



## **UNITED CAPITAL PLC**

**UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**CORPORATE INFORMATION****DIRECTORS:**

Chika Mordi	Chairman (Non Executive Director)
Peter Ashade	Group Chief Executive Officer
Sunny Anene	Group Executive Director
Emmanuel N. Nhorom	Non Executive Director
Sonny Iroche	Independent Non Executive Director
Sir Stephen Nwadiuko	Independent Non Executive Director
Dipo Fatokun	Independent Non Executive Director
Hajiya Sutura Aisha Bello	Independent Non-Executive Director
Tokunbo Ajayi	Non-Executive Director
Leke Ogunlewe	Non-Executive Director

**EXECUTIVE MANAGEMENT:**

Peter Ashade	Group Chief Executive Officer
Sunny Anene	Group Executive Director
Gbadebo Adenrele	Managing Director, United Capital Investment Banking (Appointed 1 December 2021)
Bawo Oritshajafar	Managing Director, United Capital Securities Limited
Odiri Oginni	Managing Director, United Capital Asset Management Limited
Buky Ikeotuonye	Managing Director, United Capital Trustees Limited (Appointed 1 April 2021)
Shedrack Onakpoma	Group Chief Finance Officer
Leo Okafor	Group Company Secretary/General Counsel

**RC No.** RC444999

**FRC No.** FRC/2013/00000000001976

**REGISTERED OFFICE:** 3rd & 4th Floor  
Afriland Towers,  
97/105 Broad Street,  
Lagos Island,  
Lagos, Nigeria

**BANKERS** United Bank for Africa Plc  
57, Marina,  
Lagos Island,  
Lagos.

**AUDITORS:** PwC Nigeria  
5B Water Coporation Road  
Landmark Towers, Victoria Island  
Lagos, Nigeria

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors of **United Capital 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 March 2022, and the results of its operations, cash flows and changes in equity for the period ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act and the Investments and Securities Act.

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; and
- making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

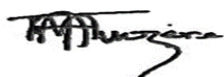
- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.

**Going Concern:**

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern for at least twelve months from the date of this financial statements.

The consolidated and separate financial statements of the Group and Company for the period ended 31 March 2022 have been authorised for issue and were approved by the Board of Directors on 12 April 2022.

On behalf of the Directors of the Group




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**Chika Mordi**

Chairman

FRC/2014/IODN/00000006667




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**Peter Ashade**

Group Chief Executive Officer

FRC/2013/NBA/00000002719

**OPERATIONAL RISK MANAGEMENT****1 Operational Risk Management**

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events.

Operational risk is inherent in each of the Group's businesses and support activities. Operational risk can manifest itself in various ways, including errors, fraudulent acts, business interruptions, inappropriate behaviour of employees, or vendors that do not perform in accordance with their arrangements. These events could result in financial losses, including litigation and regulatory fines, as well as other damage to the Group, including reputational harm.

To monitor and control operational risk, the Group maintains an overall framework that includes strong oversight and governance, comprehensive policies and processes, consistent practices across the lines of business, and enterprise risk management tools intended to provide a sound and well controlled operational environment. The framework includes:

- Ownership of the risk by the businesses and functional areas
- Monitoring and validation by internal control officers
- Oversight by independent risk management
- Independent review by Internal Audit

The goal is to keep operational risk at appropriate levels, in light of the Group's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment to which it is subject.

In order to strengthen focus on the Group's control environment and drive consistent practices across businesses and functional areas, the Group established a group shared service operational platform in 2021. Critical to the effectiveness, efficiency and stability of this operating environment is the deployment and implementation of suitable technology leveraging an Enterprise Resource Platform. In addition, the Group has invested in the development of business continuity plans, systems and capabilities to ensure resilience and stability of our business operations in the face of unforeseen disruptions.

The Group's approach to operational risk management is intended to identify potential issues and mitigate losses by supplementing traditional control-based approaches to operational risk with risk measures, tools and disciplines that are risk-specific, consistently applied and utilized group-wide. Key themes are transparency of information, escalation of key issues and accountability for issue resolution. The Group has a process for monitoring operational risk event data, which permits analysis of errors and losses as well as trends. Such analysis, performed both at a line of business level and by risk-event type, enables identification of the causes associated with risk events faced by the businesses.

Internal Audit utilizes a risk-based program of audit coverage to provide an independent assessment of the design and effectiveness of key controls over the Group's operations, regulatory compliance and reporting. This includes reviewing the operational risk framework, the effectiveness of the internal control environment, and the loss data-collection and reporting activities.

Business and Strategic risks are governed by the group executive committee - which is ultimately responsible for managing the costs and revenues of the Group, and the board.

**2 Financial crime control**

Financial crime includes fraud, money laundering, violent crime and misconduct by staff, customers, suppliers, business partners, stakeholders and third parties. The Group will not condone any instance of financial crime and where these instances arise, the Group takes timely and appropriate remedial action.

**OPERATIONAL RISK MANAGEMENT**

Financial crime control is defined as the prevention and detection of, and response to, all financial crime in order to mitigate economic loss, reputational risk and regulatory sanction. This function is anchored by the Group's compliance, operations, internal control and internal audit functions.

**3 Reputational Risk**

Reputational risk results from damage to the Group's image which may impair its ability to retain and generate business. Such damage may result in a breakdown of trust, confidence or business relationships.

Safeguarding the Group's reputation is of utmost importance. Each business line, legal entity or support function executive is responsible for identifying, assessing and determining all reputational risks that may arise within their respective areas of business. The impact of such risks is considered alongside financial or other impacts.

Matters identified as a reputational risk to the Group are reported to the group chief executive officer and head, audit and business assurance; if required, the matter will be escalated to group executive committee.

Should a risk event occur, the Group's crisis management processes are designed to minimize the reputational impact of the event. This includes ensuring that the Group's perspective is fairly represented.

**4 Capital Management**

The Group's capital management approach is driven by its strategic and organizational requirements, taking into account the regulatory and commercial environment in which it operates. It is the Group's policy to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. Capital management practices are designed to ensure that the group and its legal entities are capitalized in line with the risk profile, economic capital needs and target ratios approved by the board. Capital is managed under a seven-year sustainability framework which ensures the adequacy of regulatory capital despite seven consecutive years of allocated economic capital depletion.

Through its corporate governance processes, the Group maintains discipline over its investment decisions and where it allocates its capital, seeking to ensure that returns on investment are appropriate after taking account of capital costs.

The Group's strategy is to allocate capital to businesses based on their economic profit generation and, within this process, regulatory and economic capital requirements and the cost of capital are key factors.

The Group's capital is divided into two tiers:

- Tier 1 capital: core equity tier one capital including ordinary shares, statutory reserve, share premium and general reserve.
- Tier 2 capital: qualifying subordinated loan capital, preference shares, collective impairment allowances, and unrealized gains arising on the fair valuation of equity instruments through OCI.

	<b>2022</b>	<b>2021</b>
	<b>N'000</b>	<b>N'000</b>
<b>Tier 1 capital</b>		
Share capital	3,000,000	3,000,000
Share premium	683,611	683,611
Retained earnings	21,969,275	28,660,538
<b>Total qualifying for Tier 1 capital</b>	<b>25,652,887</b>	<b>32,344,149</b>
<b>Tier 2 capital</b>		
Fair value reserve	(1,803,685)	(1,797,356)
Other borrowings	93,235,930	79,691,116
<b>Total qualifying for Tier 2 capital</b>	<b>91,432,245</b>	<b>77,893,761</b>
<b>Total regulatory capital</b>	<b>117,085,132</b>	<b>110,237,910</b>

**LEGAL AND REGULATORY RISK****(a) Regulatory Provision**

Regulatory risk is the risk arising from a change in regulation in any legal, taxation and accounting pronouncement or specific industry regulations that pertain to the business of the Company and the Group. The Securities Business is subject to the extensive regulation which includes the SEC 2007 Rules and other Guidelines issued by the regulator. Violation of applicable laws or regulations could result in fines, temporary permanent prohibition of the engagement in certain activities, reputational harm and related client termination, suspension of personal or revocation of their licenses, or other sanctions, which could have material adverse effect of the Company's reputation, business, result of operations or financial condition and cause a decline in earnings. In order to actively manage these risks, the Company via its internal control and compliance unit engages in periodic assessments and review ensuring adherence to regulatory provisions at all times.

**Regulatory Capital Risk**

Regulatory capital risk is the risk that the entities within the United Capital Group will not have sufficient capital to meet either minimum regulatory or internal amount. The Securities and Exchange Commission sets and monitors capital requirement for all Investment, Registrar, Trust and Security Management Companies in Nigeria. The Securities and Exchange Commission prescribes the minimum capital requirement for asset management companies operating within Nigeria at N152m. Trustees business has a minimum capital of N300m Securities Business has a minimum capital base of N300m and Investment banking business has N200m as the minimum capital. As at the reporting date, the minimum capital requirement as set by the regulators have been met and the shareholders' funds are far in excess of the minimum capital requirement.

**(b) Legal Risk Assessment**

Legal risk is defined as the risk of loss due to defensive contractual arrangement, legal liability (both criminal and Civil) incurred during operations by the inability of the organization to enforce its rights, or by failure to address identified concerns to the appropriate authorities where changes in the law are proposed. The Company manages this risk by monitoring new legislation, creation of awareness of legislation amongst employee, identification of significant legal risks as well as assessing the potential impact of theses. Legal risk management in the Company is also being enhanced by appropriate product risk review and management of contractual obligations via well documented Service Level Agreement and other contractual documents. The Company's legal matters are handled by the Company's secretary and legal department.

Consolidated Statement of Profit or Loss and Other Comprehensive Income Unaudited Consolidated and Separate Financial Statements  
For The Period Ended 31 March 2022 31 March 2022

Notes	Group		Company	
	31 March 2022 =N=' 000	31 March 2021 =N=' 000	31 March 2022 =N=' 000	31 March 2021 =N=' 000
<b>Gross Earnings</b>	<b>4,212,263</b>	<b>3,119,767</b>	<b>773,031</b>	<b>719,566</b>
Investment income	4 1,640,576	1,591,357	131,989	494,059
Fee and commission income	5 1,747,037	1,321,543	581,797	224,959
Net trading income	6 159,788	188,035	-	-
<b>Net operating income</b>	<b>3,547,400</b>	<b>3,100,935</b>	<b>713,786</b>	<b>719,018</b>
Other income	7 517,458	18,832	170	548
Net gain/(loss) on financial assets at fair value through profit or loss	8 147,405	-	59,075	-
<b>Total Revenue</b>	<b>4,212,263</b>	<b>3,119,767</b>	<b>773,031</b>	<b>719,566</b>
Personnel expenses	9 (546,701)	(421,220)	(107,179)	(98,077)
Other operating expenses	10 (924,857)	(576,326)	(186,657)	(63,707)
Depreciation of properties and equipment	11 (49,239)	(42,770)	(40,601)	(31,992)
Amortisation of intangible & right of use assets	11 (26,030)	(30,688)	(24,925)	(30,183)
Impairment for credit losses	12 (97,379)	(74,177)	21,983	-
<b>Total Expenses</b>	<b>(1,644,208)</b>	<b>(1,145,181)</b>	<b>(337,379)</b>	<b>(223,960)</b>
<b>Operating profit before income tax</b>	<b>2,568,055</b>	<b>1,974,586</b>	<b>435,652</b>	<b>495,606</b>
Share of accumulated (loss)/profit of associates	22 119,886	-	-	-
<b>Profit before income tax</b>	<b>2,687,941</b>	<b>1,974,586</b>	<b>435,652</b>	<b>495,606</b>
Taxation	13 (379,204)	(315,950)	(69,704)	(79,297)
<b>Profit for the period</b>	<b>2,308,737</b>	<b>1,658,636</b>	<b>365,948</b>	<b>416,309</b>
<b>Other comprehensive income, net of income tax</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Fair value (loss)/gain on investments in equity instruments measured at FVTOCI (net of tax)	32.1 (721,981)	(47,648)	(38,918)	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Fair value (loss)/gain on investments in debt instruments measured at FVTOCI (net of tax)	32.2 715,652	(158,167)	-	(82,432)
Share of other comprehensive income of associates	22 -	-	-	-
<b>Other comprehensive income/(loss) for the period, net of taxes</b>	<b>(6,329)</b>	<b>(205,815)</b>	<b>(38,918)</b>	<b>(82,432)</b>
<b>Total comprehensive income for the period</b>	<b>2,302,408</b>	<b>1,452,821</b>	<b>327,030</b>	<b>333,877</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the Company	<b>2,308,737</b>	<b>1,658,636</b>	<b>365,948</b>	<b>416,309</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<b>2,302,408</b>	<b>1,452,821</b>	<b>327,030</b>	<b>333,877</b>
<b>Earnings per share-basic (kobo)</b>	14 154	111	24	28
<b>Earnings per share-diluted (kobo)</b>	14 154	111	24	28

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

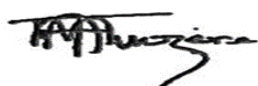


**Consolidated & Separate Statement of Financial Position  
As at 31 March 2022**

	Notes	Group		Company	
		31 March	31 December	31 March	31 December
		2022 =N=' 000	2021 =N=' 000	2022 =N=' 000	2021 =N=' 000
<b>ASSETS</b>					
Cash and cash equivalents	15	113,295,733	53,661,848	27,440,202	6,951,413
Investment securities	16	312,487,592	363,647,252	57,196,418	58,599,896
Trade and other receivables	17	32,709,752	30,919,246	30,108,988	29,889,598
Dividend receivable from subsidiaries	18	-	-	-	4,828,500
Right of use assets	19	195,343	212,819	195,343	212,819
Intangible assets	20	70,041	78,595	60,703	68,151
Investments in subsidiaries	21	-	-	901,000	901,000
Investments in associates	22	4,413,473	4,293,587	4,500,000	4,500,000
Property and equipment	23	446,385	471,852	389,156	414,185
Deferred tax assets	24	312,755	312,755	-	-
<b>TOTAL ASSETS</b>		<b>463,931,074</b>	<b>453,597,954</b>	<b>120,791,810</b>	<b>106,365,562</b>
<b>LIABILITIES</b>					
Managed funds	25	320,586,316	327,249,024	-	-
Borrowed funds	26	93,235,930	79,691,116	92,890,412	83,717,908
Other liabilities	27	24,003,029	14,225,310	18,996,999	5,139,989
Current tax liabilities	28	2,174,098	1,803,211	719,270	649,566
Deferred tax liabilities	24	82,500	82,500	82,500	82,500
<b>TOTAL LIABILITIES</b>		<b>440,081,873</b>	<b>423,051,161</b>	<b>112,689,181</b>	<b>89,589,963</b>
<b>SHAREHOLDERS FUND</b>					
Share capital	29	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	30	683,611	683,611	683,611	683,611
Retained earnings	31	21,969,275	28,660,538	4,324,234	12,958,286
Fair value reserves	32	(1,803,685)	(1,797,356)	94,784	133,702
<b>TOTAL SHAREHOLDERS FUND</b>		<b>23,849,201</b>	<b>30,546,793</b>	<b>8,102,629</b>	<b>16,775,599</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS FUND</b>		<b>463,931,074</b>	<b>453,597,954</b>	<b>120,791,810</b>	<b>106,365,562</b>

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

The financial statements were approved by the Board of Directors on 12th April 2022 and signed on its behalf by:



**CHIKA MORDI**  
(Chairman)  
FRC/2014/IODN/00000006667



**PETER ASHADE**  
(Group Chief Executive Officer)  
FRC/2013/ICAN/00000002719



**SHEDRACK ONAKPOMA**  
(Group Chief Finance Officer)  
FRC/2013/ICAN/00000001643

**Consolidated Statement of Changes in Equity  
As at 31 March 2022**

Unaudited Consolidated and Separate Financial Statements  
31 March 2022

**2022  
Group**

	Share capital =N=' 000	Retained earnings =N=' 000	Share premium =N=' 000	Fair value reserves =N=' 000	Shareholders' funds =N=' 000
At 1 January 2022	3,000,000	28,660,538	683,611	(1,797,355)	30,546,794
Transfer from profit or loss account	-	2,308,737	-	-	2,308,737
Net change in fair value on equity instruments at FVTOCI	-	-	-	(721,981)	(721,981)
Net change in fair value on debt instruments at FVTOCI	-	-	-	715,652	715,652
Share of other comprehensive income of associates	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>2,308,737</b>	<b>-</b>	<b>(6,329)</b>	<b>2,302,408</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
<b>As at 31 March 2022</b>	<b>3,000,000</b>	<b>21,969,275</b>	<b>683,611</b>	<b>(1,803,684)</b>	<b>23,849,202</b>

**Company**

<b>At 1 January 2022</b>	<b>3,000,000</b>	<b>12,958,286</b>	<b>683,611</b>	<b>133,702</b>	<b>16,775,599</b>
Transfer from profit or loss account	-	365,948	-	-	365,948
Net change in fair value on debt instruments at FVTOCI	-	-	-	(38,918)	(38,918)
Share of other comprehensive income of associates	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>365,948</b>	<b>-</b>	<b>(38,918)</b>	<b>327,030</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend paid	-	(9,000,000)	-	-	(9,000,000)
<b>As at 31 March 2022</b>	<b>3,000,000</b>	<b>4,324,233</b>	<b>683,611</b>	<b>94,784</b>	<b>8,102,629</b>

**2021  
Group**

	Share capital =N=' 000	Retained earnings =N=' 000	Share premium =N=' 000	Fair value reserves =N=' 000	Shareholders' funds =N=' 000
At 1 January 2021	3,000,000	21,601,800	683,611	(888,394)	24,397,017
Transfer from profit or loss account	-	11,258,738	-	-	11,258,738
Net change in fair value on equity instruments at FVTOCI	-	-	-	(595,244)	(595,244)
Net change in fair value on debt instruments at FVTOCI	-	-	-	(313,717)	(313,717)
<b>Total comprehensive income</b>	<b>-</b>	<b>11,258,738</b>	<b>-</b>	<b>(908,962)</b>	<b>10,349,777</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend paid	-	(4,200,000)	-	-	(4,200,000)
<b>At 31 December 2021</b>	<b>3,000,000</b>	<b>28,660,538</b>	<b>683,611</b>	<b>(1,797,355)</b>	<b>30,546,794</b>

**Company**

<b>At 1 January 2021</b>	<b>3,000,000</b>	<b>10,434,895</b>	<b>683,611</b>	<b>66,692</b>	<b>14,185,198</b>
Transfer from profit or loss account	-	6,723,391	-	-	6,723,391
Net change in fair value on debt instruments at FVTOCI	-	-	-	67,010	67,010
<b>Total comprehensive income</b>	<b>-</b>	<b>6,723,391</b>	<b>-</b>	<b>67,010</b>	<b>6,790,401</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividend paid	-	(4,200,000)	-	-	(4,200,000)
<b>At 31 December 2021</b>	<b>3,000,000</b>	<b>12,958,286</b>	<b>683,611</b>	<b>133,702</b>	<b>16,775,599</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**As at 31 March 2022**

	Group		Company	
	31 March 2022 N' 000	31 December 2021 N' 000	31 March 2022 N' 000	31 December 2021 N' 000
Profit before tax	2,568,055	12,124,013	435,652	6,791,196
<b>Adjustments for;</b>				
Amortisation of Intangibles	11 8,554	20,996	7,449	16,157
Depreciation of property and equipment	11 49,239	204,408	40,601	171,513
Depreciation of right of use	11 17,476	70,875	17,476	70,875
Foreign exchange revaluation	7 (491,323)	(1,366,640)	-	(157,622)
Gain on disposal of property and equipment	7 (34)	(34)	(34)	(34)
Net interest income	4 (1,380,102)	(7,193,943)	(131,989)	(1,461,848)
Dividend income	4 (260,474)	(1,706,570)	-	(4,922,159)
Fair value changes on financial instruments at fair value through profit or loss	8 (167,871)	(237,285)	(59,075)	(114,816)
Impairment charge (write/back) on other financial assets	12 97,379	492,051	(21,983)	147,155
	<b>440,899</b>	<b>2,407,872</b>	<b>288,096</b>	<b>540,417</b>
<b>Changes in working capital</b>				
Trade receivables	(1,791,542)	(2,594,717)	(219,390)	(2,572,895)
Managed funds	(6,662,708)	211,229,947	-	-
Other liabilities	9,777,719	6,542,002	13,857,010	2,878,076
	<b>1,764,369</b>	<b>217,585,104</b>	<b>13,925,716</b>	<b>845,598</b>
<b>Cash generated from/(used in) operations</b>				
Interest received	8,409,351	13,376,206	1,338,369	5,950,754
Interest paid	(6,768,775)	(14,733,433)	(1,206,380)	(2,199,205)
Income tax paid	(8,317)	(728,957)	-	(462,218)
	<b>3,396,628</b>	<b>215,498,919</b>	<b>14,057,705</b>	<b>4,134,928</b>
<b>Net cash generated by/(used in) operating activities</b>				
<b>Cash flows from investing activities</b>				
Purchase of investment securities	-	(355,171,646)	-	(77,959,265)
Disposal of investment securities	57,081,064	153,195,483	2,787,549	65,431,343
Investment in associate	-	-	-	-
Purchase of property and equipment	23 (25,895)	(110,449)	(15,572)	(98,254)
Purchase of right of use assets	19 -	-	-	-
Purchase of intangible assets	20 -	(57,576)	-	(45,276)
Proceeds from the sale of property and equipment	(189)	47	(189)	47
Dividends received	4 & 18 260,474	1,706,570	4,828,500	3,763,659
	<b>57,315,455</b>	<b>(200,437,571)</b>	<b>7,600,288</b>	<b>(8,907,747)</b>
<b>Net cash used in investing activities</b>				
<b>Cash flows from financing activities</b>				
Dividend paid to owners of equity capital	(9,000,000)	(4,200,000)	(9,000,000)	(4,200,000)
Proceeds from borrowings	9,172,504	17,564,403	9,172,504	21,912,107
Repayment of borrowings	(1,338,146)	(18,184,345)	(1,338,146)	(18,184,345)
	<b>(1,165,642)</b>	<b>(4,819,942)</b>	<b>(1,165,642)</b>	<b>(472,238)</b>
<b>Net cash (used in)/generated by financing activities</b>				
Net increase/(decrease) in cash and cash equivalents	59,546,441	10,241,406	20,492,351	(5,245,057)
Effect of foreign exchange changes on cash		(42,658)	(3,561)	(3,560)
Cash and cash equivalents at beginning of year	53,615,387	43,416,639	6,951,413	12,196,469
	<b>113,161,828</b>	<b>53,615,387</b>	<b>27,440,203</b>	<b>6,947,852</b>

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

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group		Company	
	31 March 2022 =N=' 000	31 March 2021 =N=' 000	31 March 2022 =N=' 000	31 March 2021 =N=' 000
<b>4 Net investment income</b>				
Interest from placements and bonds	1,451,812	203,423	1,338,369	124,497
Income from loans	198,732	61,135	-	61,135
Dividend income from securities investments	260,474	59,405	-	-
Profit on disposal of investment	68,182	366,532	-	308,427
Income from managed Funds	6,430,151	900,862	-	-
	8,409,351	1,591,357	1,338,369	494,059
Interest expense on managed funds and other borrowings	(6,768,775)	-	(1,206,380)	-
	<b>1,640,576</b>	<b>1,591,357</b>	<b>131,989</b>	<b>494,059</b>
Investment income from items measured at amortised cost	1,451,724	1,313,766	99,043	275,663
Investment income from items carried at fair value through OCI	188,852	277,591	32,946	218,396
	<b>1,640,576</b>	<b>1,591,357</b>	<b>131,989</b>	<b>494,059</b>
<b>5 Fees and commission income</b>				
Financial advisory fees	581,797	224,959	581,797	224,959
Other fees and commissions	1,165,240	1,096,584	-	-
	<b>1,747,037</b>	<b>1,321,543</b>	<b>581,797</b>	<b>224,959</b>
Fees recognised at point in time	998,353	481,710	581,797	224,959
Fees recognised over time	872,804	839,833	-	-
	<b>1,871,157</b>	<b>1,321,544</b>	<b>581,797</b>	<b>224,959</b>
Other fees and commission income include management fees of N740m (2021: N668m) from mutual fund which are recognised at point in time, fees and transaction sign-on fees which are recognised at point in time the mandate is consummated. Management fee accrues monthly as a percentage of the net asset value (NAV) at each point in time.				
<b>6 Net Trading Income.</b>				
Net trading income includes gains and losses arising both on the purchase and sale of financial instruments at FVTPL	<b>159,788</b>	<b>188,035</b>	-	-
<b>7 Other income</b>				
Exchange gains	491,323	-	-	-
Interest on staff loans	430	427	-	-
Gain on Disposal of PPE	34	-	34	-
Other income	25,671	18,405	136	548
	<b>517,458</b>	<b>18,832</b>	<b>170</b>	<b>548</b>
Other income includes income from trade (N24.2m) realised by the Wealth Management business.				
<b>8 Net loss from financial assets at fair valued through profit or loss</b>				
Net gain/(loss) on equity instruments at FVTPL	147,405	-	59,075	-
	<b>147,405</b>	-	<b>59,075</b>	-
<b>9 Personnel expenses</b>				
Staff cost	541,890	416,396	105,461	96,751
Contributions to defined contribution plans	4,811	4,824	1,718	1,326
	<b>546,701</b>	<b>421,220</b>	<b>107,179</b>	<b>98,077</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group		Company	
	31 March 2022 =N=' 000	31 March 2021 =N=' 000	31 March 2022 =N=' 000	31 March 2021 =N=' 000
<b>10 Other operating expenses</b>				
Premises and equipment costs	18,001	14,646	543	156
Auditors remuneration	9,125	8,279	2,956	2,110
Professional fees	120,797	27,429	54,122	6,144
Travel and accommodation	8,631	2,540	7,177	379
Rent and rates (See note a)	16,223	16,073	5,213	5,213
AGM/Dividend processing expenses	-	174,711	-	-
Donations	55,340	2,200	1,000	-
Subscription	1,808	1,041	1,151	100
Insurance	3,019	3,097	1,153	973
Statutory expenses	2,472	198	-	-
General administrative expenses	544,798	249,095	90,591	46,732
Advertisement and branding	2,531	22,379	-	1,089
Share register fee	-	-	-	-
Directors fees and other allowances	1	-	-	-
Printing and stationeries	1,036	564	199	189
Office running expenses	83,186	23,348	-	-
Business entertainment	3,320	472	1,334	352
IT license and maintenance fee	33,040	30,020	-	270
Loss on disposal of assets	51	-	-	-
Training and conference	261	232	-	-
bad debt	21,218	-	21,218	-
	<b>924,857</b>	<b>576,326</b>	<b>186,657</b>	<b>63,707</b>
During the period, there were no non-audit fees paid to the Auditors.				
<b>a</b> This represent payment for short tem and low value leases				
<b>11 Depreciation &amp; amortisation</b>				
<b>11.1</b> Depreciation of property and equipments (note 23)	49,239	42,770	40,601	31,992
<b>11.2 Amortisation</b>				
Amortisation of intangible assets (note 20)	8,554	3,263	7,449	2,758
Amortisation of right of use assets (note 19)	17,476	27,425	17,476	27,425
	<b>26,030</b>	<b>30,688</b>	<b>24,925</b>	<b>30,183</b>
<b>12 Impairment charge/(writeback) for credit losses</b>				
Loss allowance on cash and cash equivalents (note 15a)	-	-	-	-
write back on financial assets at amortised cost (note 16.1a)	(37,725)	-	(21,983)	-
Loss allowance on financial assets at amortised cost (note 16.1a)	134,068	74,076	-	-
Loss allowance on trade receivables (note 17.1)	1,036	101	(0)	-
	<b>97,379</b>	<b>74,177</b>	<b>(21,983)</b>	<b>-</b>
<b>13 Income tax expense</b>				
<b>Recognised in the profit or loss</b>				
Income tax	308,103	256,710	56,635	64,429
Education tax	47,400	39,494	8,713	9,912
Information technology tax	23,700	19,747	4,357	4,956
Police trust fund levy	-	(0)	-	-
	379,204	315,950	69,704	79,297
Deferred tax	-	-	-	-
	<b>379,204</b>	<b>315,950</b>	<b>69,704</b>	<b>79,297</b>
<b>13.1 Proof of Tax</b>			(0)	(0)
The income tax expense for the period can be reconciled to the accounting profit as follows:				
<b>Profit before tax from continuing operations</b>	<b>2,568,055</b>	<b>1,974,586</b>	<b>435,652</b>	<b>495,606</b>
Income tax expense calculated at 30% of PBT	711,006	592,407	130,696	148,682
Effect of Income that is exempt from taxation	(827,677)	(386,255)	(116,508)	(94,670)
Effect of expenses that are not deductible in determining taxable profit	176,913	39,412	26,568	846
Effect of Concessions (research and development and other allowances)	1,035	(164)	(339)	(143)
Effect of tax adjustment	246,468	32,406	17,426	14,641
Adjustment recognised due to difference in tax rates	12,208	(1,350)	971	30
Education tax at 2.5% of assessable profits	59,251	39,494	10,891	9,912
	<b>379,204</b>	<b>315,950</b>	<b>69,704</b>	<b>79,297</b>
Adjustment recognised in the current period relating to the deferred tax of prior periods	-	-	-	-
	<b>379,204</b>	<b>315,950</b>	<b>69,705</b>	<b>79,297</b>
<b>Recognised in other comprehensive income</b>				
deferred tax recognised in other comprehensive income	(64)	(2,079)	(393)	(833)
	<b>(64)</b>	<b>(2,079)</b>	<b>(393)</b>	<b>(833)</b>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group		Company	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
<b>14 Earnings per share</b>				
<b>Basic earnings per share</b>				
Basic earnings attributable to shareholders (N'000)	2,308,737	1,658,636	365,948	416,309
Weighted number of ordinary shares in issue for basic ('000)	6,000,000	6,000,000	6,000,000	6,000,000
Weighted number of ordinary shares in issue on conversion of dilutive shares ('000)	6,000,000	6,000,000	6,000,000	6,000,000
Basic earnings per share (kobo)	<b>154</b>	<b>111</b>	<b>24</b>	<b>28</b>
Diluted earnings per share (kobo)	<b>154</b>	<b>111</b>	<b>24</b>	<b>28</b>

There are no dilutive instruments in issue as at the reporting date. Consequently, basic and diluted EPS are same.

	Group		Company	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
<b>15 Cash and cash equivalents</b>				
Cash and balances with banks	7,667,858	1,940,710	1,102,727	85,372
Money market placements	105,627,875	51,721,138	26,337,475	6,866,041
Impairment charge	113,295,733	53,661,848	27,440,202	6,951,413
	-	-	-	-
	<b>113,295,733</b>	<b>53,661,848</b>	<b>27,440,202</b>	<b>6,951,413</b>
Current	113,295,733	53,661,848	27,440,202	6,951,413
Non-Current	-	-	-	-
	<b>113,295,733</b>	<b>53,661,848</b>	<b>27,440,202</b>	<b>6,951,413</b>

"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 as stage 1 credit risk at each reporting date as they are held with reputable financial institutions and in most cases secured by way of Government securities. The identified ECL on cash and cash equivalent for the Company is considered immaterial and has not been recognised

	Group		Company	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
<b>15b Cash and cash equivalent for cashflow purposes</b>				
Cash and cash equivalent	113,295,733	53,661,848	27,440,202	6,951,413
Bank overdraft	(108,830)	(46,461)	0	(3,561)
Closing Balance	<b>113,186,903</b>	<b>53,615,387</b>	<b>27,440,202</b>	<b>6,947,852</b>
<b>16 Investment securities</b>				
Financial assets measured at amortised cost - (note 16.1)	135,602,320	169,041,801	51,566,437	54,332,003
Financial assets at Fair value through other comprehensive income - (note 16.2)	19,325,484	18,129,425	4,735,229	3,432,217
Financial assets at Fair value through profit or loss - (note 16.3)	157,559,788	176,476,026	894,752	835,676
	<b>312,487,592</b>	<b>363,647,252</b>	<b>57,196,418</b>	<b>58,599,896</b>
Current	48,320,666	48,996,009	20,031,738	18,669,650
Non-Current	264,166,927	314,651,243	37,164,680	39,930,246
	<b>312,487,593</b>	<b>363,647,252</b>	<b>57,196,418</b>	<b>58,599,896</b>

<b>16.1 Financial assets measured at amortised cost</b>				
Investment in long term placement	51,482,999	85,236,778	8,444,447	11,461,200
Loans to customer	28,750,295	28,750,296	27,837,640	27,837,640
Treasury bills	11,416,970	8,842,628	-	-
Federal government bonds	5,072,477	8,057,445	-	-
State government bonds	24,394,199	24,802,577	12,801,982	12,572,777
Corporate bonds	16,381,015	15,151,370	3,178,044	3,178,044
	<b>137,497,955</b>	<b>170,841,093</b>	<b>52,262,113</b>	<b>55,049,661</b>
Loss allowance on financial assets at amortised costs (note 16.1a)	(1,895,635)	(1,799,292)	(695,675)	(717,658)
	<b>135,602,320</b>	<b>169,041,801</b>	<b>51,566,437</b>	<b>54,332,003</b>

<b>16.1a Loss allowance on financial assets at amortised costs</b>				
At 1 January	1,799,292	1,725,216	717,658	717,658
<b>Charge during the period:</b>				
(Writeback)/allowance on loan to customers	(37,725)	-	(21,983)	-
Loss allowance on other financial assets	134,068	74,077	-	0
	<b>1,895,635</b>	<b>1,799,293</b>	<b>695,675</b>	<b>717,658</b>

FGN bonds measured at amortised 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. There was additional impairment of N134.1m on financial assets and a writeback of N37.75m on loans to customers during the period under review..

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group		Company	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
<b>16.2 Financial assets measure at fair value through other comprehensive income (FVTOCI)</b>				
Treasury bills	-	-	-	-
Bonds	-	730,435	-	-
Equity- quoted	4,770,259	4,770,259	1,255,808	1,255,808
Equity- unquoted	9,647,796	9,033,538	-	-
Mutual funds	6,711,115	5,392,549	3,384,637	2,042,707
	21,129,170	19,926,781	4,640,444	3,298,515
Fair value adjustments (16.2a)	(1,803,685)	(1,797,356)	94,784	133,702
	<b>19,325,484</b>	<b>18,129,425</b>	<b>4,735,229</b>	<b>3,432,217</b>
<b>16.2a Changes in fair value reserve</b>				
At 1 January	(1,797,356)	(888,393)	133,702	66,692
Arising during the period	(6,330)	(908,963)	(38,918)	67,010
At 31 December	<b>(1,803,685)</b>	<b>(1,797,356)</b>	<b>94,784</b>	<b>133,702</b>
<b>16.3 Financial asset measured at fair Value Through Profit or Loss (FVTPL)</b>				
Quoted equity investment	1,984,550	1,856,784	742,027	742,027
Mutua Funds	120,708,150	139,920,025	-	-
Equity- Unquoted	34,483,099	34,483,099	-	-
	<b>157,175,799</b>	<b>176,259,908</b>	<b>742,027</b>	<b>742,027</b>
Fair value adjustment (note 16.3a)	383,989	216,118	152,724	93,649
	<b>157,559,788</b>	<b>176,476,026</b>	<b>894,752</b>	<b>835,676</b>
<b>16.3a Changes in fair value reserve</b>				
At 1 January	(216,118)	10,800	(93,649)	10,800
Arising during the period	(167,871)	(226,918)	(59,075)	(104,449)
At 31 December	<b>(383,989)</b>	<b>(216,118)</b>	<b>(152,724)</b>	<b>(93,649)</b>
	Group		Company	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	=N=' 000	=N=' 000	=N=' 000	=N=' 000
<b>17 Trade receivables &amp; other receivables</b>				
Trade debtors	779,052	934,451	132,861	161,471
Prepayments	504,317	214,115	187,909	143,609
Accrued income	1,787,620	1,829,620	825,498	679,971
Other receivables	3,033,492	1,345,057	2,286,072	2,238,207
WHT Receivable	1,980,014	1,969,710	1,533,916	1,523,608
Deposit for investment	25,715,827	25,715,827	25,715,827	25,715,827
	<b>33,800,322</b>	<b>32,008,780</b>	<b>30,682,083</b>	<b>30,462,693</b>
Loss allowance on trade receivables (note 17.1)	(1,090,570)	(1,089,534)	(573,095)	(573,095)
	<b>32,709,752</b>	<b>30,919,246</b>	<b>30,108,988</b>	<b>29,889,598</b>
<b>17.1 Loss allowance on trade receivables</b>				
At 1 January	1,089,534	1,315,688	573,095	787,255
Provision no longer required	-	(374,366)	-	(374,366)
Arising during the period	1,036	148,212	(0)	160,207
At 31 December	<b>1,090,570</b>	<b>1,089,534</b>	<b>573,095</b>	<b>573,095</b>
Current	5,013,911	3,223,709	3,432,340	3,223,257
Non-Current	27,695,841	27,695,537	26,676,648	26,666,341
	<b>32,709,752</b>	<b>30,919,246</b>	<b>30,108,988</b>	<b>29,889,598</b>
The Group applies the simplified approach and recognises lifetime ECL for trade receivables using a provision matrix. The provision matrix is based on the historical observed default rates, adjusted for forward looking estimates. At each reporting date, the historical observed default rates are updated. More information on ECL is disclosed in note 2.11b				
<b>18 Dividend receivable from Subsidiaries</b>				
At 1 January	-	-	4,828,500	3,670,000
Arising during the year	-	-	-	4,828,500
Receipt during the year	-	-	(4,828,500)	(3,670,000)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,828,500</b>
Current	-	-	-	4,828,500
Non-Current	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,828,500</b>

Unaudited Consolidated and Separate Financial Statements  
31 March 2022

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

19	Right of use assets	Group =N=' 000	Company =N=' 000
	<b>Cost</b>		
	At 1 January 2022	354,375	354,375
	Addition	-	-
	<b>As at 31 March 2022</b>	<b>354,375</b>	<b>354,375</b>
	<b>Depreciation</b>		
	At 1 January 2022	141,556	141,556
	Charge for the period	17,476	17,476
	Disposal	-	-
	<b>As at 31 March 2022</b>	<b>159,032</b>	<b>159,032</b>
	<b>Carrying amounts</b>		
	As at 31 March 2022	<b>195,343</b>	<b>195,343</b>
	At 31 December 2020	<b>212,819</b>	<b>212,819</b>
19.1	Right of use assets	Group =N=' 000	Company =N=' 000
	<b>Cost</b>		
	At 1 January 2021	624	624
	Addition	353,751	353,751
	<b>At 31 December 2021</b>	<b>354,375</b>	<b>354,375</b>
	<b>Depreciation</b>		
	At 1 January 2021	312	312
	Charge for the period	141,244	141,244
	<b>At 31 December 2021</b>	<b>141,556</b>	<b>141,556</b>
	<b>Carrying amounts</b>		
	At 31 December 2021	<b>212,819</b>	<b>212,819</b>
	At 1 January 2021	<b>312</b>	<b>312</b>

Right of use asset relate to lease rentals on the head office occupied by the Group. The lease agreement covers a period of five (5) years.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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20	Intangible assets	Group =N=' 000	Company =N=' 000
	<b>Cost</b>		
	At 1 January 2022	177,268	154,869
	Addition	-	-
	<b>As at 31 March 2022</b>	<u><b>177,268</b></u>	<u><b>154,869</b></u>
	<b>Amortisation</b>		
	At 1 January 2022	98,672	86,717
	Charge for the period	8,554	7,449
	<b>As at 31 March 2022</b>	<u><b>107,226</b></u>	<u><b>94,166</b></u>
	<b>Carrying amounts</b>		
	<b>As at 31 March 2022</b>	<u><b>70,041</b></u>	<u><b>60,703</b></u>
	At 31 December 2021	<u><b>78,595</b></u>	<u><b>68,151</b></u>
20.1	Intangible assets	Group =N=' 000	Company =N=' 000
	<b>Cost</b>		
	At 1 January 2021	119,692	109,593
	Addition	57,576	45,276
	<b>At 31 December 2021</b>	<u><b>177,268</b></u>	<u><b>154,869</b></u>
	<b>Amortisation</b>		
	At 1 January 2021	77,677	70,561
	Charge for the period	20,996	16,157
	<b>At 31 December 2021</b>	<u><b>98,673</b></u>	<u><b>86,717</b></u>
	<b>Carrying amounts</b>		
	At 31 December 2021	<u><b>78,595</b></u>	<u><b>68,151</b></u>
	At 31 December 2020	<u><b>42,015</b></u>	<u><b>39,032</b></u>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

21	Investment in subsidiaries	Date of		Value	Country
		Investment	Holding		
	United Capital Securities Limited	2006	100%	100,000	Nigeria
	United Capital Assets Management Limited	2013	100%	500,000	Nigeria
	United Capital Trustees Limited	2013	100%	300,000	Nigeria
	UC Plus Advance Limited	2019	100%	1,000	Nigeria
	United Capital Management Limited	2020	100%	1,000	Ghana
				<u>901,000</u>	

## 21.1 Other information on subsidiaries

- (i) United Capital Securities Limited is a dealing member of the Nigerian Stock Exchange (NSE) and registered by the Securities & Exchange Commission (SEC) as a Broker/Dealer. It is also a registered dealing member of NASD OTC Plc and FMDQ OTC Plc. This enables the Company to deal in over-the-counter Equity and Fixed Income Securities. The Company provides services such as securities dealing, receiving agents to new issues, stockbrokers to primary issues, designated adviser to SME's and equity portfolio management services.
- (ii) United Capital Assets Management Limited is registered and licensed by the Securities and Exchange Commission of Nigeria (SEC) to act as investment advisers, funds and portfolio managers.
- (iii) United Capital Trustees Limited is a leading provider of Trust services such as debenture trust, bond trusteeship to corporate and sub-sovereign issuers of public debt instruments and trustees to collective investment schemes.
- (iv) UC Plus Advance Limited is a consumer lending company established by United Capital Plc with the sole objective of enhancing financial inclusion and providing pay day loans to working class individuals and SMEs. UC Plus Advance Limited was licensed by the Lagos State Government in 2019 but and commence operations in 2020.

## 21.2 Non-controlling interest of subsidiaries

The Group does not have any non-wholly owned subsidiaries that have material non-controlling interest.

## 21.3 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 disclosed in the enterprise risk management.

22	Investment in Associates	Date of		Country	31 March	31 December
		Investment	Holding		2022	2021
					=N=' 000	=N=' 000
	Heirs Insurance Limited	2020	25%	Nigeria	2,500,000	2,500,000
	Heirs Life Assurance Limited	2020	25%	Nigeria	2,000,000	2,000,000
					<u>4,500,000</u>	<u>4,500,000</u>

## 22.1 Other information on Associates

- (i) **Heirs Insurance Limited** was formerly registered as a General Insurance Company by the Nigeria Insurance Commission (NAICOM) in September 2020. The Company fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.
- (ii) **Heirs Life Assurance Limited** was formerly registered as a Life Assurance Company by the Nigeria Insurance Commission (NAICOM) in September 2020. The Company fully commence operations in 2021. United Capital Plc currently own 25% stake in the Company.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Unaudited Consolidated and Separate Financial Statements

31 March 2022

22 Investment in associates	Group		Company	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	N' 000	N' 000	N' 000	N' 000
Heirs Insurance Limited	2,410,961	2,358,404	2,500,000	2,500,000
Heirs Life Assurance Limited	2,002,510	1,935,183	2,000,000	2,000,000
	4,413,471	4,293,587	4,500,000	4,500,000

	Place of business/country of incorporation	% of ownership interest	Nature of relationship	Measurement method
(a) Nature of investment in associates				
Investment in Heirs Insurance Limited	Nigeria	25%	Investee	Equity method
Investment in Heirs Life Assurance Limited	Nigeria	25%	Investee	Equity method

This represents holding in the ordinary share capital of Heirs Insurance Limited and Heirs Life Assurance Limited respectively, companies incorporated and operating in Nigeria (2020: 25%). The holding became an associate at commencement of the investee businesses in 2020.

## (b) Summarised financial information for associates

Below are the summarised financial information for investment in associates accounted for using the equity method.

## (i) Summarised balance sheet

	Heirs Insurance Limited	Heirs Life Assurance Limited	Heirs Insurance Limited	Heirs Life Assurance Limited
	31 March 2022	31 March 2022	31 December 2021	31 December 2021
	N' 000	N' 000	N' 000	N' 000
<b>Assets</b>				
Cash and Cash Equivalents	1,130,738	941,331	4,522,006	833,368
Financial Assets	8,000,227	8,179,897	3,212,322	6,937,773
Receivables and prepayments	1,531,696	1,523,154	1,605,258	388,368
Right-of-use asset	558,920	709,197	662,710	385,471
Property and equipment	155,267	158,151	205,904	154,631
Intangible asset	263,992	281,196	213,890	201,130
Statutory deposit	1,000,000	800,000	1,000,000	800,000
<b>Total assets</b>	12,640,839	12,592,926	11,422,090	9,700,742
<b>Liabilities</b>				
Financial liabilities	261,723	1,289,027	1,312,067	224,973
Other liabilities	2,690,443	3,191,602	700,427	1,735,039
<b>Total liabilities</b>	2,952,166	4,480,628	2,012,494	1,960,012
Total equity	9,688,673	8,112,297	9,409,596	7,740,730

	Heirs Insurance Limited	Heirs Life Assurance Limited	Heirs Insurance Limited	Heirs Life Assurance Limited
	31 March 2022	31 March 2022	31 December 2021	31 December 2021
	N' 000	N' 000	N' 000	N' 000
(i) Summarised statement of profit or loss and other comprehensive income				
Underwriting profit/(loss)	247,397	503,871	94,425	647,899
Investment income	280,568	214,745	1,222,084	662,866
	527,964	718,616	1,127,659	1,310,765
Operating expense	(268,425)	(386,133)	(1,692,673)	(1,569,408)
<b>Profit before tax</b>	259,539	332,484	(565,014)	(258,643)
Income tax	(49,312)	(63,172)	(1,370)	(627)
<b>Profit after tax</b>	210,227	269,312	(566,384)	(259,270)
Other comprehensive income				
Total comprehensive income	210,227	269,312	(566,384)	(259,270)

## (c) Movement in investment in associate Group

	31 March 2022	31 December 2021
	N' 000	N' 000
Balance at 1 January 2022	4,293,587	4,500,000
Share of current period profit	119,886	(206,413)
Balance at end of period	4,413,473	4,293,587

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

23 (i) Property and equipment Group	Leasehold Improvements =N=' 000	Furniture, fittings & equipment =N=' 000	Motor vehicles =N=' 000	Computer equipment =N=' 000	Total =N=' 000
<b>Cost</b>					
At 1 January 2022	258,059	175,461	692,035	263,104	1,388,658
Additions	-	2,367	8,000	15,527	25,895
Disposals	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>258,059</b>	<b>177,829</b>	<b>700,035</b>	<b>278,631</b>	<b>1,414,553</b>
<b>Depreciation</b>					
At 1 January 2022	94,923	69,700	575,438	176,745	916,807
Charge for the year	13,569	5,052	22,760	7,858	49,239
Disposals	-	1,495	521	106	2,122
<b>As at 31 March 2022</b>	<b>108,493</b>	<b>76,248</b>	<b>598,719</b>	<b>184,708</b>	<b>968,167</b>
<b>Carrying amounts</b>					
As at 31 March 2022	<b>149,566</b>	<b>101,581</b>	<b>101,316</b>	<b>93,923</b>	<b>446,385</b>
At 31 December 2021	<b>163,135</b>	<b>105,761</b>	<b>116,596</b>	<b>86,359</b>	<b>471,852</b>

Property and equipment Company	Leasehold Improvements	Furniture, fittings & equipment	Motor vehicles	Computer equipment	Total
<b>Cost</b>					
At 1 January 2022	258,059	133,869	446,837	182,064	1,020,828
Addition	-	2,367	-	13,204	15,572
Disposals	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>258,059</b>	<b>136,236</b>	<b>446,837</b>	<b>195,269</b>	<b>1,036,400</b>
<b>Depreciation</b>					
At 1 January 2022	94,923	41,187	366,498	104,035	606,643
Charged for the year	13,569	4,134	15,796	7,102	40,601
Disposals	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>108,493</b>	<b>45,321</b>	<b>382,294</b>	<b>111,137</b>	<b>647,244</b>
<b>Carrying amounts</b>					
As at 31 March 2022	<b>149,566</b>	<b>90,915</b>	<b>64,544</b>	<b>84,131</b>	<b>389,156</b>
At 31 December 2021	<b>163,135</b>	<b>92,681</b>	<b>80,339</b>	<b>78,029</b>	<b>414,185</b>

All PPE items are non-current

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

23.1 (i) Property and equipment Group	Leasehold Improvements =N=' 000	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
<b>Cost</b>					
At 1 January 2021	258,059	122,012	684,035	214,340	1,278,445
Additions	-	53,449	8,000	49,000	110,449
Disposals	-	-	-	(236)	(236)
At 31 December 2021	258,059	175,461	692,035	263,104	1,388,658
<b>Depreciation</b>					
At 1 January 2021	40,645	41,254	477,619	153,103	712,621
Charge for the year	54,278	28,446	97,820	23,864	204,408
Disposals	-	-	-	(223)	(223)
At 31 December 2021	94,923	69,700	575,438	176,745	916,806
<b>Carrying amounts</b>					
At 31 December 2021	<b>163,135</b>	<b>105,760</b>	<b>116,596</b>	<b>86,360</b>	<b>471,852</b>
At 31 December 2020	<b>217,413</b>	<b>80,758</b>	<b>206,416</b>	<b>61,237</b>	<b>565,823</b>
<b>(ii) Company</b>					
	Leasehold Improvements =N=' 000	Furniture, fittings & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
<b>Cost</b>					
At 1 January 2021	258,059	80,841	446,837	137,074	922,810
Additions	-	53,028	-	45,226	98,254
Disposals	-	-	-	(236)	(236)
At 31 December 2021	258,059	133,869	446,837	182,064	1,020,828
<b>Depreciation</b>					
At 1 January 2021	40,645	16,314	293,943	84,450	435,353
Charge for the year	54,278	24,874	72,555	19,807	171,513
Disposals	-	-	-	(223)	(223)
At 31 December 2021	94,923	41,187	366,498	104,035	606,643
<b>Carrying amounts</b>					
At 31 December 2021	<b>163,135</b>	<b>92,681</b>	<b>80,339</b>	<b>78,029</b>	<b>414,185</b>
At 31 December 2020	<b>217,413</b>	<b>64,527</b>	<b>152,894</b>	<b>52,624</b>	<b>487,457</b>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

**24 Deferred tax - (Asset)**

Deferred tax assets:

– Deferred tax asset to be recovered after more than 12 months  
Charge for the period

**The break down of deferred tax assets are as follows:**

Property and equipment  
Exchange difference  
Losses  
Provisions

	Group		Company	
	31 March 2022 =N=' 000	31 December 2021 =N=' 000	31 March 2022 =N=' 000	31 December 2021 =N=' 000
	312,755	314,735	-	-
	-	(1,981)	-	-
	<u>312,755</u>	<u>312,755</u>	<u>-</u>	<u>-</u>
	26,943	26,943	-	-
	-	-	-	-
	187,557	187,557	-	-
	98,255	98,255	-	-
	<u>312,755</u>	<u>312,755</u>	<u>-</u>	<u>-</u>
	82,500	126,974	82,500	113,701
	-	(44,474)	-	(31,201)
<b>Total</b>	<u>82,500</u>	<u>82,500</u>	<u>82,500</u>	<u>82,500</u>

**Deferred tax liabilities:**

– Deferred tax liability to be recovered after more than 12 months  
(Writeback)/Charge for the period

**Total****The break down of deferred tax liabilities are as follows:**

Property and equipment  
Exchange difference  
Losses  
FVTOCI

	753	753	753	753
	174,489	174,489	174,489	174,489
	(92,742)	(92,742)	(92,742)	(92,742)
	-	-	-	-
	<u>82,500</u>	<u>82,500</u>	<u>82,500</u>	<u>82,500</u>

**Parent - Deferred tax liabilities**

Property and equipment  
Exchange difference  
Losses  
FVTOCI

	1 January 2022 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 March 2022 N'000
	753	-	-	753
	174,489	-	-	174,489
	(92,742)	-	-	(92,742)
	-	-	-	-
	<u>82,500</u>	<u>-</u>	<u>-</u>	<u>82,500</u>

**Group - Deferred tax liabilities**

Property and equipment  
Exchange difference  
Losses  
FVTOCI

	1 January 2022 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 March 2022 N'000
	97,299	-	-	97,299
	71,868	-	-	71,868
	(39,083)	-	-	(39,083)
	(3,110)	-	-	(3,110)
	<u>126,974</u>	<u>-</u>	<u>-</u>	<u>126,974</u>

**Group - Deferred tax asset**

Property and equipment  
Exchange difference  
Losses  
Provisions

	1 January 2022 N'000	Recognised in P&L N'000	Recognised in OCI N'000	31 March 2022 N'000
	26,943	-	-	26,943
	-	-	-	-
	187,557	-	-	187,557
	98,255	-	-	98,255
	<u>312,755</u>	<u>-</u>	<u>-</u>	<u>312,755</u>

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

The Group has not recognised deferred tax assets of about N3.6b arising from tax losses during the period under review as it considers the probability of recovering these losses to be low. This is because the tax exempt status of income realised on Nigerian government securities is one of the major drivers for the negative taxable profit within the Group, which is the largest contributor to the deferred tax asset, through tax losses, in the Group. The uncertainty surrounding the extension or termination of the tax exempt status at the end of 2021 has made management conclude that not all tax losses carried forward should be recorded as deferred tax assets.

	Group		Company	
	31 March 2022 =N=' 000	31 December 2021 =N=' 000	31 March 2022 =N=' 000	31 December 2021 =N=' 000
<b>25 Managed Funds</b>				
Short term investments	179,105,521	204,940,905	-	-
Ucap Investments	65,092,136	65,092,136	-	-
Trust funds	52,639,101	34,772,369	-	-
Sinking Funds	21,708,344	19,943,655	-	-
Payable on trust accounts	2,041,214	2,499,959	-	-
	<b>320,586,316</b>	<b>327,249,024</b>	<b>-</b>	<b>-</b>
Current	232,831,437	239,494,144	-	-
Non-Current	87,754,879	87,754,880	-	-
	<b>320,586,316</b>	<b>327,249,024</b>	<b>-</b>	<b>-</b>

Sinking Funds are funds managed by Trustees on behalf of bond issuers. The funds are invested in fixed income instruments for liquidity purposes in order to meet bondholders obligations as they become due.

<b>26 Borrowed funds</b>				
Borrowing from banks and other financial institutions	54,461,928	53,083,375	54,116,410	57,110,167
Issued debt - Bonds	7,887,416	7,617,351	7,887,416	7,617,351
Commercial Papers	30,886,586	18,990,389	30,886,586	18,990,389
	<b>93,235,930</b>	<b>79,691,116</b>	<b>92,890,412</b>	<b>83,717,908</b>
Current	30,985,127	19,088,930	30,985,127	19,088,930
Non-Current	62,250,803	60,602,186	61,905,285	64,628,978
	<b>93,235,930</b>	<b>79,691,116</b>	<b>92,890,412</b>	<b>83,717,908</b>

**Borrowing from bank** - Loans from commercial bank represent different facilities with interest rates indexed to money market conditions for a period of ten (10) years maturing in 2030. The loans are collateralised by negative pledge.

**Issued debt (Bond)** - In 2020, the company successfully issued its 1st bond of series 1, N10b out of its N30b bond issuance programme. The debt is an unsecured, amortising subordinated 5 year bond instrument. The Group has not had any defaulted in payment of principal and interest.

**Commercial papers** - In 2021, the Company issued several series of CPs. Series 3 to 4 matured in 2021 and was paid down during the year under review. The Company currently carries in its books Series 5, 6 and 7 CP with a face value of N19.73b with different maturity profiles.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group		Company	
	31 March 2022 =N=' 000	31 December 2021 =N=' 000	31 March 2022 =N=' 000	31 December 2021 =N=' 000
<b>27 Other liabilities</b>				
Bank overdraft	108,830	46,461	-	3,561
Creditors and accruals	2,153,565	1,472,846	1,422,097	768,089
Customers deposit	2,041,876	7,403,221	-	-
Other current liabilities	19,698,758	5,302,782	17,574,902	4,368,339
Dividend payable	-	-	-	-
	<b>24,003,029</b>	<b>14,225,310</b>	<b>18,996,999</b>	<b>5,139,989</b>
Current	24,003,029	14,225,310	18,996,999	5,139,989
Non-Current	-	-	-	-
	<b>24,003,029</b>	<b>14,225,310</b>	<b>18,996,999</b>	<b>5,139,989</b>
<b>28 Current tax liabilities</b>				
At 1 January	1,803,211	1,830,812	649,566	1,012,778
Charge for the period	379,204	315,950	69,704	79,297
Tax paid	(8,317)	(343,552)	-	(442,509)
<b>Closing Balance</b>	<b>2,174,098</b>	<b>1,803,211</b>	<b>719,270</b>	<b>649,566</b>
The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act as amended, while Education Tax is based on Education Tax Act. We also have tax charged on information technology levy and police trust fund based on Police trust fund Act.				
<b>29 Share capital</b>				
The share capital comprises:				
(i) Authorised - 6,000,000,000 Ordinary shares of N0.5 each	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
(ii) Issued and fully paid - 6,000,000 Ordinary shares of N0.5 each	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>30 Share Premium</b>				
Share premium balance	<b>683,611</b>	<b>683,611</b>	<b>683,611</b>	<b>683,611</b>
<b>31 Retained earnings</b>				
At 1 January	28,660,538	21,601,800	12,958,286	10,434,895
Transfer from profit or loss account	2,308,737	11,258,738	365,948	6,723,391
Dividend paid during the period (2022: N1.50k, 2021: N0.70k)	(9,000,000)	(4,200,000)	(9,000,000)	(4,200,000)
	<b>21,969,275</b>	<b>28,660,538</b>	<b>4,324,234</b>	<b>12,958,286</b>
<b>32 Fair Value Reserves</b>				
At 1 January	(1,797,356)	(888,394)	133,702	66,692
<b>Arising during the period:</b>				
Fair valuation on items that will not be subsequently reclassified to profit or loss (note 32.1)	(721,981)	(595,244)	(38,918)	-
Fair valuation on items that will be subsequently reclassified to profit or loss (note 32.2)	715,652	(313,717)	-	67,010
	<b>(1,803,685)</b>	<b>(1,797,356)</b>	<b>94,784</b>	<b>133,702</b>
<b>32.1 Fair valuation on items that will not be subsequently reclassified to profit or loss</b>				
Net fair value (loss)/gain on investments in quoted equity instruments measured at FVTOCI	(721,981)	(595,244)	(38,918)	-
Net fair value gain/(loss) on investments in unquoted equity instruments measured at FVTOCI	-	-	-	-
	<b>(721,981)</b>	<b>(595,244)</b>	<b>(38,918)</b>	<b>-</b>
<b>32.2 Fair valuation on items that may be subsequently reclassified to profit or loss</b>				
Net fair value (loss)/gain on investments in other financial instruments measured at FVTOCI	715,652	(313,717)	-	67,010
	<b>715,652</b>	<b>(313,717)</b>	<b>-</b>	<b>67,010</b>





## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

**33 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.

**33.1 Identity of related parties**

	Relationship	%
United Capital Asset Management Limited	Subsidiary	100
United Capital Trustees Limited	Subsidiary	100
United Capital Securities Limited	Subsidiary	100
UC Plus Advance Limited	Subsidiary	100
United Capital Management Limited Ghana	Subsidiary	100
Heirs Insurance Limited	Associate	25
Heirs Life Assurance Limited	Associate	25

**33.2 Key management personnel**

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

	Group		Company	
	31 March 2022 =N='000	31 March 2021 =N='000	31 March 2022 =N='000	31 March 2021 =N='000
<b>33.3 Other information on key management personnel</b>				
<b>Emoluments:</b>				
Chairman	1,827	1,827	438	438
Other Directors	8,852	8,852	2,477	2,477
	<b>10,679</b>	<b>10,679</b>	<b>2,915</b>	<b>2,915</b>
Fees	5,075	5,075	1,375	1,375
Other emoluments	5,604	5,604	1,540	1,540
	<b>10,679</b>	<b>10,679</b>	<b>2,915</b>	<b>2,915</b>
The total number of Directors were:	11	11	11	11

**33.4** The number of persons employed (excluding directors) in the company during the period was as follows:

	103	103	11	11
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**33.5** The table below shows the number of employees of the company that earned over N1,000,000.00 in the period and which fell within the bands stated below:

	31 March 2022	31 March 2021	31 March 2022	31 March 2021
N2,000,000 - N5,999,999	60	57	4	4
N6,000,000 - N7,999,999	15	12	2	2
N8,000,000 - N9,999,999	12	10	2	2
N10,000,000 and above	16	15	3	2
	<b>103</b>	<b>94</b>	<b>11</b>	<b>10</b>

**33.6 Transactions with related companies**

The following are the transactions and balances arising from dealings with subsidiaries of United Capital Group during the period.

	31 March 2022	31 December 2021
<b>Placements</b>		
United Capital Asset Management Limited	580,826	580,826
United Capital Trustees Ltd	1,541,966	1,541,966
UC Plus Advance Ltd	542,996	542,996
	<b>2,665,788</b>	<b>2,665,788</b>
<b>Account receivables</b>		
United Capital Asset Management Limited	1,348,735	1,348,735
United Capital Securities Limited	236,822	236,822
UC Plus Advance Limited	72,862	72,862
	<b>1,658,419</b>	<b>1,658,419</b>
<b>Account payable</b>		
United Capital Trustees Limited	113,799	113,799
United Capital Asset Management Limited	-	-
	<b>113,799</b>	<b>113,799</b>
<b>Borrowings</b>		
United Capital Asset Management Ltd	4,137,788	4,372,310
	<b>4,137,788</b>	<b>4,372,310</b>
<b>Interest expense</b>		
United Capital Trustees Limited	-	-
United Capital Asset Management Limited	65,741	262,966
	<b>65,741</b>	<b>262,966</b>
<b>Interest income</b>		
United Capital Asset Management Ltd	6,500	26,000
United Capital Trustees Ltd	10,314	41,254
UC Plus Advance Ltd	983	3,934
	<b>17,797</b>	<b>71,188</b>

**34 Operating Segments**

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 these business segments and resources are allocated accordingly.

**Geographical segments**

The Group operates in the following geographical regions:

- Nigeria:** This comprise the Head office in Lagos and regional offices in all geo-political zones
- Ghana:** The Group operates in Ghana under the name United Capital Management Limited

**Business segments**

**Investment Banking:** This business segment engage in the business of investment banking and provides issuing house, corporate investment advisory services, project finance, debt restructuring, mergers & acquisitions and debt capital markets

**Asset Management:** The principal activities of this business segment is to carry out the business of fund/portfolio manager and investment adviser.

**Wealth Management:** The principal activities of this business segment is to carry out wealth management activities that caters to institutions and High Net Worth clients.

**Trustees:** The principal activity of the Company is the provision of a wide range of quality trusteeship services tailored to meet the varying needs of its customers, such as debenture trust, bond trusteeship, trustees to collective investment scheme, private trusts and security trusts.

**Securities Trading:** The principal activity of the Company is the provision of a wide range of quality stockbroking services tailored to meet the varying needs of its customers.

**Consumer Finance:** The principal activity of this business segment is to carry out consumer lending and engage in financing of micro, small and medium scale enterprises under the license of the Lagos State Government.

**34.1 Summarised statement of consolidating segments**

	Investment banking	Asset Management	Ucap Investment Wealth Management	Trustees	Securities trading	Consumer finance	Eliminating items	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Income statement</b>								
Gross earnings	773,031	1,416,633	277,505	1,040,337	506,026	198,732	-	4,212,263
Personnel expense	(107,179)	(178,487)	(36,290)	(124,924)	(69,077)	(30,743)	-	(546,701)
Other operating expense	(252,183)	(297,623)	(43,177)	(230,363)	(99,228)	(77,554)	-	(1,000,128)
Impairment charge/(writeback)	21,983	(134,068)	-	15,205	(498)	-	-	(97,379)
Total expense	(337,379)	(610,178)	(79,467)	(340,082)	(168,802)	(108,297)	-	(1,644,208)
<b>Operating profit before tax</b>	<b>435,652</b>	<b>806,455</b>	<b>198,038</b>	<b>700,255</b>	<b>337,223</b>	<b>90,435</b>	-	<b>2,568,055</b>
Share of (loss)/profit of associate	-	-	-	-	-	-	119,886	119,886
<b>Profit before tax</b>	<b>435,652</b>	<b>806,455</b>	<b>198,038</b>	<b>700,255</b>	<b>337,223</b>	<b>90,435</b>	<b>119,886</b>	<b>2,687,940</b>
Taxation	(69,704)	(129,033)	-	(112,041)	(53,956)	(14,470)	-	(379,204)
<b>Profit after tax</b>	<b>365,947</b>	<b>677,422</b>	<b>198,038</b>	<b>588,214</b>	<b>283,267</b>	<b>75,965</b>	<b>119,886</b>	<b>2,308,736</b>
<b>Financial position</b>								
Total assets	120,791,810	255,178,668	98,416,038	84,791,543	3,083,907	1,093,856	(99,424,747)	463,931,075
Total liabilities	112,689,181	249,120,010	98,218,000	77,540,622	938,131	685,220	(99,084,216)	440,106,948
Shareholders' fund	8,102,629	6,058,657	198,038	7,250,922	2,145,777	408,636	(340,534)	23,824,124

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS****35 Events after reporting period**

The Directors are of the opinion that no event or transaction has occurred since the reporting date which would have had a material effect on the financial statement as at that date.

**36 Contingent liabilities**

The Group had no contingent liabilities during the period and no provision was made in financial statements during the period under review

**37 Capital/financial commitments**

The directors are of the opinion that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into account in the preparation of the financial statements. There are no commitments for capital expenditure authorised by the Directors which has not been provided for in the financial statements as at 31 March 2022.

**38 Contraventions**

The Group incurred no fines during the period under review (2021: N3m). The penalty in 2021 was incurred by the Asset Management subsidiary in relation to delay in updating Director's details with Securities and Exchange Commission.

**39 Securities Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) United Capital Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the policy during the period.

**40 Litigation and claims**

The Group is involved in cases with claims amounting to N152m (2021: N152m). Directors are of the opinion that the possibility of an outflow of resources embodying economic benefit is remote and as such no provision is required.

**41 Impact of COVID 19**

Since early 2020, the Coronavirus disease (COVID-19) outbreak across China and beyond has caused significant disruption to the society, impacting the business operations, employees and customers. It is an evolving situation that the Group is monitoring closely, and any impact will depend on future developments. The Group is unable to reliably estimate the future impact of covid-19, however, we are constantly monitoring and adapting to the current realities. During the lockdown of the country due to the virus, the Group was able to minimize the impact on operations by triggering the Business Continuity Plan; part of which is working remotely as well as reaching out to customers through our online platforms (InvestNow) and as a result of this, transactions are being executed successfully.

As a Group, we continued to remain nimble and focused as we tapped into the opportunities this pandemic presented whilst we increased our risk management focus to ensure we are not significantly impacted by all the hazards that Covid-19 presented in 2021.

Going into Q1 2022 there seemed to be a resurgence of the pandemic in China which has led to another round of economic shutdown in some parts of China. We are monitoring these events even as we continue to strengthen our risk management apparatus and commitment to ensuring business continuity.

We can confidently report that the Group has not been adversely impacted by the resurgence of the pandemic in China and this is displayed by the impressive performance recorded in Q1 2022 performance. The Group is however not resting on the current performance recorded. The Group shall continue to ensure all necessary precautions and national as well as global guidelines with respect to Covid-19 are adhered to as we go into the remaining quarters of the year.

## Other Financial Information

## VALUE ADDED STATEMENT

For The Period Ended 31 March 2022

	Group				Company			
	2022		2021		2022		2021	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	4,212,263		3,119,767		773,031		719,566	
Share of (loss)/profit in associates	119,886		-		-		-	
Operating expenses: Local	(924,858)		(576,326)		(186,657)		(63,707)	
<b>VALUE ADDED</b>	<b>3,407,291</b>	<b>100%</b>	<b>2,543,441</b>	<b>100%</b>	<b>586,374</b>	<b>100%</b>	<b>655,859</b>	<b>100%</b>
<b>Applied as follows:</b>								
<b>To pay employees:</b>								
Salaries and other benefits	546,701	16%	421,220	17%	107,179	18%	98,077	15%
<b>To pay Government:</b>								
Taxes	379,204	11%	315,950	12%	69,704	12%	79,297	12%
<b>Retained for future replacement of assets and expansion of business:</b>								
- Deferred tax	-	0%	-	0%	-	0%	-	0%
- Depreciation	49,239	1%	42,770	2%	40,601	7%	31,992	5%
- Amortisation	26,030	1%	30,688	1.2%	24,925	4%	30,183	4.6%
- Impairment loss	97,379	3%	74,177	3%	(21,983)	-4%	-	0%
- Retained profit for the year	2,308,737	68%	1,658,636	65%	365,948	62%	416,309	63%
	<b>3,407,291</b>	<b>100%</b>	<b>2,543,441</b>	<b>100%</b>	<b>586,374</b>	<b>100%</b>	<b>655,859</b>	<b>100%</b>

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

## Other Financial Information

Unaudited Consolidated and Separate Financial Statements  
31 March 2022

## 5 Year Financial Summary - Group

	December 2021 =N=' 000	December 2020 =N=' 000	December 2019 =N=' 000	December 2018 =N=' 000	December 2017 =N=' 000
<b>ASSETS</b>					
Cash and cash equivalents	113,295,733	53,661,848	43,420,443	30,132,099	35,186,157
Investment in financial assets	312,487,592	363,647,252	145,148,841	94,142,345	88,182,725
Trade and other receivables	32,709,752	30,919,246	28,472,742	25,528,546	24,545,883
Rights of use assets	195,343	212,819	283,694	312	-
Intangible assets	70,041	78,595	42,015	43,771	14,993
Investments in associates	4,413,473	4,293,587	4,500,000	-	-
Property and equipment	446,385	471,852	565,824	357,118	301,351
Deferred tax assets	312,755	312,755	314,736	260,184	465,955
<b>TOTAL ASSETS</b>	<b>463,931,073</b>	<b>453,597,954</b>	<b>222,748,295</b>	<b>150,464,375</b>	<b>148,697,064</b>
<b>LIABILITIES</b>					
Managed Funds	320,586,316	327,249,024	116,019,077	72,379,297	75,685,719
Borrowed funds	93,235,930	79,691,116	72,661,645	50,876,737	49,163,296
Other liabilities	24,003,029	14,225,310	7,683,308	5,400,633	4,846,405
Current tax liabilities	2,174,098	1,803,211	1,830,812	1,569,828	1,923,707
Deferred tax liabilities	82,500	82,500	126,974	652,041	1,243,930
<b>TOTAL LIABILITIES</b>	<b>440,081,873</b>	<b>423,051,160</b>	<b>198,321,816</b>	<b>130,878,536</b>	<b>132,863,057</b>
<b>EQUITY</b>					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	21,969,275	28,660,538	21,601,800	16,790,622	13,817,203
Other reserves	(1,803,685)	(1,797,356)	(858,932)	(888,394)	(1,666,807)
<b>SHAREHOLDER'S FUND</b>	<b>23,849,202</b>	<b>30,546,794</b>	<b>24,426,479</b>	<b>19,585,839</b>	<b>15,834,007</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>463,931,075</b>	<b>453,597,954</b>	<b>222,748,295</b>	<b>150,464,375</b>	<b>148,697,064</b>

## Other Financial Information

 Unaudited Consolidated and Separate Financial Statements  
 31 March 2022

## 5 Year Financial Summary - Company

	December 2021 =N=' 000	December 2020 =N=' 000	December 2020 =N=' 000	December 2019 =N=' 000	December 2018 =N=' 000
<b>ASSETS</b>					
Cash and cash equivalents	27,440,202	6,951,413	12,196,469	2,401,282	2,125,972
Investment in financial assets	57,196,418	58,599,896	40,456,026	35,071,034	33,335,015
Trade and other receivables	30,108,988	29,889,598	27,476,909	24,558,776	24,116,058
Dividend receivable from subsidiaries	-	4,828,500	3,670,000	2,520,000	1,711,111
Rights of use assets	195,343	212,819	283,694	312	-
Intangible assets	60,703	68,151	39,032	38,768	7,970
Investments in subsidiaries	901,000	901,000	901,000	901,000	900,000
Investments in associates	4,500,000	4,500,000	4,500,000	-	-
Property and equipment	389,156	414,185	487,457	269,384	227,207
Deferred tax	-	-	-	-	134,039
<b>TOTAL ASSETS</b>	<b>120,791,809</b>	<b>106,365,562</b>	<b>90,010,587</b>	<b>65,760,556</b>	<b>62,557,372</b>
<b>LIABILITIES</b>					
Borrowed funds	92,890,412	83,717,908	72,432,512	50,876,737	49,163,296
Other liabilities	18,996,999	5,139,989	2,261,913	2,213,132	1,589,507
Current tax liabilities	719,270	649,566	1,012,778	729,230	1,068,504
Deferred tax liabilities	82,500	82,500	113,701	343,324	186,906
<b>TOTAL LIABILITIES</b>	<b>112,689,181</b>	<b>89,589,963</b>	<b>75,820,904</b>	<b>54,162,423</b>	<b>52,008,213</b>
<b>EQUITY</b>					
Share capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	683,611	683,611	683,611	683,611	683,611
Retained earnings	4,324,234	12,958,286	10,434,895	7,847,830	6,811,757
Other reserves	94,784	133,702	71,177	66,692	53,791
<b>SHAREHOLDER'S FUND</b>	<b>8,102,629</b>	<b>16,775,599</b>	<b>14,189,683</b>	<b>11,598,133</b>	<b>10,549,159</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>120,791,810</b>	<b>106,365,562</b>	<b>90,010,587</b>	<b>65,760,556</b>	<b>62,557,372</b>

Unaudited Consolidated and Separate Financial Statements  
 31 March 2022

**5 Year Financial Summary - Group**

	<b>Q1 2022 =N=' 000</b>	<b>Q1 2021 =N=' 000</b>	<b>FY 2020 =N=' 000</b>	<b>FY 2019 =N=' 000</b>	<b>FY 2018 =N=' 000</b>
Gross earnings	4,212,263	3,119,767	12,873,897	8,591,929	9,259,398
Gross operating expenses	(1,644,208)	(1,145,181)	(4,926,227)	(3,642,209)	(3,038,151)
<b>Operating profit before income tax</b>	<b>2,568,056</b>	<b>1,974,585</b>	<b>7,947,670</b>	<b>4,949,720</b>	<b>6,221,247</b>
Share of (loss)/profit in associate companies	119,886	-	-	-	-
<b>Profit before income tax</b>	<b>2,687,941</b>	<b>1,974,585</b>	<b>7,947,670</b>	<b>4,949,720</b>	<b>6,221,247</b>
Income tax write back/(expense)	(379,204)	(315,950)	(136,492)	23,699	(1,883,257)
<b>Profit for the year from continuing operations</b>	<b>2,308,737</b>	<b>1,658,635</b>	<b>7,811,178</b>	<b>4,973,419</b>	<b>4,337,990</b>
<b>Other comprehensive income for the year</b>	<b>(6,329)</b>	<b>(205,815)</b>	<b>29,462</b>	<b>778,413</b>	<b>23,843</b>
<b>Total comprehensive income for the year</b>	<b>2,302,408</b>	<b>1,452,820</b>	<b>7,840,640</b>	<b>5,751,832</b>	<b>4,361,833</b>
<b>Earnings per share-basic (kobo)</b>	<b>154</b>	<b>111</b>	<b>130</b>	<b>83</b>	<b>72</b>

**5 Year Financial Summary - Company**

	<b>Q1 2022 =N=' 000</b>	<b>Q1 2021 =N=' 000</b>	<b>FY 2020 =N=' 000</b>	<b>FY 2019 =N=' 000</b>	<b>FY 2018 =N=' 000</b>
Gross earnings	773,031	719,566	7,560,671	4,930,671	3,988,933
Gross operating expenses	(337,379)	(223,960)	(1,733,601)	(1,494,323)	(696,434)
<b>Operating profit before income tax</b>	<b>435,652</b>	<b>495,606</b>	<b>5,827,070</b>	<b>3,436,348</b>	<b>3,292,499</b>
Share of (loss)/profit in associate companies	-	-	-	-	-
<b>Profit before income tax</b>	<b>435,652</b>	<b>495,606</b>	<b>5,827,070</b>	<b>3,436,348</b>	<b>3,292,499</b>
Income tax expense	(69,704)	(79,297)	(240,006)	(400,275)	(588,796)
<b>Profit for the year from continuing operations</b>	<b>365,947</b>	<b>416,309</b>	<b>5,587,064</b>	<b>3,036,073</b>	<b>2,703,703</b>
<b>Other comprehensive income for the year</b>	<b>(38,918)</b>	<b>(82,432)</b>	<b>4,485</b>	<b>12,901</b>	<b>(17,470)</b>
<b>Total comprehensive income for the year</b>	<b>327,029</b>	<b>333,877</b>	<b>5,591,549</b>	<b>3,048,974</b>	<b>2,686,233</b>
<b>Earnings per share-basic (kobo)</b>	<b>24</b>	<b>28</b>	<b>93</b>	<b>51</b>	<b>45</b>