: Staging by Credit Rating Downgrade
Stage Classification Days Past Due
Stage 1 Rating downgrade less than 2 notches since initial recognition
Stage 2 Rating downgrade of more than 2 notches since initial recognition
Stage 3 Default

Model Classification/stage
The model classification/stage is the resultant stage classification based on the three criteria outlined above (a, b and c). The maximum stage classification value is determined to be the model classification of each obligor.
Classification override
It is recognized that there may be situations where expert judgment or alternative information justifies a deviation from the model-determined stage classification of an exposure. To address this, the model allows for a manual override, allowing stage classification to be adjusted based on expert assessment, regardless of the model's predefined criteria.

Estimation of Probability of Default (PD)
The estimation of Lifetime PDs was developed by adopting the external mapping approach as a result of insufficient default historical data to carry out adequate default migration analysis of the portfolio. Annual PD term structure from the Standard & Poor Global Default Rate Study was adopted for this purpose and the following was carried out:
•Obtain the S&P term structure for Global Corporate Average Cumulative Default Rating and the S&P Global Sovereign Average Cumulative Default Rating (both FCY and LCY). The S&P Global Corporate Average Cumulative Default Rating was used for receivables, while the S&P Global Sovereign Average Cumulative Default Rating (FCY & LCY) was applied to debt securities.
•VFD Group's internal rating was mapped to the S&P rating, taking into account Nigeria's credit rating (B-), which was used as a floor for the mapping process.
Table 4: Internal Rating
Number Risk Rating Mapping to S&P
1 AAA B-
2 AA B-
3 A B-
4 BBB B-
5 BB+ B-
6 BB B-
7 BB- B-
8 B B-
9 B- B-
10CCCCCC/C

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•The mapped cumulative default rates were then converted into annual marginal conditional PDs.
•These annual marginal conditional PDs were subsequently converted into monthly FLI-adjusted PDs in line with IFRS 9, generating FLI-adjusted PDs for three scenarios: base, upturn, and downturn.
•Finally, these PDs were further converted into Monthly Cumulative PDs, and then into Monthly Marginal PDs, which are utilized in the ECL calculation.

Forward Looking Information (FLI)

IFRS 9 specifies that the incorporation of forward-looking element that introduces an allowance for changes in macro-economic conditions and forecasts. FLI was incorporated into the ECL model through the PD computation to cater for volatility in macroeconomic conditions.

Linear regression analysis was adopted for the FLI computation. The end product was a set of scalars obtained for each of the three macroeconomic scenarios (base, upturn and downturn) which are utilized in the PD estimation process to reflect changes in the macroeconomic environment.

iSelecting Macroeconomic Variables: The initial step involved identifying several Macroeconomic Variables (MEVs) to serve as independent variables, which are believed to affect the VFD's Nonperforming Loan (NPL) rate, the dependent variable in this FLI analysis. Due to the lack of historical NPL data, CBN industry default rate (dependent variable) was utilized, along with selected independent variables sourced from reliable financial market resources, namely the Central Bank of Nigeria (CBN) data archive and the National Bureau of Statistics.

To ensure robustness in the analysis, the historical data for these variables should be over the same time period of a period exceeding five years and with the same frequency span. Furthermore, it is expected to regularly update the historical data of all macroeconomic factors considered to reflect the most recent data. The use of quarterly historical data was also adopted to enhance the predictive accuracy of the model.

Following the selection of dependent and independent variables, a correlation analysis was conducted to examine the relationship between the dependent variable and each independent variable, incorporating time lags. In this context, time lagging involves using historical values of the independent variables to predict current or future values of the dependent variable. This approach helps identify the time periods that most significantly influence the dependent variable.

For our analysis, a lag period of six quarters was chosen. This required the generation of lagged datasets for each independent variable, adjusted according to the predetermined lag period. After adjusting the data, the correlation between the dependent variable and each lagged independent variable was calculated for the various time periods. The lagged data with the highest correlation was then used to conduct a multicollinearity check against the independent variables. This step led to the selection of the final independent variables to be used in the regression analysis,

iModelling the regression Line: The selected independent and dependent variables were used to carry out the regression analysis to assess both the statistical significance and the relationship between the macroeconomic variables and the default rate. The coefficients of the macro-economic variables were then applied to the historical independent variables to derive the PD fit using the intercept-slope function.

$$Y = (mx1 + mx2 + mxn) + C$$

Where m = coefficient of macroeconomic variable
x = macroeconomic variable
C = intercept

Forecasts of Macroeconomic Variables: Forecasted macroeconomic variables for the different scenarios were derived either by using an excel based forecast function or sourced from reliable financial market resources. The base forecasts assume similar trends as those observed in the historical period. In deriving both the upturn and downturn scenarios, the trends and behaviours of the selected macroeconomic variables are taken into account.

The macroeconomic forecast methodology shall continue to be revised based on available information obtained at no undue cost or effort.

The coefficients of the regression result of the historical data were applied on the forecasted data to derive the forecasted PD fit for the different scenarios. Scalars are produced by comparing the forecasted PDs to the average of the PDs observed in the historical period. This is expressed below.

$$Multiplier = \frac{Forecasted\ PD\ fit}{Avg\ PD\ Historical\ Period}.$$

The scalars were incorporated into the PD estimation to obtain FLI-adjusted PD, which was utilized for the ECL computation.

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Estimation of Loss Given Default (LGD)
LGD is the measure of the proportion of the total exposure that the VFD stands to lose in the event of a default. Due to the lack of historical data, reliable external data in this case, Moody's Average debt ultimate recovery rate was leveraged in the LGD estimation in which the methodology below was used:
•LGD for base and upturn scenario: (1 – Recovery Rate)
•LGD for downturn scenario: the Federal Reserve formula as proposed by the Board of Governors of the Federal Reserve System as seen below.

$$Downturn\ LGD = (0.92 \times (1 - UR)) + 0.08$$

Where:
UR = Unsecured recovery
Note: The recovery rate obtained from Moody's would be reviewed and updated as needed.

Estimation of Exposure at Default (EAD)
The Exposure at Default (EAD) is a measure of the expected outstanding balance on a loan or receivable at a given time of default. It is a function of the PIT outstanding balance, the contractual repayment and moratorium period.
Lifetime EAD is calculated using the formula below:

$$EADt = EADt - 1 - Contractual\ Payment - Lifetime\ Collateralt$$

Key Consideration in the EAD estimation
Term in Force and Contractual Term - The term in force and contractual term are two major components that aids in the determination of the Time to Maturity. The term in force which estimates the remaining life of a facility at a given point in time is obtained by subtracting the reporting date from the start date, the contractual term represents the period from the start of the contract to its maturity date.
Time to Maturity – This is a specific term that refers to the remaining time until the facilities reach its maturity date or the time remaining until the borrower is expected to repay the outstanding balance of a facility. This is also the difference between the term in force and the contractual term. The Time to Maturity has been adjusted to cater for expired facilities in which a behavioural term of 12 months will be applied on these facilities. The behavioural term represents the extra time post expiry a facility remains on the books.
Contractual payments and the number of payments - The contractual payment is determined using the Microsoft excel PMT function which calculates the payment for a facility based on constant repayment and Effective Interest Rate (EIR). The number of payments will be based on the repayment patterns as stated below:
Table 5: Repayment Pattern

Repayment Pattern	Interval between months
Monthly	1
Quarterly	3
Termly	4
Semi-annually	6
Annually	12
Bullet	0

Moratorium - This represents the period over which payment of the contractual repayment is suspended for a facility.
Lifetime Collateral - This is estimated based on assumptions such as haircut, cost of recovery, time to recovery, and collateral growth rate, which are obtained based on expert judgment. However, over time, historical data will be accumulated and used to refine these assumptions, allowing for better alignment with the business and improving the accuracy of the estimates.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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Estimation of Scenario Weights
According to the IFRS 9 standard, the ECL amount should be determined by evaluating a range of possible scenarios using reasonable and supportable information that is available at the reporting date, about future macroeconomic conditions. In this model, three macroeconomic scenarios have been adopted namely, the Base scenario, the Upturn scenario, and the Downturn scenario.
The likelihood of each scenario is estimated by analyzing the movements of historical macroeconomic variables used in the FLI analysis. The procedure for this analysis includes the following steps:
•Determine the mean and standard error for each macroeconomic variable involved in the analysis.
•Establish the upper and lower limits for each macroeconomic variable based on Z-Score Margin of Error & mean. These limits serve as thresholds to classify historical data into the appropriate scenario categories.
•Considering the historical behaviour of each macroeconomic variable, classify each period of the historical data within the base, upturn, and downturn scenarios by comparing the historical data against the derived upper and lower limits.
•For each macroeconomic variable, count the number of periods classified under each scenario
•Compute the average proportion of each scenario across all macroeconomic variables to get an overall scenario distribution.

Final ECL Computation
•The resultant ECL is a product of the EAD, LGD and PD calculated based on the probability weights of each macroeconomic scenario. To account for the time value of money, the ECL was also discounted to present value using the EIR of each exposure. It can be expressed by the following expression.

Stage 1 – 12-month ECL
= Σ Σ ( ) ( ) min (12;) =1

ECL Ps∗ MPDs t ·LGDs t ·EADt·δt Tenor t

Stage 2- Lifetime ECL
= Σ Σ ( ) ( ) =1

Lifetime ECL Ps∗ MPDs t ∗LGDs t ∗EADt∗δtTenort

Stage 3- Lifetime ECL
= Σ ( )

Lifetime ECL Ps∗LGDs t ∗EADt

Where:
=1(1+)^

δt r m

= EIR m=

r of return of the facility Number of periods

s = an iterator through all scenarios

Ps = probability of scenarios

t = iterator through the time to maturity capped at 12 months

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	Trade and Other receivables	Total
At 31 December 2024	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	13,289,137	50,607,141	32,184,882	64,959,422	41,425,440	202,466,022
Gross amount	13,289,137	50,607,141	32,184,882	64,959,422	41,425,440	202,466,022
Impairment allowance	-	(1,225,268)	(1,056,570)	(2,659,369)	(1,836,311)	(6,777,518)
Carrying amount	13,289,137	49,381,873	31,128,312	62,300,053	39,589,129	195,688,504
At 31 December 2023	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	8,360,369	63,060,722	25,595,254	21,322,408	14,329,223	132,667,975
Gross amount	8,360,369	63,060,722	25,595,254	21,322,408	14,329,223	132,667,975
Impairment allowance	-	(1,042,109)	(1,606,205)	(1,789,023)	(664,990)	(5,102,328)
Carrying amount	8,360,369	62,018,613	23,989,049	19,533,384	13,664,233	127,565,647

Company	Cash and cash equivalents	Funds under management	Investment in financial assets	Loans and advances	Trade and Other receivables	Total
At 31 December 2024	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	1,170,740	-	34,050,628	-	24,980,071	60,201,439
Gross amount	1,170,740	-	34,050,628	-	24,980,071	60,201,439
Impairment allowance	-	-	(443,086)	-	(465,419)	(443,086)
Carrying amount	1,170,740	-	33,607,542	-	24,514,652	59,758,353
At 31 December 2023	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Neither past due nor impaired	750,460	-	30,953,664	-	6,795,949	38,500,073
Gross amount	750,460	-	30,953,664	-	6,795,949	38,500,073
Impairment allowance	-	-	(1,533,430)	-	(155,927)	(1,689,357)
Carrying amount	750,460	-	29,420,234	-	6,640,022	36,810,716

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Credit Risk and Quality Disclosure
The credit quality disclosure in the Risk Management section provides information about the Group's exposure to credit risk, the quality of financial assets, and mitigation strategies.

This disclosure is guided by:
☑ IFRS 7 – Financial Instruments: Disclosures
☑ IFRS 9 – Financial Instruments (Impairment & Credit Risk Requirements)

1. Credit Risk Overview

The Group is exposed to credit risk, which is the risk that a counterparty may fail to meet its contractual obligations, leading to a financial loss. The primary sources of credit risk include loans and advances, trade receivables and other receivables, debt securities, and cash deposits with banks.

2. Credit Risk Management Policies
The Group manages credit risk through a combination of:

-Counterparty credit assessments.
-Credit limits and monitoring.
-Use of collateral and guarantees.`
-Expected Credit Loss (ECL) provisioning in line with IFRS 9.

3. Credit Risk Exposure by Asset Class
Below is the Group’s exposure to credit risk categorized by financial asset type:

Group

Financial Asset	**Investment Grade**		**Non-Investment Grade**		**Default**	
	N'000	**N'000**	**N'000**		**N'000**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Loans & Advances	46,725,040	14,650,038	15,575,013	4,883,346	-	-
Trade Receivables and other receivables	41,743,199	16,065,975	13,914,400	5,355,325	-	-
Investment in Financial Assets	38,242,585	39,026,627	12,747,528	13,008,876		
			-	-	-	-
Total	**126,710,824**	**69,742,641**	**42,236,941**	**23,247,547**	**-**	**-**

4. Credit Quality and Internal Rating System
The Group assigns credit ratings based on a combination of external and internal assessments:

Investment Grade (AAA-BBB-): Low credit risk, minimal expected losses.

Sub-Investment Grade (BB+ and below): Moderate to high credit risk.

Default: Counterparty has failed to meet contractual obligations.

5. Collateral and Credit Enhancements

The Group mitigates credit risk through collateral and credit enhancements:

Mortgages on properties.

Bank guarantees and cash deposits.

Credit insurance for specific receivables.

6. Credit Risk Mitigation Strategies

The Group employs the following credit risk mitigation strategies:

Regular counterparty credit reviews.

Industry diversification to minimize sectoral concentration risk.

Use of derivatives such as **credit default swaps (CDS)** to hedge against default risk.

There was no change in the credit risk policies in the year.

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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.

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.

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

Group

At 31 December 2024	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	121,427,577	155,427,298	7,609,621	519,001	98,579,403	48,719,273
Funds under management	49,599,852	57,039,829	-	11,276,809	26,312,555	19,450,466
Deposit and other liabilities	54,609,595	54,609,595	14,860,494	8,072,154	13,817,690	17,859,257
	225,637,024	267,076,723	22,470,114	19,867,964	138,709,648	86,028,996
Financial assets						
Cash and cash equivalents	13,345,755	13,345,755	13,345,755	-	-	-
Funds under management	49,381,873	56,789,154	5,185,097	17,036,746	34,567,311	-
Financial assets measured at amortised cost	31,128,312	40,466,805	40,466,805	-	-	-
Fair value through other comprehensive income	8,650,560	11,245,728	11,245,728	-	-	-
Fair value through profit or loss	11,211,241	14,574,614	3,125,634	11,448,979.93	-	-
Loans and advances	62,300,053	80,990,069				
Other receivables	39,589,129	39,589,129	39,589,129		-	-
	215,606,923	257,001,254	112,958,148	28,485,726	34,567,311	-
Net cummulative liquidity deficit/(surplus)	10,030,100	10,075,469	(90,488,034)	(8,617,762)	104,142,337	86,028,996

Group

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	81,599,925	97,919,910	4,794,096	326,973	62,105,476	22,533,373
Funds under management	61,788,494	54,923,105	-	10,858,332	25,336,107	-
Deposit and other liabilities	39,631,886	33,026,572	8,987,270	4,881,845	8,356,607	-
	183,020,305	185,869,587	13,781,366	16,067,150	95,798,190	22,533,373
Financial assets						
Cash and cash equivalents	8,373,710	8,373,710	8,373,710	-	-	-
Funds under management	62,018,613	55,127,656	-	18,605,584	43,413,029	-
Financial assets measured at amortised cost	23,989,049	31,185,763	23,989,049	-	-	-
Fair value through other comprehensive income	12,063,923	15,683,100	3,600,028	8,986,536.00	3,096,536.27	-
Fair value through profit or loss	15,982,531	12,294,255	337,988	11,448,980	-	-
Loans and advances	19,533,384	15,025,680				
Other receivables	13,664,233	10,510,948	13,664,233		-	-
	155,625,442	148,201,112	49,965,007	39,041,100	46,509,565	0
Net cummulative liquidity deficit/(surplus)	27,394,863	37,668,475	(36,183,642)	(22,973,950)	49,288,625	22,533,373

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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Company

At 31 December 2024	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	83,961,449	107,470,655	5,119,369	997,014	31,434,215	46,410,852
Other liabilities	10,896,491	12,966,824	8,943,371	418,466	1,534,653	-
	94,857,940	120,437,479	14,062,740	1,415,480	32,968,869	46,410,852
Financial assets						
Cash and cash equivalents	1,224,998	1,224,998	1,224,998	-	-	-
Financial assets measured at amortised cost	33,607,542	43,689,805	33,607,542	-	-	-
Fair value through other comprehensive income	12,231,462	15,900,900	12,231,462	-	-	-
Fair value through profit or loss	9,157,201	11,904,361	9,157,201	-	-	-
Other receivables	24,514,652	24,514,652	12,171,505	9,855,734	2,487,414	-
	80,735,855	97,234,717	68,392,708	9,855,734	2,487,414	0
Net cummulative liquidity deficit/ (surplus)	14,122,085	23,202,762	(54,329,968)	(8,440,254)	30,481,455	46,410,852

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	80,457,058	4,905,696	955,400	30,122,211	31,064,241
Other liabilities	6,058,655	7,209,799	4,972,683	232,675	853,296	0
	73,106,203	87,666,857	9,878,379	1,188,075	30,975,507	31,064,241
Financial assets						
Cash and cash equivalents	756,157	756,157	756,157	-	-	-
Financial assets measured at amortised cost	29,420,234	38,246,304	29,420,234	-	-	-
Fair value through other comprehensive income	9,629,088	12,517,815	9,629,088	-	-	-
Fair value through profit or loss	14,836,744	19,287,767	312,760	9,685,933	4,838,051	-
Other receivables	6,640,022	6,640,022	3,296,765	2,669,517	673,739	
	61,282,245	77,448,065	43,415,005	12,355,450	5,511,790	0
Net cummulative liquidity deficit/(surplus)	11,823,958	10,218,792	(33,536,625)	(11,167,375)	25,463,717	31,064,241

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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 2024						
Financial assets:						
Cash and cash equivalents	9,786,375	3,536,242	6,766	16,315	57	13,345,755
Funds under management	38,012,840	11,300,598	58,050	-	10,385	49,381,873
Investment in financial assets	45,980,832	4,981,335	-	27,946	-	50,990,113
Loans and advances	62,300,053	-	-	-	-	62,300,053
Other receivables	39,517,023	2,702,632	-	2,735,044	20,070	44,974,769
	195,597,123	22,520,807	64,816	2,779,306	30,511.99	220,992,563
Financial liabilities:						
Funds under management	39,635,293	9,933,876	19,133	-	11,549	49,599,852
Borrowings	89,675,703	30,929,658	181,182	622,438	18,595	121,427,577
Other liabilities	22,832,454	448,093	-	1,585,392	341,851	25,207,790
Deposit liabilities	34,900,483	-	-	-	-	34,900,483
	187,043,934	41,311,627	200,316	2,207,831	371,994	231,135,701
Net open currency position	**8,553,189**	**(18,790,820)**	**(135,500)**	**571,475**	**(341,483)**	**(10,143,138)**

	NAIRA ₦'000	US DOLLAR ₦'000	POUNDS ₦'000	CEDIS ₦'000	EURO ₦'000	TOTAL ₦'000
AS AT 31 DECEMBER 2023						
Financial assets:						
Cash and cash equivalents	6,140,399	2,218,793	4,245	10,237	36	8,373,710
Funds under management	47,740,263	14,192,402	72,905	-	13,042	62,018,613
Investment in financial assets	46,923,523	5,083,462	-	28,519	-	52,035,503
Loans and advances	19,533,384	-	-	-	-	19,533,384
Other receivables	12,006,060	821,114	-	830,961	6,098	13,664,233
	132,343,629	22,315,770	77,150	869,717	19,176	155,625,442
Financial liabilities:						
Funds under management	49,375,249	12,375,022	23,835	-	14,387	61,788,494
Borrowings	60,262,511	20,784,881	121,755	418,282	12,496	81,599,925
Other liabilities	11,441,887	224,550	-	794,478	171,309	12,632,224
Deposit liabilities	26,999,662	-	-	-	-	26,999,662
	148,079,309	33,384,453	145,591	1,212,760	198,193	183,020,305
Net open currency position	**(15,735,680)**	**(11,068,683)**	**(68,440)**	**(343,043)**	**(179,017)**	**(27,394,862)**

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 2024						
Financial assets:						
Cash and cash equivalents	226,680	993,909	4,409	-	-	1,224,998
Investment in financial assets	48,156,802	6,839,403	-	-	-	54,996,205
Other receivables	24,514,652	-	-	-	-	24,514,652
	72,898,134	7,833,312	4,409	-	-	80,735,855
Financial liabilities:						
Borrowings	60,160,733	23,647,972	138,527	-	14,217	83,961,449
Other liabilities	10,896,491	-	-	-	-	10,896,491
	71,057,224	23,647,972	138,527	-	14,217	94,857,940
Net open currency position	**1,840,910**	**(15,814,660)**	**(134,118)**	**-**	**(14,217)**	**(14,122,085)**

	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	613,512	2,722	-	-	755,898
Investment in financial assets	40,085,545	6,701,345	-	-	-	46,786,890
Other receivables	6,640,022	-	-	-	-	6,640,022
	46,865,231	7,314,857	2,722	-	-	54,182,810
Financial liabilities:						
Borrowings	48,041,449	18,884,125	110,621	-	11,353	67,047,548
Other liabilities	6,058,655	-	-	-	-	6,058,655
	54,100,103	18,884,125	110,621	-	11,353	73,106,203
Net open currency position	**(7,234,872)**	**(11,569,269)**	**(107,899)**	**-**	**(11,353)**	**(18,923,393)**

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 2024						
Net foreign currency exposures	8,553,189	(18,790,820)	(135,500)	571,475	(341,483)	(10,143,138)
As at 31 December 2023						
Net foreign currency exposures	(15,735,680)	(11,068,683)	(68,440)	(343,043)	(179,017)	(27,394,862)

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 2024)

	₦'000
Naira strengthens by 5% against the US Dollar	
Profit/ (loss)	(939,541)
Naira weakens by 5% against the US Dollar	
Profit/(loss)	939,541
Naira strengthens by 5% against the Pound	
Profit/ (loss)	(6,775)
Naira weakens by 5% against the Pound	
Profit/(loss)	6,775
Naira strengthens by 5% against the Cedi	
Profit/ (loss)	28,574
Naira weakens by 5% against the Cedi	
Profit/(loss)	(28,574)
Naira strengthens by 5% against the Euro	
Profit/(loss)	(17,074)
Naira weakens by 5% against the Euro	
Profit/(loss)	17,074

Foreign exchange sensitivity analysis (31 December 2023)

	₦'000
Naira strengthens by 5% against the US Dollar	
Profit/ (loss)	(553,434)
Naira weakens by 5% against the US Dollar	
Profit/(loss)	553,434
Naira strengthens by 5% against the Pound	
Profit/ (loss)	(3,422)
Naira weakens by 5% against the Pound	
Profit/(loss)	3,422
Naira strengthens by 5% against the Cedi	
Profit/(loss)	(17,152)
Naira weakens by 5% against the Cedi	
Profit/(loss)	17,152
Naira strengthens by 5% against the Euro	
Profit/(loss)	(8,951)
Naira weakens by 5% against the Euro	
Profit/(loss)	8,951

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 2024						
Net foreign currency exposures	1,840,910	(15,814,660)	(134,118)	-	(14,217)	(14,122,085)
As at 31 December 2023						
Net foreign currency exposures	(7,234,872)	(11,569,269)	(107,899)	-	(11,353)	(18,923,393)

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)	(790,733)
Naira weakens by 5% against the US Dollar	
Profit/(loss)	790,733
Naira strengthens by 5% against the Pound	
Profit/ (loss)	(6,706)
Naira weakens by 5% against the Pound	
Profit/(loss)	6,706
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)	(711)
Naira weakens by 5% against the Euro	
Profit/(loss)	711

Foreign exchange sensitivity analysis (31 December 2023)

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)

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	
	2024	**2023**	**2024**	**2023**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Borrowings	121,427,577	81,599,925	83,961,449	67,047,548
Equity	58,526,225	32,530,569	32,133,344	16,666,036
Gearing ratio	207%	251%	261%	402%

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 2024	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	13,345,755	-	-	13,345,755
Funds under management	15	46,583,127	2,798,746	-	49,381,873
Investment securities	16.1 & 16.2	16,078,969	-	8,650,560	24,729,528
Fixed debt placements	16.1	15,049,343	-		15,049,343
Unquoted equities & mutual funds	16.3	-	11,211,241	-	11,211,241
Loans and advances	17	62,300,053	-	-	62,300,053
Other receivables	22	44,974,769	-	-	44,974,769
		198,332,016	**14,009,987**	**8,650,560**	**220,992,563**
Liabilities					
Funds under management	24	49,599,852	-	-	49,599,852
Borrowings	25	121,427,577	-	-	121,427,577
Other liabilities	26	25,207,790	-	-	25,207,790
Deposit liabilities	27	34,900,483	-	-	34,900,483
		231,135,701	**-**	**-**	**231,135,701**
At 31 December 2023					
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
Deposit liabilities	27	26,999,662	-	-	26,999,662
Other liabilities	26	12,632,224	-	-	12,632,224
		183,020,305	**-**	**-**	**183,020,305**

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Company

At 31 December 2024	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	0	-	-	-	-
Investment securities	16.1 & 16.2	24,087,803	-	12,231,462	36,319,265
Fixed debt placements	16.1	9,519,739	-	-	9,519,739
Unquoted equities & mutual funds	16.3	-	9,157,201	-	9,157,201
Other receivables	22	24,514,652	-	-	24,514,652
		58,122,194	**9,157,201**	**12,231,462**	**79,510,857**
Liabilities					
Borrowings	25	83,961,449	-	-	83,961,449
Other liabilities	26	10,896,491	-	-	10,896,491
		94,857,940	**-**	**-**	**94,857,940**
At 31 December 2023		**₦'000**	**₦'000**	**₦'000**	**₦'000**
Assets					
Cash and cash equivalents	0	-	-	-	-
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
		36,060,256	**14,836,744**	**9,629,088**	**60,526,088**
Liabilities					
Borrowings	25	67,047,548	-	-	67,047,548
Other liabilities	26	6,058,655			6,058,655
		73,106,203	**-**	**-**	**73,106,203**

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 2024				
Assets measured at fair value				
Unquoted equity instrument and mutual funds - at FVTPL	-	11,211,241	-	11,211,241
Financial investments - at FVOCI	8,650,560	-	-	8,650,560
Funds under management - quoted equity	2,798,746	-	-	2,798,746
Assets for which fair value is disclosed				
Financial Investments - at amortised cost	-	31,128,312	-	31,128,312
Funds under management - at amortised cost	-	47,808,395	-	47,808,395
Loans and advances - at amortised cost	-	62,300,053	-	62,300,053
	11,449,306	152,448,001	-	163,897,307
Liabilities for which fair value is disclosed				
Funds under management	-	49,599,852	-	49,599,852
Borrowings	-	121,427,577	-	121,427,577
Deposit liabilities	-	34,900,483	-	34,900,483
	-	205,927,912	-	205,927,912
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

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Company	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
As at 31 December 2024				
Assets measured at fair value				
Financial investments - at FVTPL	-	9,157,201	-	9,157,201
Financial investments - at FVOCI	12,231,462	-	-	12,231,462
Assets for which fair value is disclosed				
Financial Investments - at amortised cost	-	33,607,542	-	33,607,542
	12,231,462	42,764,743	-	54,996,205
Liabilities for which fair value is disclosed				
Borrowings	-	83,961,449	-	83,961,449
	-	83,961,449	-	83,961,449

	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

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	
	2024 ₦'000	2023 ₦'000	2024 ₦'000	2023 ₦'000
Financial investments - at FVTPL	11,211,241	15,982,531	11,211,241	15,982,531
Financial investments - at FVOCI	8,650,560	12,063,923	8,650,560	12,063,923
Funds under management - quoted equity	2,798,746	2,644,878	2,798,746	2,644,878
Financial Investments - at amortised cost	31,128,312	23,989,049	31,128,312	23,989,049
Funds under management - at amortised cost	47,808,395	59,373,734	47,808,395	59,373,734
Loans and advances - at amortised cost	62,300,053	19,533,384	62,300,053	19,533,384
	163,897,307	**133,587,500**	**163,897,307**	**133,587,500**
Funds under management	49,599,852	61,788,494	49,599,852	61,788,494
Borrowings	121,427,577	81,599,925	121,427,577	81,599,925
Deposit liabilities	34,900,483	26,999,662	34,900,483	26,999,662
	205,927,912	**170,388,081**	**205,927,912**	**170,388,081**

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(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	
	2024	**2023**	**2024**	**2023**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Financial investments - at FVTPL	9,157,201	14,836,744	9,157,201	14,836,744
Financial investments - at FVOCI	12,231,462	9,629,088	12,231,462	9,629,088
Financial Investments - at amortised cost	33,607,542	29,420,234	36,968,296	32,362,257
	54,996,205	**53,886,066**	**58,356,959**	**56,828,090**
Borrowings	83,961,449	67,047,548	83,961,449	67,047,548
	83,961,449	**67,047,548**	**83,961,449**	**67,047,548**

(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 2024**	**Fair values as at 31 December 2024**	**Valuation technique**	**Observable inputs**	**Unobservable inputs**	**Relationship of unobservable inputs to fair value**
	Group ₦'000	**Company ₦'000**				
Unquoted equity investment	10,550,058	8,502,178	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%	11,077,561	8,927,287
Fair value if inputs decreased by 5%	10,022,555	8,077,069
Fair value if unobservable inputs increased by 5%	10,469,605	8,437,342
Fair value if unobservable inputs decreased by 5%	10,630,511	8,567,014

(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 2024 ₦'000	31 December 2023 ₦'000	31 December 2024 ₦'000	31 December 2023 ₦'000
4	**Investment and similar income (Note 4.1)**				
	Interest from placements	12,489,227	15,016,731	5,380,334	3,446,506
	Interest from debt instruments	3,423,336	1,814,762	1,588,198	1,420,734
	Dividend income	492,147	191,724	1,086,534	1,290,395
	Fees and commission income	4,139,344	1,042,108	2,473,905	5,760
	Business support fees	586,895	636,600	-	311,750
	Interest from treasury bills and commercial papers	629,087	134,461	346,330	-
	Investment income	13,546,077	-	13,184,057	-
	Interest from loans & advances	14,416,067	7,088,198	-	-
	Operating lease income	3,214,962	85,460	-	-
	Hospitality, freight and warehouse income	854,785	377,136	-	-
	Rental Income	936,521	2,456,515	20,657	18,980
	Income from investment in real estate	9,256,404	5,210,400	-	-
	Income from investment in logistics and haulage business	10,581,352	3,614,167	-	-
		74,566,203	**37,668,261**	**24,080,015**	**6,494,125**

4.1 Apart from dividend income which is a point in time revenue, all other investment and similar income disclosed above are overtime revenue.

	Group 31 December 2024 ₦'000	Group 31 December 2023 ₦'000	Company 31 December 2024 ₦'000	Company 31 December 2023 ₦'000
Investment income from items measured at amortised cost	27,534,381	22,239,390	5,726,664	3,446,506
Investment income from items measured at FVPL	3,423,336	1,814,762	1,588,198	1,420,734
Investment income from items measured at FVOCI	43,608,486	13,614,110	16,765,153	1,626,885
	74,566,203	**37,668,261**	**24,080,015**	**6,494,125**

		Group 31 December 2024 ₦'000	Group 31 December 2023 ₦'000	Company 31 December 2024 ₦'000	Company 31 December 2023 ₦'000
5.1	**Finance cost**				
	Interest expense on borrowings*	37,587,896	25,333,354	20,674,573	12,391,733
		-		-	-
5.2	**Investment and similar expense**	-	-	-	-
	Truck subcontracting cost for haulage and logistics	4,181,829	1,997,459	-	-
	Property development cost	8,939,116	3,870,234	-	-
	Hospitality cost	375,227	139,386	-	-
	Cost of App development	168,714	109,643	-	-
	Operating lease expense	1,918,477	1,304,877	-	-
		15,583,363	**7,421,599**	**-**	**-**

*Included in Interest expense on borrowings are bank loans & overdraft, commercial papers and placements.

		Group 31 December 2024 ₦'000	Group 31 December 2023 ₦'000	Company 31 December 2024 ₦'000	Company 31 December 2023 ₦'000
6	**Other income (Note 6.1a)**				
	Exchange gain/(loss)	2,115,244	2,129,640	234,557	(449,856)
	Gain on disposal of investment property	514,981	68,989	124,178	68,989
	Gain on disposal of PPE	53,786	2,455	124	2,455
	Gain on disposal of shares	-	393,396	-	479,120
	Fair value gain on investment property	5,622,499	229,930	813,476	100,000
	Others	957,532	715,857	-	-
		9,264,043	**3,540,267**	**1,172,334**	**200,708**

6.1a All the other income items disclosed above are point in time revenue.

		Group		Company	
		31 December 2024 ₦'000	31 December 2023 ₦'000	31 December 2024 ₦'000	31 December 2023 ₦'000
6.1b	**Net gain from financial assets at FVTPL**				
	*Net gain from financial assets at FVTPL	3,898,893	3,367,221	3,181,292	3,780,185
		3,898,893	**3,367,221**	**3,181,292**	**3,780,185**

This represents the net gain on equity instruments measured at fair value through profit or loss.

		Group 31 December 2024 ₦'000	Group 31 December 2023 ₦'000	Company 31 December 2024 ₦'000	Company 31 December 2023 ₦'000
6.2	**Share of profit from associate**	**34,387**	**375,138**	**43,226**	**329,084**
6.3	**Bargain purchase***	**-**	**404,268**	**-**	**-**

*Bargin purchase relates to the acquistion of Movis Logistics Limited, Ghana in 2023 financial year.

		Group 31 December 2024 ₦'000	Group 31 December 2023 ₦'000	Company 31 December 2024 ₦'000	Company 31 December 2023 ₦'000
7	**Personnel expenses**				
	Salaries and wages	3,655,870	2,519,450	564,542	339,637
	Contributions to defined contribution scheme	171,968	185,084	56,784	32,182
	Other staff costs	873,142	396,789	117,762	92,402
	Staff bonus	607,962	289,260	-	-
		5,308,941	**3,390,582**	**739,088**	**464,221**

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		Group		Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
8	**Other operating expenses**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Repairs and maintenance	1,014,392	180,034	46,912	20,504
	Auditors remuneration	186,966	91,171	45,150	24,573
	Professional fees	1,012,871	1,063,591	494,884	637,810
	Travel and accommodation	1,097,050	499,395	520,295	330,330
	Insurance	379,508	193,390	65,944	71,541
	Advertisement, branding & business promo	1,547,555	1,817,406	182,172	185,409
	Fees and commission expense	732,816	441,478	676,692	441,478
	Corporate gift	282,221	153,305	255,693	152,786
	Donations	81,370	13,530	10,700	5,636
	AGM/Dividend processing expenses	16,535	14,105	16,535	14,105
	Rent and rates	834,344	346,215	444,984	232,725
	Directors fees and other allowances	538,048	295,050	74,000	45,810
	Subscription	122,354	139,304	24,859	29,922
	Training	134,517	643,744	57,962	92,475
	IT license and maintenance fee	1,543,243	775,950	34,542	14,703
	Bank charges	225,800	104,801	39,123	30,649
	Security expenses	196,279	149,698	179,565	133,768
	Business entertainment	54,323	337,331	-	-
	Fraud losses	6,424	3,943	-	-
	Loss on disposal of shares	13,751	-	-	-
	Net monetary loss arising from hyperinflationary economy**	434,567	241,683	-	-
	**Office expenses	3,613,572	1,084,455	1,867,581	649,270
		14,068,507	**8,589,577**	**5,037,595**	**3,113,492**

** Net monetary loss arising from hyperinflationary economy is with respect to the remeasurement of monetary items in VFD Ghana Limited following the designation of Ghana as a hyperinflationary economy.

As required by IAS 29 - Financial Reporting in Hyperinflationary Economies, the Group has restated its financial statements to reflect the impact of inflation in Ghana, which has been classified as a hyperinflationary economy.

During the year ended 31 December 2024, the Group recorded a net monetary loss of N434.6m (2023 : N241.7m), arising from the impact of inflation on monetary assets and liabilities.

The net monetary loss was determined as follows:

1) Identification of Monetary Items:

i) Monetary assets include cash and cash equivalents, loan and advances, trade and other account receivables, short term investment and intercompany

ii) Monetary liabilities include intercompany payable, borrowings, bank overdraft, trade and other payable, current income tax liability and customer deposits.

2) Application of the General Price Index:

The financial statements have been adjusted using the Consumer Price Index (CPI) as published by iInternational Monetary Fund (IMF)

The CPI for Ghana used for restatement was 23.2% at the beginning of the year (2023 : 54.1%), and closed at 23.8% at end of the year (2023 : 23.2%).

3) Impact on the Statement of Profit or Loss:

The net monetary loss is recognized in the statement of profit or loss under "Net monetary loss arising from hyperinflationary economy", in line with IAS 29.

4) Restatement of Non-Monetary Assets and Equity:

i) Property, plant, and equipment, and other non-monetary assets were restated to reflect their inflation-adjusted carrying amounts.

(ii) Share capital and reserves were also adjusted to maintain purchasing power parity.

**Office expenses include cost of staff lunch, media monitoring, end of year and special staff events and other office running expenses.

9	**Impairment/(writeback) on financial assets**				
	Trade and Other receivables (Note 22.1b)	1,171,320	(355,844)	309,492	(57,129)
	Loans and advances (Note 17.1)	870,346	554,976	-	-
	Funds under management (Note 15)	183,159	182,060	-	-
	Financial assets (Note 16.1)	(1,056,570)	(210,114)	(1,090,344)	(281,772)
		1,168,255	**171,077**	**(780,852)**	**(338,901)**

10	**Income tax expense**				
	Recognised in the profit or loss				
	Income tax	1,085,589	260,784	142,090	47,569
	Education tax	106,666	46,945	48,862	-
	Information technology tax	13,246	1,422	-	-
	Police trust fund	9,940	54	129	-
	Capital gains tax	427,275	-	22,418	-
		1,642,716	309,204	213,499	47,569
	Deferred tax charge/(credit)	914,051	(579,790)	177,544	(1,204,749)
		2,556,767	**(270,585)**	**391,043**	**(1,157,181)**

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	Group		Company	
	31 December 2024 ₦'000	31 December 2023 ₦'000	31 December 2024 ₦'000	31 December 2023 ₦'000
11 Depreciation and amortisation				
Depreciation - Note 19	2,672,739	1,327,981	220,023	164,554
Amortisation (Note 20)	124,015	142,011	11,894	737
	2,796,754	**1,469,992**	**231,917**	**165,291**
12 Investment in associates				
At 1 January	5,080,036	4,927,371	4,447,982	4,328,443
Reclassification during the year (Note 12.1)	5,864,068	49,167	5,587,068	-
Disposals (Note 12.2)	(4,242,816)	(271,640)	(4,221,981)	(209,545)
Share of profit from associate	34,387	375,138	43,226	329,084
At 31 December	**6,735,675**	**5,080,036**	**5,856,295**	**4,447,982**

12.1 The relates to reclassification of investment in Splittar from ordinary investment to an associate after the company acquired the asociate thresold in the year.

12.2 The disposal relates to divestment from Abbey Mortgage Bank in the year which made the investment to fall within the threhold of ordinary investment.

12.3 Investment in associates

Name of the entity	% of Ownership interest 2024	Net Asset 2024 ₦'000	Interest in the Net Assets Company 31 December 2024 ₦'000
1) HSE Gourmet Limited	37%	160,927	59,543
2) O'Spaces Nigeria Limited	30%	151,510	45,453
3) E'Bar Metro	20%	159,309	31,862
4) Abbey Mortgage Bank	5.08%	-	-
5) Rockshield Asset Protection Limited	29.57%	184,169	54,459
6) Movis Nigeria Limited	20%	144,385	28,877
7) Product Studio Limited	33%	148,586	49,033
8) Splittar Limited	29.07%	19,219,361	5,587,068
		20,168,246	**5,856,295**

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 2024 ₦'000	December 2023 ₦'000	December 2024 ₦'000	December 2023 ₦'000	December 2024 ₦'000	December 2023 ₦'000	December 2024 ₦'000	December 2023 ₦'000
Assets								
Bank balance	58,301	54,954	51,097	1,514	14,366	15,478	-	37,987
Cash balances with central bank	-	-	-	-	-	-	-	766,369
Due from other banks	-	-	-	-	-	-	-	12,730,016
Loans and advances to customers	-	-	-	-	-	-	-	14,138,284
Financial investments - securities at FVTPL	-	-	-	-	-	-	-	550,527
Financial Investments- securities at amortised cost	1,198	21,141	70,138	29,474	89,573	28,000	-	26,775,781
Investment in subsidiaries	30,000	30,000	-	-	-	-	-	-
Other assets	57,023	17,610	251,002	404,013	60,432	39,414	-	1,072,504
Property and equipment	73,586	77,025	418,881	533,528	63,428	53,698	-	1,351,533
Intangible assets	-	-	8,493	-	-	-	-	73,990
Non-current assets held for sale			-	-	-	-	-	45,251
Total Assets	**220,108**	**200,730**	**799,612**	**968,529**	**227,800**	**136,589**	**-**	**57,542,242**
Liabilities								
Due to other Banks	-	-	-	-	-	-	-	10,033
Deposits from customers	-	-	391,217	444,874	-	-	-	40,049,606
Current income tax payable	-	1,171	-	-	-	16,562	-	83,843
Other liabilities	39,037	-	118,783	103,311	68,490	12,048	-	540,871
Borrowings	1,482	12,234	115,039	67,145	-	-	-	3,998,567
Deposit for Shares	-	-	-	-	-	-	-	4,000,000
Due to National Housing Fund	-	-	-	-	-	-	-	289,624
Deferred tax liabilities	18,661	-	23,063	-	-	-	-	-
Total Liabilities	**59,181**	**13,405**	**648,102**	**615,331**	**68,490**	**28,610**	**-**	**48,972,544**
Net Assets	**160,927**	**187,325**	**151,510**	**353,199**	**159,309**	**107,979**	**-**	**8,569,698**

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 2024)	194,612	247,284	102,455	-
Profit for the year	(33,685)	(95,774)	56,854	-
Closing net assets (31 December 2024)	**160,927**	**151,510**	**159,309**	**-**

Summary statement of comprehensive income	HSE Gourmet Limited December 2024 ₦'000	O'Spaces Nigeria Limited December 2024 ₦'000	E'Bar Plaza December 2024 ₦'000	Abbey Mortgage Bank December 2024 ₦'000
Revenue	227,394	199,995	235,553	-
Operating expenses	(275,116)	(288,790)	(178,698)	-
Tax credit/(expense)	14,036	(6,979)	-	-
Profit for the year	(33,685)	(95,774)	56,854	-

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	Rockshield Asset Protection Limited		Movis Nigeria Limited		Product Studio Limiited	
	December 2024 ₦'000	December 2023 ₦'000	December 2024 ₦'000	December 2023 ₦'000	December 2024 ₦'000	December 2023 ₦'000
Assets						
Bank balance	40,736	26,426	4,529	-	67,438	-
Cash balances with central bank	-	-	-	-	-	-
Due from other banks	-	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-	-
Financial investments - securities at FVTPL	-	-	-	-	-	-
Financial Investments- securities at amortised cost	86,613	64,850	175,040	-	66,051	-
Investment in subsidiaries	-	-	-	-	-	-
Other assets	-	-	1,000	-	9,239	-
Property and equipment	72,962	38,246	25,292	-	11,903	-
Intangible assets	-	-	-	-	-	-
Non-current assets held for sale		-	-	-	-	-
Total Assets	**200,311**	**129,522**	**205,861**	**-**	**154,630**	**-**
Liabilities						
Due to other Banks	-	-	-	-	-	-
Deposits from customers	-	-	-	-	-	-
Current income tax payable	11,422	2,039	-	-	-	-
Other liabilities	4,720	11,421	61,476	-	6,045	-
Borrowings	-	-	-	-	-	-
Deposit for Shares	-	-	-	-	-	-
Due to National Housing Fund	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-
Total Liabilities	**16,142**	**13,460**	**61,476**	**-**	**6,045**	**-**
Net Assets	**184,169**	**116,062**	**144,385**	**-**	**148,586**	**-**

Reconciliation to carrying amounts:	Rockshield Asset Protection Limited ₦'000	Movis Logistics Nigeria Limited ₦'000	Product Studio Limited ₦'000
Opening net assets (1 January 2024)	116,061	212,262	100,020
Profit/(loss) for the year	68,108	(67,877)	48,566
Closing net assets (31 December 2024)	**184,169**	**144,385**	**148,586**

Summary statement of comprehensive income	Rockshield Asset Protection Limited December 2024 ₦'000	Movis Logistics Nigeria Limited December 2024 ₦'000	Product Studio Limited December 2024 ₦'000
Revenue	236,478	82,770	200,464
Direct expenses/Cost of sales	-	-	-
Fees and commission income	-	-	-
Other operating income	-	-	-
Net Impairment write back on financial asset	-	-	-
Operating expenses	(156,265)	(150,647)	(151,899)
Tax credit/(expense)	(12,105)	-	-
Profit for the year	68,108	(67,877)	48,566

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 2024, representing 37% equity participation in the company. No dividend income was received from HSE Cafe Ltd during the year. As at 31 December 2024, the value of the investment was N160.9m (N187.3m at 31 December 2023).

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 2024, representing 30% equity participation in the company. No dividend income was received from O'Spaces Nigeria Ltd during the year. As at 31 December 2024, the value of the investment was N151.5m (N353.2m at 31 December 2023).

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 2024, representing 20% equity participation in the company. No dividend income was received from E'Bar during the year. As at 31 December 2024, the value of the investment was N159m (N108m at 31 December 2023).

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Abbey Mortgage Bank

During the financial year ended 31 December 2024, the Group divested a significant portion of its equity interest in Abbey Mortgage Bank Plc, reducing its shareholding from 37.7% to 5.08%.
As a result of this divestment, the Group no longer exercises significant influence over Abbey Mortgage Bank Plc in accordance with the provisions of IAS 28 – Investments in Associates and Joint Ventures.
Consequently, the investment has been reclassified from "Investment in Associate" to "Financial Assets" and is now accounted for in accordance with IFRS 9 – Financial Instruments.

Rockshied Assets Protection Limited

Rockshield Asset Protection Limited was incorporated as a private company limited by shares on 6 April 2016. It commenced operations in September 2021. The Company isin the business of Outsourced Concierge, Protocol, Asset Protection, Corporate Security Guards, Intelligence and related services.

The Group holds an equity interest of 2,957,000 ordinary shares in Rockshield Assets Protection Limited as at 31 December 2024, representing 29.57% equity participation in the company. No dividend income was received from the company during the year. As at 31 December 2024, the value of the investment was N200.3m (N129.5m at 31 December 2023).

Movis Logistics Nigeria Limited

Movis Logistics Nigeria Limited, established on June 27, 2023, with registration number RC-7031209, is a dynamic and customer-focused logistics service provider based in Lagos, Nigeria. The company offers a comprehensive range of services tailored to meet the evolving needs of modern businesses, including express courier solutions, air and sea freight, transport and haulage services, warehousing, customs clearance, travel management, and outsourcing solutions.

The Group holds an equity interest of 6,000,000 ordinary shares of N1 each in Movis Logistics Nigeria Limited as at 31 December 2024, representing 20% equity participation in the company. No dividend income was received from the company during the year. As at 31 December 2024, the value of the investment was N99.1m (Nil at 31 December 2023).

Product Studio Limited

Product Studio Limited is a private limited company incorporated in Nigeria. The company is a dynamic and innovative product development company dedicated to turning ideas into successful digital products and solutions. The company is headquartered in Lagos, Nigeria.

The Group holds an equity interest of 330,000 ordinary shares of N1 each in the company as at 31 December 2024, representing 33% equity participation in the company. No dividend income was received from the company during the year. As at 31 December 2024, the fair value of the investment was N148.6m (nil at 31 December 2023).

Splittar Limited

Splitar Limited is a financial technology company pioneering inclusive capital markets infrastructure in Africa. With a core mission to democratize access to alternative assets and improve liquidity for alternative assets and Intellectual Property assets, Splitar bridges the gap between innovation and investment across underserved sectors.

The Group holds an equity interest of 2,268,000 ordinary shares of N1 each in the company as at 31 December 2024, representing 29.07% equity participation in the company. No dividend income was received from the company during the year.

		Group		Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
13	**Earnings/(loss) per share**				
	Basic/diluted earnings/(loss) per share				
	Basic earnings/(loss) attributable to shareholders (₦'000)	6,264,938	(2,462,793)	2,183,505	(3,834,552)
	Weighted Average Number of Shares	1,214,090	950,290	1,214,090	950,290
	*Basic earnings/(loss) per share basic (kobo)	**516**	**(259)**	**180**	**(404)**
	Basic earnings/(loss) per share diluted (kobo)	**516**	**(259)**	**180**	**(404)**

Note that the EPS has been restated for the previous share for Bonus issue in line with the requirement of IAS 33

		Group		Company	
14	**Cash and cash equivalents**				
	Cash in hand	56,618	13,340	54,258	5,697
	Balance with banks and other financial institutions	11,182,629	8,132,998	1,170,740	750,460
	Short term placements	2,106,509	227,371	-	-
		13,345,755	**8,373,710**	**1,224,998**	**756,157**

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 2024	31 December 2023	31 December 2024	31 December 2023
	Classified as:	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Current	13,345,755	8,373,710	1,224,998	756,157
	Non-current	-	-	-	-
		13,345,755	**8,373,710**	**1,224,998**	**756,157**
15	**Funds under management - Asset**				
	Placements	40,759,568	54,667,723	-	-
	Quoted equity instruments	2,798,746	2,644,878	-	-
	Bonds and Treasury bills	7,048,827	5,748,120	-	-
		50,607,141	**63,060,722**	**-**	**-**
	Less allowances for impairment on placements	(1,142,161)	(959,002)	-	-
	Less allowances for impairment on investment securities	(83,107)	(83,107)	-	-
		49,381,873	**62,018,613**	**-**	**-**
15.1	**Movement in loss allowance**				
	At 1 January	1,042,109	860,050	-	-
	Charge during the year:				
	Increase in loss allowance (Note 9)	183,159	182,059	-	-
	At 31 December	**1,225,268**	**1,042,109**	**-**	**-**
	Classified as:				
	Current	42,416,153	56,353,600	-	-
	Non-current	6,965,720	5,665,013	**-**	**-**
		49,381,873	**62,018,613**	**-**	**-**

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		Group		Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
16	**Investment in financial assets**	₦'000	₦'000	₦'000	₦'000
	Financial assets measured at amortised cost - (Note 16.1)	31,128,312	23,989,049	33,607,542	29,420,234
	Financial assets measured at FVOCI - (Note 16.2)	8,650,560	12,063,923	12,231,462	9,629,088
	Financial assets measured at FVTPL - (Note 16.3)	11,211,241	15,982,531	9,157,201	14,836,744
		50,990,113	**52,035,503**	**54,996,205**	**53,886,066**
	Classified as:				
	Current	31,128,312	18,989,049	33,607,542	24,420,234
	Non current	19,861,801	33,046,454	21,388,663	29,465,832
		50,990,113	**52,035,503**	**54,996,205**	**53,886,066**
16.1	**Financial assets measured at amortized cost**				
	Investment in debt securities	14,404,417	18,664,550	21,799,767	25,406,286
	Fixed debt placements	15,049,343	6,930,704	9,519,739	5,547,378
	Treasury bills	2,731,122	-	2,731,122	-
		32,184,882	**25,595,254**	**34,050,628**	**30,953,664**
	Loss allowance on financial assets at amortized costs	(1,056,570)	(1,606,205)	(443,086)	(1,533,430)
		31,128,312	**23,989,049**	**33,607,542**	**29,420,234**
	Movement in loss allowance				
	At 1 January	1,606,205	1,816,319	1,533,430	1,815,202
	Movement during the year:				
	(Decrease)/Increase in loss allowance (Note 9)	(549,635)	(210,114)	(1,090,344)	(281,772)
	At 31 December	**1,056,570**	**1,606,205**	**443,086**	**1,533,430**
16.2	**Fair value through other comprehensive income (FVTOCI)**				
	Quoted equity securities	6,895,434	9,446,730	9,751,464	8,116,727
	Treasury bills	-	1,720,543	-	-
	Fair value adjustments (16.2a)	1,755,126	896,650	2,479,998	1,512,361
		8,650,560	**12,063,923**	**12,231,462**	**9,629,088**
16.2a	**Changes in fair value reserve**				
	At 1 January	896,650	1,261,631	1,512,361	1,154,269
	Gain/(loss) on instruments at FVOCI	858,476	(364,981)	967,637	358,092
	At 31 December	**1,755,126**	**896,650**	**2,479,998**	**1,512,361**
16.3	**Fair value through profit or loss (FVTPL)**				
	Unquoted equity securities	10,550,058	13,574,640	8,502,178	13,204,937
	Mutual funds investments	661,183	2,407,892	655,023	1,631,807
		11,211,241	**15,982,531**	**9,157,201**	**14,836,744**

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17	**Loans and advances**	-			
	Loans and advances at amortised cost	64,959,422	21,322,408	-	-
	Less loss allowance (17.1)	(2,659,369)	(1,789,023)	-	-
		62,300,053	**19,533,384**	**-**	**-**
	Current	11,941,388	6,135,684		
	Non current	50,358,665	13,397,700		
		62,300,053	**19,533,384**	**-**	**-**
17.1	**Loss allowance on loans and advances**				
	At 1 January	1,789,023	1,234,047	-	-
	Charge during the year:				
	Loan allowance on loan to customers	870,345	554,976	-	-
		2,659,369	**1,789,023**	**-**	**-**

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	**2024 Value ₦'000**	**Holding**	**2023 Value ₦'000**	**Country**
VFD Microfinance Bank Limited	85%	901,500	90%	954,000	Nigeria
Anchoria Asset Management Limited	52%	350,135	62%	417,500	Nigeria
Anchoria Advsiory Services Limited (formerly Kairos Capital Limited)	55%	146,850	55%	146,850	Nigeria
Anchoria Securities Limited (formerly Anchoria Investment and Securities Limited)	60%	329,924	60%	329,924	Nigeria
Herel Limited	82%	21,440,336	77%	13,682,778	Nigeria
Atiat Limited	57%	4,344,753	57%	4,344,753	Nigeria
VFD Tech Limited	95%	1,250,000	95%	1,250,000	Nigeria
Template Limited	90%	200,000	0%	-	Nigeria
VFD Ghana Limited	63%	1,591,838	63%	1,506,182	Ghana
		30,555,336		**22,631,987**	

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 ₦30.55bn (2023: ₦22.63bn)

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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 2024 are as follows:

Condensed statement of profit or loss	Anchoria Asset Management Limited ₦'000	VFD Microfinance Bank ₦'000	Anchoria Advisory Services Limited ₦'000	Anchoria Securities Limited ₦'000	Atiat Limited ₦'000	Atiat Insurance Brokers ₦'000	VFD Ghana ₦'000	Herel Limited ₦'000	Template Limited ₦'000	VFD Tech Limited ₦'000	Movis Logistics Limited ₦'000	Cedi Capital Microfinance Bank Limited ₦'000
Operating income	2,601,780	4,508,977	743,983	916,459	9,726,071	140,603	532,062	17,374,911	487,559	818,844	11,924,671	1,111,504
Operating expenses (including finance cost)	(1,504,713)	(3,981,417)	(538,744)	(613,478)	(8,412,521)	(125,871)	(720,503)	(14,331,064)	(483,920)	(812,859)	(9,538,988)	(616,126)
Profit before tax	1,097,068	527,560	205,238	302,982	1,313,551	14,732	(188,441)	3,043,847	3,639	5,985	2,385,683	495,378
Income tax (expense)/credit	(353,997)	(160,968)	(74,773)	(87,316)	(398,635)	(5,002)	(584)	(690,947)	1,476	(3,440)	(364,574)	(13,878)
Profit for the period	**743,071**	**366,591**	**130,465**	**215,665**	**914,915**	**9,730**	**(189,025)**	**2,352,900**	**5,115**	**2,545**	**2,021,109**	**481,500**

The condensed statement of financial position of the consolidated entities as at December 2024 are as follows:

Condensed statement of financial position	Anchoria Asset Management ₦'000	VFD Microfinance Bank ₦'000	Anchoria Advisory Services Limited ₦'000	Anchoria Securities Limited ₦'000	Atiat Limited ₦'000	Atiat Insurance Brokers ₦'000	VFD Ghana ₦'000	Herel Limited ₦'000	Template Limited ₦'000	VFD Tech Limited ₦'000	Movis Logistics Limited ₦'000	Cedi Capital Microfinance Bank Limited ₦'000
Assets												
Cash and cash equivalents	863,068	7,835,493	102,033	881,119	1,848,828	71,884	97,629	93,485	11,297	9,678	558,310	69,328
Funds under management Asset	73,281,350	-	-	201,325	-	-	-	-	-	-	-	-
Investment in financial assets	1,882,482	11,208,292	341,598	2,397,815	30,528,958	-	-	2,512,925	4,636,863	498,156	68,332	15,153
Loans and advances	-	15,146,126	-	-	-	-	-	-	497,186	-	-	1,285,234
Investment in subsidiaries	-	-	-	-	74,615	-	2,987,960	-	-	-	-	
Investment in associates	-	-	-	-	-	-	-	602,229	-	16,576	-	
Property, plant and equipment	457,667	182,496	93,121	18,301	1,047,852	7,318	39,672	2,677,159	764	21,110	5,411,655	83,760
Goodwill	-	-	-	-			41,450	1,337,503	-	-	-	
Intangible assets	2,134	16,548	-	1,807	4,154,627	6,717	-	3,805	-	112,432	12,053	32,911
Investment property and inventory properties	-	-	-	-	-	-	-	27,842,423	-	-	-	
Operating lease	-	-	-	-	2,034,409	-	-	-	-	-	-	
Statutory deposit	-	-	-	-	-	-	-	-	-	-	-	
Other receivables	2,013,810	1,503,700	286,376	52,017	1,478,389	2,007	849,031	8,716,345	166,776	408,529	13,255,420	298,695
Deferred tax assets	-	249,241	-	3,206	-	-		15,745	5,852	403,863	-	4,418
	78,500,511	**36,141,896**	**823,129**	**3,555,590**	**41,167,677**	**87,926**	**4,015,742**	**43,801,618**	**5,318,738**	**1,470,345**	**19,305,770**	**1,789,499**
Financed by:												
Funds under management Liability	73,251,836	-	-	201,325	-	-	-	-	-	-	-	-
Borrowings	659,651	1,230,422	-	1,216,675	31,979,109	-	-	7,992,448	4,915,967	1,121,103	2,251,200	-
Other liabilities	1,261,641	235,287	188,611	1,232,751	608,249	16,856	48,002	3,189,677	173,280	238,332	8,744,328	162,922
Deposit liabilities	-	32,903,740	-	-	-	-	-	-	-	-	-	495,903
Current tax liabilities	221,340	438,434	65,915	136,701	386,949	21,070	60,334	419,700	4,377	1,515	1,038,706	-
Deferred tax liabilities	77,550	-	9,148	-	403,807	-	-	1,164,975	-	-	326,384	-
Equity	3,028,494	1,334,013	559,456	768,137	7,789,563	50,000	3,907,406	31,034,819	225,115	109,395	6,945,152	1,130,674
	78,500,511	**36,141,896**	**823,129**	**3,555,590**	**41,167,677**	**87,926**	**4,015,742**	**43,801,618**	**5,318,738**	**1,470,345**	**19,305,770**	**1,789,499**

18.2(i) During the year under review, certain subsidiaries of VFD Group Plc underwent corporate name changes. These include: (i) Kairo Capital Limited, which has been renamed Anchoria Advisory Services Limited.(ii) Anchoria Investment and Securities Limited, which has been renamed Anchoria Securities Limited.
In addition, Xenia Lifestyle Limited ceased to be a subsidiary during the year following its absorption by Herel Limited. A new subsidiary, Template Limited has been includede in the group consolidated financial statements for the year. The business was incorporated on 23 June,2023 under the Companies and Allied Matters Act 2020 and commenced operations in March 2024. The Company has a money lender license issued by the Lagos state government.

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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 Limited ₦'000**	**VFD Microfinance Bank ₦'000**	**Karios 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**
Operating income	2,991,869	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 (including finance cost)	(1,129,427)	(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)/income	(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 Limited ₦'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	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	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**

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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 and Building ₦'000	Right of Use Asset ₦'000	Work in-progress ₦'000	Total ₦'000
Cost										
At 1 January 2024	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
Additions	25,889	3,467,439	66,689	1,328,528	205,015	45,306	226,101	-	492,677	5,857,644
Disposals	(323,755)	(358,181)	(75,893)	(312,349)	(90,168)	(78,929)	(627,825)	-	-	(1,867,100)
Reclassification to investment property** (see note 21)	-	-	-	(4,415,735)	-	-	-	-	-	(4,415,735)
At 31 December 2024	441,584	7,128,801	200,659	3,265,675	840,820	157,820	830,483	4,036,525	563,959	17,466,327
Accumulated Depreciation										
At 1 January 2024	278,940	938,333	7,269	183,300	268,806	139,814	-	1,383,970	-	3,200,432
Charge in the year	159,519	1,389,494	26,892	154,968	339,389	39,466	-	618,146	-	2,727,873
Reclassification to investment property** (see note 21)	-	-	-	(55,134)	-	-	-	-	-	(55,134)
Disposals	(251,862)	(316,213)	(26,731)	(268,120)	(129,809)	(63,578)	-	-	-	(1,056,312)
At 31 December 2024	186,596	2,011,614	7,430	215,013	278,386	115,702	-	2,002,116	-	4,816,858
Carrying amounts										
At 31 December 2024	**254,988**	**5,117,186**	**193,229**	**3,050,662**	**562,434**	**42,118**	**830,483**	**2,034,409**	**563,959**	**12,649,468**
Classified as:										
Current	-	-	-	-	-	-	-	-	-	-
Non-current	254,988	5,117,186	193,229	3,050,662	562,434	42,118	830,483	2,034,409	563,959	12,649,468
	254,988	**5,117,186**	**193,229**	**3,050,662**	**562,434**	**42,118**	**830,483**	**2,034,409**	**563,959**	**12,649,468**

** Reclassifications to investment property during the year relate mainly to properties previously recognised in prior year as leasehold improvement 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	Right of Use asset ₦'000	Work in-progress ₦'000	Total ₦'000
Cost										
At 1 January 2024	248,553	565,378	-	118,632	103,669	120,730	-	-	-	1,156,962
Additions	24,053	157,000	-	77,079	1,252	27,479	-	-	760	287,623
Disposals/write offs	(23,755)	(358,181)	-	(17,483)	(26,968)	(78,929)	-	-	-	(505,316)
Reclassifications	-	-	-	-	-	-	-	-	-	-
At 31 December 2024	248,851	364,197	-	178,228	77,953	69,280	-	-	760	939,269
Accumulated Depreciation										
At 1 January 2024	38,268	373,706	-	23,734	33,647	97,067	-	-	-	566,422
Charge in the year	60,000	77,865	-	38,539	25,777	17,843	-	-	-	220,023
Disposals/write offs	(23,755)	(275,549)	-	(17,483)	(26,968)	(77,606)	-	-	-	(421,361)
Reclassifications	-	-	-	-	-	-	-	-	-	-
At 31 December 2024	74,513	176,021	-	44,790	32,456	37,304	-	-	-	365,084
Carrying amounts										
At 31 December 2024	**174,338**	**188,176**	**-**	**133,438**	**45,497**	**31,976**	**-**	**-**	**760**	**574,185**
Classified as:										
Current	-	-	-	-	-	-	-	-	-	
Non-current	174,338	188,176	-	133,438	45,497	31,976	-	-	760	574,185
	174,338	**188,176**	**-**	**133,438**	**45,497**	**31,976**	**-**	**-**	**760**	**574,185**

a) 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.
b) There were no impairment losses on any class of property, plant and equipment during the year (31 December 2023: Nil).
c) There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year (31 December 2023: Nil).

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19b (i) Property, plant and equipment

Group	Furniture & Fittings	Motor vehicles	Plant & Machinery	Leasehold Improvement	Office Equipment	Computer Equipment	Land	Operating Lease asset	Work in-progress	Total
Cost	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
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)
Reclassifications	(14,531)	-	-	-	-	-	-		-	(14,531)
At 31 December 2023	204,109	886,634	7,269	144,193	361,289	212,970	-	1,383,970	-	3,200,432
Carrying amounts										
At 31 December 2023	**535,342**	**3,132,909**	**202,594**	**6,521,038**	**364,684**	**(21,526)**	**1,232,208**	**2,652,555**	**71,282**	**14,691,086**
Classified as:										
Current	-	-	-	-	-	-		-		
Non current	535,342	3,132,909	202,594	6,521,038	364,684	(21,526)	1,232,208	2,652,555	71,282	14,691,086
	535,342	**3,132,909**	**202,594**	**6,521,038**	**364,684**	**(21,526)**	**1,232,208**	**2,652,555**	**71,282**	**14,691,086**

(ii) Company

Company	Furniture & Fittings	Motor vehicles	Plant & Machinery	Leasehold Improvement	Office Equipment	Computer Equipment	Land	Operating Lease asset	Work in-progress	Total
Cost	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**		**₦'000**	**₦'000**
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**

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20 Intangible assets

Purchased software	**Group ₦'000**	**Company ₦'000**
Cost		
At 1 January 2024	672,695	88,415
Addition	81,196	10,988
Write off (Note 20.1a)	(65,113)	(65,113)
At 31 December 2024	688,779	34,290
Accumulated amortization		
At 1 January 2024	293,183	66,033
Charge in the year	124,015	11,894
Write off (Note 20.1a)	(65,113)	(65,113)
At 31 December 2024	346,926	12,814
Carrying amounts		
At 31 December 2024	**341,853**	**21,476**
Current	-	-
Non-current	341,853	21,476
	341,853	**21,476**

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	672,695	88,415
Accumulated amortization		
At 1 January 2023	167,672	65,296
Charge in the year	142,011	737
Adjustment	(16,499)	-
At 31 December 2023	293,183	66,033
Carrying amounts		
At 31 December 2023	**379,512**	**22,382**
Current	-	-
Non-current	379,512	22,382
	379,512	**22,382**

20.1a The write off relates to app that was developed for the Company but no longer useful.

20.1b Goodwill

At 1 January 2024	5,533,579	-
Arising on consolidation	-	-
Write off (Note 20.1c)	-	-
At 31 December 2024	**5,533,579**	**-**
At 1 January 2023	5,854,418	-
Arising on consolidation	-	-
Write off	(320,839)	-
At 31 December 2023	**5,533,579**	**-**
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:

	2024	
	Group	**Company**
	₦'000	**₦'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 2024 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N44.65bn with the CGU being N39.98bn

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 2024 (31 December 2023: 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 3.32%. A post tax discount rate of 12.59% 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)	3.32%
Discount rate (ii)	12.59%

(i) Weighted average growth rate used to extrapolate cash flows beyond the budget period.
(ii) Post 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 12.59% 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)	(₦'5.068bn)	₦'6.626bn
Impact of change in growth rate on value-in-use computation (increase/(decrease)	₦'1.532bn	(₦'1.426bn)

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 2024 is greater than its carrying amount and is thus not impaired. The recoverable amount was determined using a value-in-use computation as N80.8bn with the CGU being N21.38bn

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 2024 (31 December 2023: 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 post tax discount rate of 21.34% 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.

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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)	21.34%

(i) Weighted average growth rate used to extrapolate cash flows beyond the budget period.
(ii) Post-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 21.34% 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)	(₦'7.638bn)	₦'9.544bn
Impact of change in growth rate on value-in-use computation (increase/(decrease)	₦'1.142bn	(₦'1.104bn)

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)			
	At 1 January 2024	17,182,776	600,000
	Addition	8,067,352	7,988,524
	Fair value gain	3,190,117	813,476
	Reclassified to inventory (See note 21.1)	(585,127)	-
	Reclassification from property, plant and equipment (see note 19)	4,360,601	-
	Disposal	(7,383,081)	(600,000)
	At 31 December 2024	24,832,638	8,802,000
	Carrying amounts		
	At 31 December 2024	**24,832,638**	**8,802,000**
	At 31 December 2023	**17,182,776**	**600,000**
	Current	-	-
	Non-current	24,832,638	8,802,000
		24,832,638	**8,802,000**
b)			
	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 inventory (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**
	Current	-	
	Non current	17,182,776	600,000
		17,182,776	**600,000**

c) **The analysis of investment properties is as follows:**

	Group		**Company**	
	31 December 2024 ₦'000	**31 December 2023 ₦'000**	**31 December 2024 ₦'000**	**31 December 2023 ₦'000**
Living Gold, Hampton Property	-	600,000	-	600,000
Alexander Road, Ikoyi Property	5,462,000	-	5,462,000	-
Okpanam Avenue Opposite Assembly, Asaba Property	589,000	-	589,000	-
DDPA Bungalow Area, Asaba Property	145,500	-	145,500	-
Off Okpanam Rd, GRA Asaba Property	487,500	-	487,500	-
Paradise Estate, Chevron Lekki Property	378,000	-	378,000	-
1719 sqm Ikorodu Road, Maryland Property	450,000	-	450,000	-
2519 sqm Maryland Property	1,290,000	-	1,290,000	-
Ruxton Road Property	4,604,414	-	-	-
Bank Road Property	-	2,224,776	-	-
Bourdillon Road Property	-	5,278,000	-	-
Hampton Habour, Freedom Way Property	7,400,000	7,200,000	-	-
Broad Street Property	1,880,340	1,880,000	-	-
Prince Samuel Adedoyin Street, Ikate Property	2,145,883	-	-	-
	24,832,637	**17,182,776**	**8,802,000**	**600,000**

d) **Details of the valuer**

Investment properties are stated at fair value as at 31 December 2024. 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**
40,000 Square Metres Bare-Land, Situate At Hampton Harbour, Freedom Way, Lekki, Lagos State	DAN ODIETE & CO.	FRC/2013/0000 000/1647	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/2013/0000 000/1647	Road 2, Ikota Shopping Complex, Victoria Garden City, Lekki
Property Situate at No. 14, Ruxton Road, Ikoyi, Lagos State.	DAN ODIETE & CO.	FRC/2013/0000 000/1647	Road 2, Ikota Shopping Complex, Victoria Garden City, Lekki
Boardroom apartments situated at Prince Samuel Adedeyi Street, Ikate, Lekki, Lagos State.	DAN ODIETE & CO.	FRC/2013/0000 000/1647	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. 14, Ruxton 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 ₦4.6 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 **at Prince Samuel Adedeyi Street, Ikate, Lekki, 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 ₦2.14billion.	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 ₦7.4billion.	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 Inventory

	Group		Company	
	31 December 2024 ₦'000	**31 December 2023 ₦'000**	**31 December 2024 ₦'000**	**31 December 2023 ₦'000**
Available-for-sale	10,574,379	10,237,910	-	-
Work-in-progress	1,237,407	747,928	-	-
	11,811,786	10,985,838	-	-
At 31 December 2024				
Current	-	-	-	-
Non-current	11,811,786	10,985,838	-	-
	11,811,786	**10,985,838**	**-**	**-**

Movement in Inventory

	Property ₦'000	**Land ₦'000**	**Total ₦'000**
As at 1 January 2024	2,655,471	8,330,367	10,985,838
Addition during the year	981,780	3,242,433	4,224,213
Properties sold during the year	(1,073,044)	(1,082,991)	(2,156,035)
Reclassification from investment property	585,127	-	585,127
Reversal**	-	(1,827,358)	(1,827,358)
Balance as at 31 December 2024	**3,149,335**	**8,662,451**	**11,811,786**
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
Properties 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**

Reversal**

During the year, the previously recognized Alexander Land Property was cancelled, leading to the derecognition of the asset from the books. The reversal pertains to the cancellation of the transaction, which invalidated the Group's ownership rights over the property.

Inventories are the properties that are ready for sale and properties under construction as at year end.

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

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	Group		Company	
	31 December 2024 ₦'000	31 December 2023 ₦'000	31 December 2024 ₦'000	31 December 2023 ₦'000
22 Trade and Other receivables				
Financial assets				
Account receivables	29,818,157	9,365,615	14,111,497	2,124,375
Due from related entities	769,896	65,311	47,764	9,141
Deposit for shares (note 22.1c)	10,837,387	4,898,297	10,820,810	4,662,433
Non-financial assets				
Prepayments	1,594,127	1,642,642	496,161	91,139
WHT receivable	4,123,324	2,472,850	211,484	34,842
Other receivables (Note 22.1a)	4,965,380	3,641,576	-	-
	57,493,910	**22,086,291**	**25,687,715**	**6,921,929**
Loss allowance on trade and other receivables (note 22.1)	(1,836,311)	(664,990)	(465,419)	(155,927)
	55,657,599	**21,421,300**	**25,222,296**	**6,766,002**
Current	44,820,212	16,523,003	14,401,486	2,103,569
Non current	10,837,387	4,898,297	10,820,810	4,662,433
	55,657,599	**21,421,300**	**25,222,296**	**6,766,002**

22.1a The Other receivable balance comprises N3.586bn (2023: N1.924bn) advance payment made on behalf of clients for logistics and clearing which are reimbursable and others.

22.1b Loss allowance on trade and other receivables				
At 1 January	664,990	309,146	155,927	213,057
Additions/(writeback) of loss allowance	1,171,321	355,844	309,492	(57,130)
At 31 December	**1,836,311**	**664,990**	**465,419**	**155,927**

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

22.1c The Group made a deposit for shares amounting to N10.84bn as of 31 December 2024 (2023: N4.9bn), representing an advance payment for equity investments in various companies.

The transactions are expected to be completed upon the issuance and allotment of the shares. The deposit is classified as a financial asset under IFRS 9, as it represents a contractual right to receive shares in the future. If the shares are not issued within the agreed period, the company reserves the right to seek a refund or alternative settlement.

No impairment has been made at the end of the reporting period.

	Group		Company	
	31 December 2024 ₦'000	31 December 2023 ₦'000	31 December 2024 ₦'000	31 December 2023 ₦'000
23 Deferred tax				
23.1 Deferred tax assets				
Deferred tax asset	2,088,977	2,041,790	1,337,417	1,550,440
Deferred tax asset recoverable within 12 months	-	-	-	-
Deferred tax asset recoverable after 12 months	2,088,977	2,041,790	1,337,417	1,550,440
	2,088,977	**2,041,790**	**1,337,417**	**1,550,440**

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		Group		Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Movement in deferred tax assets	₦'000	₦'000	₦'000	₦'000
	At 1 January	2,041,790	1,221,525	1,550,440	309,525
	Charge/(release) in the year	47,187	820,266	(213,023)	1,240,915
	At 31 December	**2,088,977**	**2,041,790**	**1,337,417**	**1,550,440**
	The break down of deferred tax assets are as follows:				
	Tax loss	733,331	716,766	469,497	544,279
	Unutilised tax credit (capital allowance)	1,355,646	1,325,024	867,920	1,006,161
		2,088,977	**2,041,790**	**1,337,417**	**1,550,440**
23.2	**Deferred tax liabilities**				
	Deferred tax liability	**2,915,065**	1,953,826	873,115	908,594
	Current	-	-	-	-
	Non-current	2,915,065	1,953,826	873,115	908,594
		2,915,065	**1,953,826**	**873,115**	**908,594**
	Movement in deferred tax liabilities				
	At 1 January	1,953,826	1,713,351	908,594	872,430
	Charge/(release) in the year	961,239	240,476	(35,480)	36,165
	At 31 December	**2,915,065**	**1,953,826**	**873,115**	**908,594**
	The break down of deferred tax liabilities are as follows:				
	Property and equipment	(167,125)	(112,016)	(50,057)	(52,091)
	Provisions	3,082,190	2,065,842	923,172	960,685
		2,915,065	**1,953,826**	**873,115**	**908,594**

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	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	₦'000	₦'000	₦'000	₦'000
24 Funds under management - liabilities				
FUM placements	49,599,852	61,788,494	-	-
Investment securities	-	-	-	-
	49,599,852	**61,788,494**	**-**	**-**
Current	49,599,852	61,788,494	-	-
Non-current	-	-	-	-
	49,599,852	**61,788,494**	**-**	**-**
25 Borrowings				
Borrowings from related parties	2,333,517	865,453	29,925,391	14,099,063
Borrowing from banking institutions	6,748,483	4,830,854	2,840,519	1,547,725
Commercial note and private placement investment	112,235,386	73,946,439	51,130,811	51,314,945
Other borrowings	110,191	1,957,180	64,728	85,815
	121,427,577	**81,599,925**	**83,961,449**	**67,047,548**
Current	20,875,181	9,027,616	19,410,796	7,098,372
Non-current	100,552,396	72,572,309	64,550,654	59,949,176
	121,427,577	**81,599,925**	**83,961,449**	**67,047,548**

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

	Group 2024	Group 2023	Company 2024	Company 2023
26 Other liabilities				
Financial liabilities				
Due to related entities	608,147	39,361	39,365	39,365
Accounts payable	16,795,156	8,085,828	8,563,218	4,415,692
Accrued expenses	2,305,809	1,247,009	763,566	188,943
Non financial liabilities				
Other payables*	5,498,678	3,260,026	1,530,342	1,414,654
	25,207,790	**12,632,224**	**10,896,491**	**6,058,655**
Current	25,207,790	12,632,224	10,896,491	6,058,655
Non current	-	-	-	-
	25,207,790	**12,632,224**	**10,896,491**	**6,058,655**

Included in other payables are transaction taxes and other statutory obligations amounting to N3.17bn (2023:N1.92bn) that are outstanding as at the reporting period.

	Group 2024	Group 2023	Company 2024	Company 2023
27 Deposit liabilities				
Current deposits	12,469,580	6,080,045	-	-
Savings deposits	8,825,459	6,080,501	-	-
Term deposits	13,571,245	14,804,764	-	-
Unclaimed deposits	34,199	34,352	-	-
	34,900,483	**26,999,662**	**-**	**-**
Current	34,900,483	26,999,662	-	-
Non current	-	-		
	34,900,483	**26,999,662**	**-**	**-**
28 Current tax liabilities				
Per statement of financial position:				
At 1 January	1,772,426	1,625,947	570,723	673,863
Charge for the year (Note 10)	1,642,716	309,204	161,987	47,569
WHT credit note utilisation during the year	(66,253)	-	(51,512)	-
Tax paid	(256,513)	(162,725)	(6,899)	(150,709)
At 31 December	**3,092,376**	**1,772,426**	**725,811**	**570,723**

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 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 2024	31 December 2023	31 December 2024	31 December 2023
	The share capital comprises:	₦'000	₦'000	₦'000	₦'000
(i)	Authorised capital (iii)				
	1,266,849,100 shares of 50k each	**633,425**	**150,000**	**633,425**	**150,000**
(ii)	Issued and fully paid -shares of 50k each				
	At 1 January	95,014	95,014	95,014	95,014
	Rights issue	31,671	-	31,671	-
	Bonus issue	506,740	-	506,740	-
		633,425	**95,014**	**633,425**	**95,014**

iii) **Authorised Share Capital**

During the year, the Company increased its authorised and issued share capital by ₦506.74 million through the creation of 1,013,479,280 ordinary shares of 50 kobo each. The increase was approved by the Board of Directors via a resolution dated 8th July 2024, and subsequently filed with the Corporate Affairs Commission (CAC) on 1st August 2024. The CAC approved the increase on 5th August 2024.

As a result, the Company's authorised share capital increased to ₦633.425 million as at the reporting date.

30 Share premium

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

At 1 January	7,880,427	7,880,427	7,880,427	7,880,427
Rights issue	11,843,256	-	11,843,256	-
Bonus issue	(506,740)	-	(506,740)	-
At 31 December	**19,216,943**	**7,880,427**	**19,216,943**	**7,880,427**

31 Retained earnings

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

At 1 January	4,964,373	11,007,552	936,115	6,269,983
Opening balance adjustment	-	(103,256)	-	-
Restated opening balance as at 1 January	**4,964,373**	**10,904,295**	**936,115**	**6,269,983**
Transfer from profit or loss account	6,264,938	(2,462,793)	2,183,505	(3,834,552)
Transfer to regulatory risk reserve	(169,339)	(15,218)	-	-
Transfer to statutory reserve	(183,296)	(70,259)	-	-
Share of newly consolidated subsidiary	-	(1,892,337)	-	-
Transfer from reserves		-	970,821	-
Dividend paid during the year	-	(1,499,316)	-	(1,499,316)
At 31 December	**10,876,675**	**4,964,373**	**4,090,442**	**936,115**

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	16,085	867	-	-
Opening balance adjustment	-	-		
Transfer from reserve	169,339	15,218	-	-
At 31 December	**185,424**	**16,085**	**-**	**-**

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, one of the subsidiaries 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 makes appropriation which is based on its profit and in line with the requirement of the Bank of Ghana. This amount is non-distributable.

At 1 January	209,402	139,143	-	-
Opening balance adjustment	-	-		
Transfer from reserve	183,296	70,259	-	-
At 31 December	**392,698**	**209,402**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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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 2024 ₦'000	31 December 2023 ₦'000	31 December 2024 ₦'000	31 December 2023 ₦'000
At 1 January	7,434,061	6,689,648	7,754,480	7,396,388
Impact of adopting IAS 29 as at 1 of January	(138,660)		-	-
Restated opening balance as at 1 January	**7,295,402**	**6,689,648**	**7,754,480**	**7,396,388**
Arising during the year:				
Fair valuation of items that will be subsequently reclassified to profit or loss	-	-	-	-
Fair valuation of items that will not be subsequently reclassified to profit or loss	1,075,111	(364,981)	1,408,875	358,092
Transfer to retained earnings		-	(970,821)	-
Translation reserve**	2,429,717	1,109,395	-	-
At 31 December	**10,800,230**	**7,434,061**	**8,192,534**	**7,754,480**

*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	858,476	(364,981)	967,637	358,092
Transfer of gain/(loss) from OCI to retained earnings on disposal of FVOCI Instruments	-	-	(970,821)	-
	858,476	**(364,981)**	**(3,184)**	**358,092**
34.2 Fair valuation on items that may be subsequently reclassified to profit or loss				
Net fair value gain(loss) on investments in debt instruments measured at FVTOCI	-	-	-	-
Net fair value gain/(loss) on investments in other financial instruments measured at FVTOCI	-	-	-	-
	-	**-**	**-**	**-**

35 Non controlling interest

At 1 January	11,931,208	6,787,335		
Arising during the year:				
Profit for the year	2,428,105	1,712,352		
Share of newly consolidated subsidiary	-	3,409,001		
Fair valuation of items that will not be subsequently reclassified to profit or loss	634,539	253,741		
Translation reserve	1,426,977	255,255		
Dividend paid	-	(486,475)		
	16,420,829	**11,931,208**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2024

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 Group Plc	Ultimate Parent Company	Nigeria	Investment company
VFD Microfinance Bank Limited	Subsidiary of VFD Group	Nigeria	Microfinance banking services
Template Limited	Subsidiary of VFD Group	Nigeria	Provider of lending services
Anchoria Asset Management Limited	Subsidiary of VFD Group	Nigeria	Investment and fund management
Anchoria Advisory Services Limited	Subsidiary of VFD Group	Nigeria	Issuing house and investment adviser
Anchoria Securities Limited	Subsidiary of VFD Group	Nigeria	Stock brokerage services
Atiat Limited	Subsidiary of VFD Group	Nigeria	Auto and finance leasing
Herel Limited	Subsidiary of VFD Group	Nigeria	Real estate & hospitality
VFD Tech Limited	Subsidiary of VFD Group	Nigeria	IT infrastructure and development
VFD Ghana Limited	Subsidiary of VFD Group	Ghana	Investment company
Atiat Insurance Brokers (i)	Subsidiary of Atiat Ltd	Nigeria	Insurance brokerage services
Movis Logistics Limited (iii)	Subsidiary of VFD Ghana	Ghana	Logistics and haulage company
Cedi Capital Microfinance Bank Ltd (iv)	Subsidiary of VFD Ghana	Ghana	Microfinance banking services
Rockshield Assets Management Limited	Associate of VFD Group	Nigeria	Physical security company
Movis Nigeria Limited	Associate of VFD Group	Nigeria	Logistics and haulage company
Product Studio Limiited	Associate of VFD Group	Nigeria	Digital product development
O'Spaces Nigeria Limited	Associate of Herel Limited	Nigeria	Building construction services
HSE Gourmet Limited	Associate of Herel Limited	Nigeria	Comfort-food style restaurant services
EBAR Metro	Associate of Herel Limited	Nigeria	Relaxation, leisure and homestyle cookings services

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 executive directors.

	Group		Company	
	31 December 2024 ₦'000	31 December 2023 ₦'000	31 December 2024 ₦'000	31 December 2023 ₦'000
36.3 Other information on Directors remuneration				
Emoluments:				
Chairman	12,500	12,500	7,000	4,900
Highest paid director	12,500	12,500	7,000	4,900
Other Directors	500,851	607,823	122,195	113,865
	525,851	**632,823**	**136,195**	**123,665**
Fees	127,975	129,924	46,125	26,600
Sitting allowance	122,691	124,407	40,070	19,210
Other emoluments	275,185	378,492	50,000	77,855
	525,851	**632,823**	**136,195**	**123,665**
The total number of Directors were:	96	88	15	14
36.4 The number of persons employed (excluding directors)in the company during the year was as follows:	728	457	40	25

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 year

	31 December 2024 ₦'000	31 December 2023 ₦'000
Cash and cash equivalents		
VFD Microfinance Bank Limited	12,251	34,409
Abbey Mortgage Bank Plc	233	5
Placements		
Herel Limited	1,448,422	8,105,850
Anchoria Advisory Services Limited (formerly Kairos Capital Limited)	-	32,761
Atiat Limited	-	37,055
Other receivables		
Anchoria Securities Limited (formerly Anchoria Investment and Securities Limited)	-	9,141
Anchoria Advisory Services Limited (formerly Kairos Capital Limited)	26,173	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2024

	31 December 2024 ₦'000	31 December 2023 ₦'000
Borrowings		
Anchoria Asset Management Limited	23,999,948	13,370,493
Atiat Limited	35,912	178,237
Herel Limited	1,065,405	131,797
Anchoria Advisory Services Limited (formerly Kairos Capital Ltd)	-	37,483
Template	4,322,373	-
VFD Tech Limited	501,753	381,053
Interest income		
Anchoria Asset Management Limited	1,414	-
VFD Microfinance Bank Limited	1,033	616
Herel Limited	1,037,935	1,132,889
Anchoria Advisory Services Limited (formerly Kairos Capital Ltd)	2,666	8,096
Atiat Limited	11,253	-
Template	2,930	-
Interest expense		
Herel Limited	427,150	556,312
Anchoria Asset Management Limited	2,307,381	3,509,961
Atiat Limited	84,066	-
VFD Tech Limited	45,098	-
VFD Microfinance Bank Limited	281,924	-
Template Limited	293,919	-
Dividend income		
Herel Limited	39,165	1,097,424
Anchoria Advisory Services Limited	17,037	-
VFD Ghana	490,277	-
Anchoria Securities Limited	11,880	-
Anchoria Assets Management Limited	154,410	-
Atiat Limited	-	77,220

37 Events after reporting period

In February 2025, the Group completed the sale of its entire interest in ATIAT Limited, a subsidiary engaged in leasing and financing. The divestment was executed through the sale of 343,546,646 shares representing 57.2% stake to ATIAT Limited for a total consideration of N7.214b.

The sale occurred after the reporting period and, as such, does not adjust the financial position as at 31 December 2024. The financial impact of the transaction, including any gain or loss on disposal, will be recognized in the financial statements for the year ending 31 December 2025.

The disposal aligns with the Group's strategic direction to focus on core operations and invest the proceeds to acquire investments that would generate more returns and align with its strategic goal.

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

During the year, the Group incurred a penalty of N8,100,000, imposed by the NGX Regulation Limited due to the late filing of the 2023 year end and 2024 first quarter unaudited financial Statements. This penalty was paid in full on May 28, 2024. The amount is included in the operating expenses section of the Statement of Comprehensive Income.

40 Comparatives

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2024

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 (CODM). 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 2024	Nigeria ₦'000	Ghana ₦'000	Total ₦'000
Investment and similar income	62,553,766	12,012,437	74,566,203
Investment and similar expense	(9,930,071)	(5,653,292)	(15,583,363)
Net investment income	**52,623,695**	**6,359,145**	**52,623,695**
Other income	7,708,243	1,555,800	9,264,043
Impairment of financial assets	(634,613)	(533,642)	(1,168,255)
Net gains on financial assets at fair valued through profit or loss	3,898,893	-	3,898,893
Net revenue	**63,596,218**	**7,381,303**	70,977,521
Personnel expenses	(4,009,720)	(1,299,221)	(5,308,941)
Other operating expenses	(11,971,059)	(2,097,447)	(14,068,507)
Depreciation and amortisation	(1,522,566)	(1,274,188)	(2,796,754)
Total expenses	**(17,503,345)**	**(4,670,857)**	**(22,174,202)**
Profit before income tax	46,092,873	2,710,446	48,803,320
Share of profit from associate	34,387	-	34,387
Profit before income tax	**46,127,260**	**2,710,446**	**48,837,706**
Taxation	(2,177,731)	(379,036)	(2,556,767)
Profit for the year	**43,949,529**	**2,331,410**	**46,280,939**
Total assets	270,558,357	25,111,011	295,669,368
Total liabilities	224,015,363	13,127,780	237,143,143

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

41.1 Operating segments

The Group applies IFRS 8 – Operating Segments in reporting its financial performance based on segments monitored by the Chief Operating Decision Maker (CODM) which is the Group Chief Executive Officer. The segments are structured based on the nature of operations and revenue sources.

The primary operating segments of the Group are:

● Segment A: (e.g. Investment business)	VFD Group Plc and VFD Ghana Limited
● Segment B: (e.g. Banking, lending, leasing, and insurance business)	VFD Microfinance Bank Limited , Cedi Capital Microfinance Bank Limited , Atiat Limited, Atiat Insurance Broker Limited and Template Limited
● Segment C: (e.g. Capital market business)	Anchoria Assets Management Limited, Anchoria Securities Limited and Anchoria Advisory Service Limited
● Segment D: (e.g. Real estate & hospitality business)	Herel Limited and Xenia Lifestyle Limited
● Segment E: (e.g. Logistics and haulage business)	Movis Logistics Limited Ghana
● Segment F: (e.g. IT infrastructure and development business)	VFD Tech Limited

Each segment's performance is evaluated using key financial indicators, including revenue, profit before tax (PBT), and total assets.

Segment Performance for the year ended 31 December 2024 is as follows:

31 December 2024	Segment A ₦'000	Segment B ₦'000	Segment C ₦'000	Segment D ₦'000	Segment E ₦'000	Segment F ₦'000	Total ₦'000
Revenue	37,408,163	15,974,714	4,262,223	17,374,911	11,924,671	818,844	87,763,526
Operating Expenses	(35,554,015)	(13,619,855)	(2,656,935)	(14,331,064)	(9,538,988)	(812,859)	(76,513,716)
Segment Profit Before Tax (PBT)	**1,854,148**	**2,354,859**	**1,605,287**	**3,043,847**	**2,385,683**	**5,985**	**11,249,810**
Segment Assets and Liabilities as at 31 December 2024							
Total assets	63,706,669	84,505,736	82,879,230	43,801,618	19,305,770	1,470,345	295,669,368
Total liabilities	58,155,263	73,976,371	78,523,142	12,766,799	12,360,618	1,360,950	237,143,143

31 December 2023	Segment A ₦'000	Segment B ₦'000	Segment C ₦'000	Segment D ₦'000	Segment E ₦'000	Segment F ₦'000	Total ₦'000
Revenue	16,471,411	12,706,503	3,956,962	7,119,204	4,549,455	551,621	45,355,155
Operating Expenses	(22,234,425)	(11,800,941)	(1,833,436)	(6,753,972)	(2,897,853)	(855,554)	(46,376,182)
Segment Profit Before Tax (PBT)	(5,763,013)	905,563	2,123,526	365,231	1,651,601	(303,933)	(1,021,026)
Segment Assets and Liabilities as at 31 December 2023							
Total assets	45,219,779	54,449,858	68,662,698	41,107,338	7,951,610	1,885,845	219,277,127
Total liabilities	50,926,447	46,082,889	64,035,219	19,959,890	3,963,118	1,778,995	186,746,558

Other National Disclosures

STATEMENT OF VALUE ADDED
31 December 2024

	Group				Company			
	2024 ₦'000	**%**	**2023 ₦'000**	**%**	**2024 ₦'000**	**%**	**2023 ₦'000**	**%**
Gross earnings	87,763,526		45,355,155		28,476,868		10,804,102	
Investment expense and finance cost	(53,171,259)		(32,754,953)		(20,674,573)		(12,391,733)	
	34,592,267		12,600,203		7,802,295		(1,587,631)	
Impairment loss on financial and non-financial instruments	(1,168,255)		(171,077)		780,852		338,901	
	33,424,012		12,429,126		8,583,147		(1,248,730)	
Bought in materials and services-local	(11,971,059)		(8,037,986)		(5,037,595)		(3,113,492)	
Bought in materials and services-foreign	(2,097,447)		(551,591)		-		-	
VALUE ADDED	**19,355,505**	**100%**	**3,839,548**	**100%**	**3,545,553**	**100%**	**(4,362,222)**	**100%**
Applied as follows:								
To pay employees:								
Salaries and other benefits	5,308,941	27%	3,390,582	88%	739,088	21%	464,221	-11%
To pay government:								
Taxes	1,642,716	8%	309,204	8%	213,499	6%	47,569	-1%
Retained for future replacement of assets								
- Deferred tax	914,051	5%	(579,790)	-15%	177,544	5%	(1,204,749)	28%
- Depreciation and amortisation	2,796,754	14%	1,469,992	38%	231,917	7%	165,291	-4%
- Profit for the year	8,693,043	45%	(750,441)	-20%	2,183,505	62%	(3,834,552)	88%
	19,355,505	100%	**3,839,548**	100%	**3,545,553**	100%	**(4,362,222)**	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 2024

Group			Restated	Restated	
	2024	**2023**	**2022**	**2021**	**2020**
ASSETS	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	13,345,755	8,373,710	2,979,874	3,897,405	4,490,804
Funds under management	49,381,873	62,018,613	26,981,985	15,170,585	12,792,413
Investment in financial assets	50,990,113	52,035,503	30,189,372	48,929,742	25,899,754
Loans and advances	62,300,053	19,533,384	21,734,456	956	-
Investment in associates	6,735,675	5,080,036	4,927,371	4,095,920	-
Property, plant and equipment	12,649,468	14,691,086	3,193,050	1,082,264	1,808,409
Goodwill	5,533,579	5,533,579	5,854,418	198,552	-
Intangible assets	341,853	379,512	263,783	615,442	113,007
Investment property	24,832,638	17,182,776	23,777,147	4,571,669	6,080,258
Inventory	11,811,786	10,985,838	5,241,495	-	-
Other receivables	55,657,599	21,421,300	25,156,043	24,144,385	5,373,563
Deferred tax assets	2,088,977	2,041,790	1,221,525	53,340	117,076
Special placement with CBN	-	-	-	-	25,000,000
TOTAL ASSETS	**295,669,368**	**219,277,127**	**151,520,520**	**102,760,259**	**81,675,283**
LIABILITIES					
Funds under management	49,599,852	61,788,494	36,194,439	26,062,482	25,248,777
Borrowings	121,427,577	81,599,925	56,727,711	28,594,111	7,366,177
Other liabilities	25,207,790	12,632,224	7,118,184	15,817,378	29,068,808
Deposit liabilities	34,900,483	26,999,662	15,540,903	15,254,565	9,285,817
Current tax liabilities	3,092,376	1,772,426	1,625,947	903,861	812,396
Deferred tax liabilities	2,915,065	1,953,826	1,713,351	44,765	12,630
TOTAL LIABILITIES	**237,143,144**	**186,746,557**	**118,920,535**	**86,677,162**	**71,794,605**
EQUITY					
Share capital	633,425	95,014	95,014	63,342	59,616
Share premium	19,216,943	7,880,427	7,880,427	7,912,098	3,822,062
Retained earnings	10,876,675	4,964,373	11,007,551	5,732,971	4,199,113
Regulatory risk reserve	185,424	16,085	867	3,482	13,486
Statutory reserves	392,698	209,402	139,144	137,235	135,532
Other reserves	10,800,230	7,434,061	6,689,647	846,359	684,847
SHAREHOLDER'S FUND	**42,105,396**	**20,599,362**	**25,812,650**	**14,695,487**	**8,914,656**
Non-controlling Interest	16,420,829	11,931,208	6,787,335	1,387,610	966,022
TOTAL LIABILITIES AND EQUITY	**295,669,368**	**219,277,127**	**151,520,520**	**102,760,259**	**81,675,283**

FINANCIAL SUMMARY
as at 31 December 2024

Company	**2024**	**2023**	**Restated 2022**	**Restated 2021**	**2020**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
ASSETS					
Cash and cash equivalents	1,224,998	756,157	232,540	2,306,643	4,077,652
Investment in financial assets	54,996,205	53,886,066	26,648,477	26,954,249	17,997,508
Investments in subsidiaries	30,555,336	22,631,987	21,008,849	4,391,264	2,414,124
Investment in associates	5,856,295	4,447,982	4,328,443	4,095,921	-
Property, plant and equipment	574,185	590,540	261,759	340,367	1,424,005
Intangible assets	21,476	22,382	16,019	89,708	98,670
Investment property	8,802,000	600,000	1,880,855	2,389,201	3,825,175
Other receivables	25,222,296	6,766,002	20,669,557	21,300,524	4,060,099
Special Placement with CBN	-	-		-	25,000,000
Deferred tax assets	1,337,417	1,550,440	309,525	95,944	95,944
TOTAL ASSETS	**128,590,210**	**91,251,556**	**75,356,025**	**61,963,822**	**58,993,178**
LIABILITIES					
Borrowings	83,961,449	67,047,548	48,019,160	33,536,150	22,161,396
Other liabilities	10,896,491	6,058,655	4,148,761	13,619,041	28,487,798
Current tax liabilities	725,811	570,723	673,863	438,889	499,038
Deferred tax liabilities	873,115	908,594	872,430	238,559	-
TOTAL LIABILITIES	**96,456,866**	**74,585,520**	**53,714,214**	**47,832,639**	**51,148,232**
EQUITY					
Share capital	633,425	95,014	95,014	63,342	59,616
Share premium	19,216,943	7,880,427	7,880,427	7,912,098	3,822,062
Retained earnings	4,090,442	936,115	6,269,983	5,391,221	3,197,496
Other reserves	8,192,534	7,754,480	7,396,388	764,522	765,772
SHAREHOLDERS' FUND	**32,133,344**	**16,666,036**	**21,641,811**	**14,131,183**	**7,844,946**
TOTAL LIABILITIES AND EQUITY	**128,590,210**	**91,251,556**	**75,356,025**	**61,963,822**	**58,993,178**