FBNQUEST ASSET MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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FBNQUEST ASSET MANAGEMENT LIMITED

CORPORATE INFORMATION

Business Office
16-18, Keffi street
Off Awolowo road
Ikoyi S W
Lagos
Tel: 234 (1) 2798300, 234 (1) 270 7180 – 9

Banker
First Bank of Nigeria Plc
Samuel Asabia House
35 Marina
P.O. Box 5216,
Lagos,
Nigeria.

Auditor
KPMG Professional Services Limited
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island 100272, Lagos

TIN: 17769405-0001

DIRECTORS' REPORT

The directors present their report on the affairs of FBNQuest Asset Management Limited ("the Company") together with the audited financial statements and the auditor's report for the year ended 31 December 2021.

(a) Legal form

The Company is a private limited liability company and commenced operations on 1 January 2013. It is registered with the Securities and Exchange Commission (SEC) to undertake asset management business.

(b) Principal activity

The Company is engaged in the business of providing asset management services. These services are provided to both institutional and private investors. Commissions and fees earned in respect of management activities performed are included in the Statement of comprehensive income. Assets managed and funds administered on behalf of third parties include:

	31 December 2021 N'000	31 December 2020 N'000
FBN Mutual Funds	211,807,505	251,107,997
Discretionary Portfolio Managed Service	198,284,435	173,724,212
Total	410,091,941	424,832,210

(c) Operating results

Highlights of the Company's operating results for the period are as follows:

	31 December 2021 N'000	31 December 2020 N'000
Gross earnings	6,113,372	5,010,998
Profit before taxation	2,846,058	2,295,546
Taxation	(982,550)	(692,404)
Profit after taxation	1,863,509	1,603,141

(d) Directors and their interests

The Directors who served during the period and up to the date of this report are as follows:

Mr. Kayode Akinkugbe	Chairman
Mr. Ike Onyia	Managing Director/ CEO
Mr. Fetuga Babajide	Director
Mrs. Dosunmu Adetoun	Director

The directors are representatives of the parent company, FBNQuest Merchant Bank Limited, and have no direct or indirect holdings in the Company required to be disclosed under section 275 of the Companies and Allied Matter Act (CAMA) 2020.

(e) Directors' interests in contracts

For the purpose of section 277 of the Companies and Allied Matters Act 2020, none of the directors had direct or indirect interests in contracts or proposed contracts with the Company during the period.

(f) Property and equipment

Information relating to changes in property and equipment is given in Note 12 to the financial statements. In the directors' opinion, the realisable value of the company's properties is not less than the value shown in the financial statements.

(g) Shareholding analysis

The shareholding pattern of the Company as at 31 December 2021 is as stated below:

Share range	Entity	Number of holders	Units	Units %
10,000,001 - 500,000,000	FBNQuest Merchant Bank Ltd	1	150,000,000	100

DIRECTORS' REPORT

(h) Events after reporting period

The Finance Act was signed into Law on 31 December, 2021, with an effective date of 1 January, 2022. The signing into law of the Finance bill on 31 December 2021 qualifies as an adjusting event as the bill had been in existence at the end of the financial year. In view of this development, the Company has reviewed the provisions of the Act and have made appropriate adjustments to the financial estimates disclosed in the Financial statement in line with the relevant provisions of the Finance Act.

(i) Human resources

Health, safety and welfare at work

The company places a high premium on the health, safety and welfare of its employees in their place of work. Medical facilities are provided for employees and their immediate families at the company's expense, up to stated limits.

Employment of disabled persons

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

Employee consultation and training

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

(j) Donations and charitable gifts

The company made no contributions to charitable and non-political organisations (31 December 2020: Nil) during the period then ended.

(k) Auditors

In accordance with Section 401 (1) of the Companies and Allied Matters Act (CAMA), 2020, a new auditor, Messrs. KPMG Professional Services was appointed at the Annual General Meeting and a resolution was proposed to authorize the Directors to determine their remuneration.

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditor to the Company. In accordance with Section 401 (2) of the Companies and Allied Matters Act (CAMA) 2020, therefore, the auditor will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD

Emamuzo Idegbesor
Company Secretary
FRC/2021/002/00000023925
16 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Kayode Akinkugbe
Chairman
FRC/2013/IODN/00000003063
16 March 2022

Ike Onyia
Managing Director/ CEO
FRC/2017/IODN/00000017672
16 March 2022

FBNQUEST ASSET MANAGEMENT LIMITED

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

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief Financial Officer, hereby certify the financial statements of the (name of the Company) for the year ended 31 December 2021 as follows:

(a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2021.

(b) That the 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.

(c) That the 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 year ended 31 December 2021.

(d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to us by other officers of the companies, during the period end 31 December 2021

(e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date.

(f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.

(g) That we have disclosed the following information to the Company's Auditors and the Board:

(i) there are no 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 have identified for the Company's auditors any material weaknesses in internal controls, and

(ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control

Olamide Adeosun
Group Chief Financial Officer
FRC/2020/001/00000022332
16 March 2022

Ike Onyia
Managing Director/ CEO
FRC/2017/IODN/00000017672
16 March 2022

KPMG

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FBNQuest Asset Management Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FBNQuest Asset Management Limited (the Company), which comprise:

- the statement of financial position as at 31 December, 2021;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company as at and for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 March 2021.

Other Information
The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Statement of Director's Responsibilities, Statement of Corporate Responsibility and Other National Disclosures ,but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Statements
The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of 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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books .
iii. The Company’s statement of financial position and statement of comprehensive income are in agreement with the books of account.

Oseme J. Obaloje
FRC/2013/ICAN/00000004803
For: KPMG Professional Services
Chartered Accountants
30 March 2022
Lagos, Nigeria

FBNQUEST ASSET MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECMBER 2021

	Note	31 December 2021 N '000	31 December 2020 N '000
Fees and comission	4	4,892,954	4,236,558
Interest income	5	336,985	149,790
Other income	6	883,433	624,650
		6,113,372	**5,010,998**
Operating expenses	7.1	3,267,314	2,715,452
		3,267,314	**2,715,452**
PROFIT BEFORE TAX		**2,846,058**	**2,295,546**
Taxation	9	(982,550)	(692,404)
PROFIT AFTER TAX		**1,863,508**	**1,603,141**
Other comprehensive profit:			
Items that may be subsequently reclassified to profit or loss:			
- Fair value gain/(loss) on financial assets at fair value through OCI		(23,978)	72,349
OTHER COMPREHENSIVE INCOME NET OF TAX		**(23,978)**	**72,349**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,839,530**	**1,675,490**

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

FBNQUEST ASSET MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 December 2021 N '000	31 December 2020 N '000
ASSETS			
Cash and cash equivalents	10	2,499,132	2,379,804
Financial assets at:			
Fair value through profit or loss	11.1	1,295,992	444,821
Fair value through other comprehensive income	11.2	1,281,938	1,293,933
Amortised cost	11.3	2,203,804	2,335,852
Property & equipment	12	101,547	41,304
Intangible assets	13	210,163	3,680
TOTAL ASSETS		**7,592,576**	**6,499,394**
LIABILITIES			
Accruals and other liabilities	14	2,195,967	2,193,592
Current Tax liabilities	15	934,481	680,478
Deferred tax liability	15.1	199,248	101,969
TOTAL LIABILITIES		**3,329,696**	**2,976,039**
EQUITY			
Share capital	16	150,000	150,000
Retained earnings	16.1	4,031,048	3,267,546
Fair value reserve	16.2	81,831	105,809
TOTAL EQUITY		**4,262,879**	**3,523,355**
TOTAL EQUITY & LIABILITIES		**7,592,576**	**6,499,394**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr Kayode Akinkugbe
FRC/2013/IODN/00000003063
Chairman

Mr Ike Onyia
FRC/2017/IODN/00000017672
Managing Director/ CEO

Olamide Adeosun
FRC/2020/001/00000022332
Group Chief Financial Officer

Approved by the Board of Directors on 16 March 2022

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

FBNQUEST ASSET MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECMBER 2021

	Share capital	Fair value reserves	Retained earnings	Total equity
	N '000	N '000	N '000	N '000
Balance at 1 January 2021	**150,000**	**105,809**	**3,267,546**	**3,523,355**
Comprehensive income				
Profit for the year	-		1,863,508	1,863,508
Other comprehensive income				
Fair value gain on revaluation of financial assets at fair value through OCI	-	(23,978)	-	(23,978)
Transaction with owner:				
Dividend payable (Note 18)	-	-	(1,100,000)	(1,100,000)
At 31 December 2021	**150,000**	**81,831**	**4,031,054**	**4,262,885**

	Share capital	Fair value reserves	Retained earnings	Total equity
	N '000	N '000	N '000	N '000
Balance at 1 January 2020	**150,000**	**33,460**	**2,268,405**	**2,451,865**
Comprehensive income				-
Profit for the year	-	-	1,603,141	1,603,141
Other comprehensive income				
Fair value reserve reclassified to retained earnings	-	72,349	-	72,349
Transaction with owner:				
Dividend payable (Note 18)	-	-	(604,000)	**(604,000)**
At 31 December 2020	**150,000**	**105,809**	**3,267,546**	**3,523,355**

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

FBNQUEST ASSET MANAGEMENT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECMBER 2021

	Note	31 December 2021 N '000	31 December 2020 N '000
Cash flows from operating activities			
Profit before income tax		2,846,058	2,295,545
Adjustment for:			
Interest income	5	(336,985)	(149,789)
Foreign exchange gain	6	(93,333)	(63,412)
Depreciation & Amortisation	7	39,154	29,535
Fair value gains on FVTPL	6	(23,582)	(79,031)
		2,431,311	2,032,848
Change in operating assets and liabilities:			
Increase in financial asset at amortised cost	11	132,047	(1,018,813)
Increase in trade and other payables	14	606,375	324,606
Net interest received	11.3b	322,007	259,501
Income taxes paid	15	(61,472)	(574,567)
Net cash generated from operating activities		3,430,269	1,023,574
Cash flows from investing activities			
Purchase of investment securities	11.2	(2,599,849)	(1,571,934)
Purchase of Property and Equipment	12	(89,856)	(19,701)
Intangible assets	13	(17,237)	-
Net cash used in investing activities		(2,706,941)	(1,591,635)
Cash flows from financing activities			
Dividend paid	18	(604,000)	-
Net cash used in financing activities		(604,000)	-
Net increase in cash and cash equivalents		119,328	(568,060)
Cash and cash equivalents at start of year		2,379,804	2,947,864
Cash and cash equivalents at end of the year	10	**2,499,132**	**2,379,804**

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

1 General information

FBNQuest Asset Management Limited (formerly FBN Capital Asset Management Limited) (herein known as 'the Company') was incorporated in Nigeria on 9 September 2011 and was registered with the Securities and Exchange Commission ("SEC") on 29 June 2012. The Company commenced operations on 1st January 2013. The Company is domiciled in Nigeria and the address of its registered office is 18, Keffi Street, Ikoyi, Lagos, Nigeria. FBNQuest Asset Management Limited is a subsidiary of FBNQuest Merchant Bank Limited.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

These financial statements are the stand alone financial statements of FBNQuest Asset Management Limited.

The financial statements for the year ended 31 December 2021 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 in accordance with the going concern principle under the historical cost convention, as modified by the valuation of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. The financial statements are presented in Nigerian currency (Naira) and rounded to the nearest thousand.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. There were no material changes in management's estimates during the period.

The Company classifies its expenses by the nature of expense method.

2.1.2 Changes in accounting policy and disclosure

(a) Amendments effective 1 January 2021

Amendments to IFRS 9,4,7,16 and IAS 39 : Interest Rate benchmark reform
This amendment addresses issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes in contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:
-changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and
-hedge accounting.

(b) Standards issued/amended but not yet effective

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any of these standards.

Standard	Effective Date	Key Requirements
IAS 16- Amendment to IAS 16 Property, Plant and Equipment	01-Jan-22	This amendment prohibits a company from deducting from the cost of property, plant and equipment, amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. • Onerous Contracts – Cost of Fulfilling a Contract(Amendments to IAS 37) • Annual Improvements to IFRS Standards 2018-2020 • Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) • Reference to the Conceptual Framework (Amendments to IFRS 3) The amendment is not expected to have any impact on the company.
IAS 1 Amendment to IAS Presentation of Financial Statements	01-Jan-23	In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendment clarifies: • What is meant by a right to defer settlement. • That a right to defer must exist at the end of the reporting period. • That classification is unaffected by the likelihood that an entity will exercise its deferral right. • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
IFRS 17 Insurance Contracts	01-Jan-23	The IASB issued IFRS 17 in May 2017 . The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. IFRS 17 Insurance Contracts, including amendments Initial application of IFRS 17 and IFRS 9 – Comparative Information This standard does not impact the company as the company does not engage in insurance businesses.

2.2 Foreign currency translation

(a) Functional and presentation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Naira (N), which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions that are denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. If several exchange rates are available, the forward rate is used at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.3 Revenue

Management fees

This revenue stream arises from contracts with customers on Fund management services from Funds registered under the Collective Investment Scheme (CIS) of the Securities and Exchange Commission (SEC) or Discretionary portfolios:

Collective Investment Scheme: Management fees on Funds are agreed in the Trust deed is approved by the Fund's Trustees and the SEC. Any change to the fee must be through an update to the Trust Deed.

Discretionary Portfolio: The management fees are pre-agreed with client in an executed contract document.

Management fees are recognised based on performance obligations met.

Performance fees

This revenue stream arises from contracts with customers. This represents fees charged on some Funds based on attainment of pre-agreed return/ yield on the portfolio.

The rate to be charged are agreed either in trust deed or specific contract documents on discretionary portfolio.

Performance fees are recognised based on performance obligations met.

Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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

2.4 Financial assets and liabilities

2.4.1 Financial assets

(i) Recognition and initial measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instrument. The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a liability or an equity instrument in accordance with the substance of the contractual arrangement. Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Business model assessment

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

• How the economic activities of our business generates benefits, for example through trading revenue, enhancing yields or other costs and how such economic activities are evaluated and reported to key management personnel;

• The significant risks affecting the performance of our business, for example, market risk, credit risk, or other risks and the activities undertaken to manage those risks; and

• Historical and future expectations of securities portfolios managed as part of a business model.

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

• Hold-to-Collect (HTC): The objective of this business model is to hold loans and securities to collect contractual principal and interest cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.

• Hold-to-Collect-and-Sell (HTC&S): Both collecting contractual cash flows and sales are integral to achieving the objective of the business model.

• Other fair value business models: These business models are neither HTC nor HTC&S, and primarily represent business models where assets are held-for-trading or managed on a fair value basis.

SPPI (Solely Payment of Interest and Principal)assessment:

Instruments held within a HTC or HTC&S business model are assessed to evaluate if their contractual cash flows are comprised of solely payments of principal and interest. SPPI payments are those which would typically be expected from basic placements with financial institution and investments in debt securities. Principal amounts include invested amount, and interest primarily relates to returns on such investment.

Investment securities

Investment securities include all securities classified as FVOCI and amortised cost. All investment securities are initially recorded at fair value and subsequently measured according to the respective classification.

Investment securities carried at amortised cost are measured using the effective interest method, and are presented net of any allowance for credit losses, calculated in accordance with our policy for allowance for credit losses, as described below. Interest income, including the amortization of premiums and discounts on securities measured at amortised cost are recorded in interest income. Impairment gains or losses recognized on amortised cost securities are recorded in Allowance for credit losses. When a debt instrument measured at amortised cost is sold, the difference between the sale proceeds and the amortised cost of the security at the time of the sale is recorded as a net gain/(loss) on Investment securities in Net trading and foreign exchange income.

Debt securities carried at FVOCI are measured at fair value with unrealized gains and losses arising from changes in fair value included in fair value reserve. Impairment gains and losses are included in allowance for credit losses and correspondingly reduce the accumulated changes in fair value included in fair value reserve. When a debt instrument measured at FVOCI is sold, the cumulative gain or loss is reclassified from fair value reserve to net gain/(loss) on Investment securities in net trading and foreign exchange income.

Equity securities carried at FVOCI are measured at fair value. Unrealized gains and losses arising from changes in fair value are recorded in fair value reserve and not subsequently reclassified to profit or loss when realized while unrealised gain or losses on equity securities carried at FVTPL are recorded in the profit or loss. Dividends from FVOCI equity securities are recognized in other operating income.

The company accounts for all securities using settlement date accounting and changes in fair value between the trade date and settlement date are reflected in income for securities measured at FVTPL, and changes in the fair value of securities measured at FVOCI between the trade and settlement dates are recorded in OCI .

Expected credit losses

Expected credit losses (ECL) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Assets subject to impairment assessment include loans, debt securities and accrued interest receivable. These are carried at amortised cost and presented net of ECL on the Statement of Financial Position. ECL on debt securities measured at FVOCI is presented in Fair value reserve in equity.

We measure the ECL at each reporting date according to a three-stage expected credit loss impairment model which is based on changes in credit risk of financial assets since initial recognition:

1) Performing financial assets:

• Stage 1 – From initial recognition of a financial asset to the reporting date, where the asset has not experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date. Interest income is calculated on the gross carrying amount of these financial assets.

• Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognized equal to the credit losses expected over the remaining lifetime of the asset. Interest income is calculated on the gross carrying amount of these financial assets.

2) Impaired financial assets

• Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance is recognized equal to credit losses expected over the remaining lifetime of the asset. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

The ECL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon.

Increases or decreases in the required ECL attributable to purchases and new originations, derecognitions or maturities, and remeasurements due to changes in loss expectations or stage migrations are recorded in Provision for credit losses. Write-offs and recoveries of amounts previously written off are recorded against ECL.

The ECL represents an unbiased estimate of expected credit losses (ECL) on our financial assets as at the balance sheet date. Judgment is required in making assumptions and estimations when calculating the ECL, including movements between the three stages and the application of forward looking information. The underlying assumptions and estimates may result in changes to the provisions from period to period that significantly affect our results of operations.

Measurement of expected credit losses (ECL)

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

An exemption is provided for certain instruments with the following characteristics: (a) the instrument includes both a loan and undrawn commitment component; (b) we have the contractual ability to demand repayment and cancel the undrawn commitment; and (c) our exposure to credit losses is not limited to the contractual notice period. For products in scope of this exemption, the expected life may exceed the remaining contractual life and is the period over which our exposure to credit losses is not mitigated by our normal credit risk management actions. This period varies by product and risk category and is estimated based on our historical experience with similar exposures and consideration of credit risk management actions taken as part of our regular credit review cycle. Products in scope of this exemption include credit cards, overdraft balances and certain revolving lines of credit. Determining the instruments in scope for this exemption and estimating the appropriate remaining life based on our historical experience and credit risk mitigation practices requires significant judgment.

(ii) Derecognition

Financial assets or liabilities are derecognised when the right cash flows from the investments or settlement of obligations have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

2.4.2 Financial liabilities

Classification and subsequent measurement

The company recognizes financial liabilities when it first becomes a party to the contractual rights and obligations in the relevant contracts.

Under IFRS 9, financial liabilities are either classified as financial liabilities at amortised cost or financial liabilities at FVTPL.

The company classifies its financial liabilities as measured at amortised cost.

2.5 Accrued expenses

Accrued expenses are payables to related entities, general office accruals and regulatory bodies. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accrued expenses are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.6 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

The fair value for loans and advances as well as liabilities to customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

2.7 Income tax

(a) Current income tax

Income tax payable/(receivable) is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense/(income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on Fair Value Through OCI investment).

Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the statement of financial position.

The Company does not offset income tax liabilities and current income tax assets.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities and provisions for pensions and other post-retirement benefits. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction.

The tax effects of carry-forwards of unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.8 Employee benefits

Employee benefits/personnel expenses

Short-term employee benefit obligations include wages, salaries and other benefits which the Company has a present obligation to pay, as a result of employees' services provided up to the balance sheet date. The accrual is calculated on an undiscounted basis, using current salary rates. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company 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.

Defined contribution plan -(Pension)

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the Pension Reform Act 2014, the Company operates a defined contribution scheme; employees are entitled to join the scheme on confirmation of their employment. The employee and the Company contribute 8% and 10% of the employee's basic, transport and housing allowances respectively. The Company has no further payment obligations once the contributions have been paid. The employee contributions are funded through payroll deductions while the Company's contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available while unpaid contributions are recognized a liability.

2.9 Share capital

(a) Share issue costs
Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders.

2.10 Interest in structured entities

The Company acts as Fund Manager in the investing of assets on behalf of various individuals and institutions, from which it earns a management fee. The company's interest in these assets and other funds it manages have been disclosed in note 19.

2.11 Intangible assets

Intangible assets comprise computer software licences. Intangible assets are recognised at cost. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life, generally not exceeding 3 years.

The intangible assets of the Company have a definite useful life. At each date of the statement of financial position, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

2.12 Property and equipment

(a) Recognition and measurement
Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

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

(c) Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* .

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

Land	Not depreciated
Freehold buildings	50 years
Motor vehicles	4 years
Furniture and Fittings	5 years
Computer equipment	3 years
Office equipment	5 years
Work in progress	Not depreciated

Work in progress represents costs incurred on assets that are not available for use. On becoming available for use, the related amounts are transferred to the appropriate category of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

2.13 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable either through sale or use. Additionally, assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably.

3 Financial risk management report

The Company’s activities exposes it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk, price risk and currency risk). The Company’s overall risk management programme seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the risk department under policies approved by the board of directors. The risk department identifies and evaluates financial risks in close co-operation with all operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

3.1 Credit Risk

Credit risk is defined as the likelihood that a customer or counterparty is unable to meet the contracted financial obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from debt securities held, other receivables and cash and cash equivalents.

Maximum exposure to credit risk	31 December 2021 N'000	31 December 2020 N'000
Cash and cash equivalents	2,499,132	2,379,804
Financial assets:		
Fair value through profit or loss	1,295,992	444,821
Fair value through OCI	1,281,938	1,293,933
At amortised Cost	2,203,804	2,335,852
	7,280,867	**6,454,408**

3.1.1 Credit quality

The Company's credit quality is summarised as follows:

	31 December 2021 N'000 FVOCI		31 December 2021 N'000 Amortised cost	31 December 2020 N'000 FVOCI	31 December 2020 N'000 Amortised co:
12 months ECL	1,281,938		4,702,936	1,293,933	4,715,656
Lifetime ECL not credit impaired	-		-	-	-
Credit impaired loans	-		-	-	-
Gross	1,281,938	0	4,702,936	1,293,933	4,715,656
Impairment allowance on loans	-		-	-	-
Net	**1,281,938**	**0**	**4,702,936**	**1,293,933**	**4,715,656**

(a) The financial assets in "12 months ECL: Stage 1" are credit losses that may result from default events that are possible within the next 12 months.

(b) The financial assets in the "Lifetime ECL not credit impaired: Stage 2" class are other receivables which apply when a significant increase in credit risk has occurred on an individual or collective basis. The Company has assessed and determined that given the trade payment cycle for assests classified at amortized cost, that the balances are still collectible and that there have been no cases in the past that warrant a classification to this category.

(c) The financial assets in "Credit impaired loans: Stage 3" reflects when credit event has occurred which represents non-performing debt securities and receivables that are deemed irrecoverable. There have been no cases that warrant a classification to this category.

3.1.2 Concentration of risks of financial assets with credit risk exposure

Geographical sectors
All of the Company's activities are domiciled in Nigeria.

3.2 Liquidity risk

Surplus cash held by the Company over and above balance required for working capital management are invested in interest bearing current accounts and short term deposits, choosing instruments with appropriate maturities. At the reporting date, the Company held liquid cash assets of N2.5bn (Dec 2020:N2.38bn) which is expected to readily generate cash inflows for managing liquidity risk.

3.2.1 Liquidity gap analysis

The table below analyses financial assets and liabilities of the Company into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The table includes both principal and interest cash flows.

31 December 2021 (N'000)	Carrying Value	Gross Nominal Amount	Less than 3 months	Between 3 months and 1 year	More than 1 year
Financial assets (expected maturity)					
Cash & cash equivalents	2,499,132	2,525,313	2,525,313	-	-
Fair value through profit or loss	1,295,992	1,295,992	-	-	1,295,992
Fair value through other comprehensive income	1,281,938	1,508,875	-	116,962	1,391,913
Amortised cost	2,203,804	2,203,804	-	2,105,723	98,081
Total	7,280,866	7,533,984	2,525,313	2,222,686	2,785,986
Financial liabilities					
Accrual and other liabilities	2,195,967	2,195,967	1,147,199	1,048,768	-
Total	2,195,967	2,195,967	1,147,199	1,048,768	-
Liquidity gap (assets less liabilities)			1,378,114	1,173,918	2,785,986

31 December 2020 (N'000)	Carrying Value	Gross Nominal Amount	Less than 3 months	Between 3 months and 1 year	More than 1 year
Financial assets (expected maturity)					
Cash & cash equivalents	2,379,804	2,379,804	2,379,804	-	-
Fair value through profit or loss	444,821	444,821	-	-	444,821
Fair value through other comprehensive income	1,293,933	1,293,933	-	-	1,293,933
Amortised cost	2,335,852	2,335,852	-	2,283,312	52,540
Total	6,454,409	6,454,409	2,379,804	2,283,312	1,791,293
Financial liabilities					
Accrual and other liabilities	2,193,592	2,193,592	1,193,828	999,764	-
Total	2,193,592	2,193,592	1,193,828	999,764	-
Liquidity gap (assets less liabilities)			1,185,975	1,283,548	1,791,293

3.3 Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rates, equity prices and commodity prices.

3.3.1 Management of market risk

The Company has put in place a clearly defined market risk management framework that provides the Board of Directors and Management with guidance on market risk management processes. The Company has also prescribed tolerable market related losses, vis-a-vis the quantum of available capital and level of other risk exposures.

The Company's market risk policy and strategy are anchored on the following:

i. product diversification which involves trading, application and investment in a wide range and class of products such as debt, equity, derivative, foreign exchange instruments, corporate securities and government securities;

ii. risk taking within well-defined limits with the sole purpose of creating and enhancing shareholder value and competitive advantage;
iii. effective utilisation of risk capital;
iv. continuous re-evaluation of risk appetite and communication of same through market risk limits;
v. independent market risk management function that reports directly to Management;
vi. robust market risk management infrastructure reinforced by a strong automated system for controlling, monitoring and reporting market risk.
vii. deployment of a variety of tools to monitor and restrict market risk exposures such as position limits, sensitivity analysis, ratio analysis and management action triggers;

The Company maintains Market risk exposures in its traded assets under two main groupings: equities risk and interest rate risk. A robust Market Risk management framework is in place to guide the Company's risk identification, measurement, monitoring and control activities, and to ensure a consistency of approach Company-wide.

3.3.2 Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Company holds fixed interest securities that expose the Company to fair value interest rate risk. Significant flunctuations are not expected as its investments are of short maturities hence less significant variations between the contract date and maturity date.

3.3.3 Interest Sensitivity Analysis -31 December, 2021

Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

	Interest rate risk	
Asset	**100 basis points decline in rates**	**100 basis points increase in rates**
Cash and cash equivalents (short term placements)	(24,991)	24,991
Interest Sensitivity Analysis -31 December 2021		
Asset		
Fair value through other comprehensive income	(12,819)	12,939

3.3.4 Market risk

Market risk is the risk that changes in market prices, such as interest rate, security prices and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

3.3.5 Foreign exchange risk

The Company is exposed to foreign exchange risks due to fluctuations in foreign currency exchange rates on its financial position and cash flows.The following table details the company's sensitivity to a 10% increase and decrease in Naira against the US dollar. Management believes that a 10% movement in either direction is reasonably possible on the Company's portfolio. The sensitivity analyses below include outstanding US dollar denominated financial assets. A positive number indicates an increase in profit where Naira weakens by 10% against the US dollar. For a 10% strengthening of Naira against the US dollar, there would be an equal and opposite impact on profit.

	Notes	31 December 2021	31 December
		N'000	N'000
Exchange gain on foreign currency translations	6	93,333	63,412
Increase of 10%		9,333	6,341
Decrease of 10%		-9,333	-6,341

3.4 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. As at the reporting date, the Company had nil borrowing. The Company monitors its gearing continually.

3.5 Critical judgements and significant estimates

'The Company makes estimates and assumptions concerning the future. The resulting accounting, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) Fair value of securities not quoted in an active market
The fair value of such securities not quoted in an active market may be determined by the company using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. The company would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the company may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily earning multiples and discounted cash flows.

The company does not sponsor any of the structured entities and there are no guarantees or commitments.

3.6 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

	31 December 2021		31 December 2020	
Financial assets	**Carrying value N'000**	**Fair value N'000**	**Carrying value N'000**	**Fair value N'000**
Cash and cash equivalents	2,499,132	2,499,132	2,379,804	2,379,804
Financial Assets at Amortised Cost	2,203,804	2,203,804	2,335,852	2,335,852
Total assets	**4,702,936**	**4,702,936**	**4,715,656**	**4,715,656**

	31 December 2021		31 December 2020	
Financial liabilities	**Carrying value N'000**	**Fair value N'000**	**Carrying value N'000**	**Fair value N'000**
Accruals and other liabilities	2,195,967	2,195,967	2,193,592	2,193,592
Total liabilities	**2,195,967**	**2,195,967**	**2,193,592**	**2,193,592**

The table below sets out the fair values of financial instruments not carried at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

At 31 December 2021	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
Financial assets				
Cash and cash equivalents	-	2,499,132	-	2,499,132
Financial Assets at Amortised Cost	-	-	2,203,804	2,203,804
Totals	-	2,499,132	2,203,804	4,702,936
Financial liabilities				
Accrual and other liabilities	-	-	2,195,967	2,195,967
Totals	-	-	2,195,967	2,195,967

At 31 December 2020	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
Assets				
Cash and cash equivalents	-	2,379,804	-	2,379,804
Amortised cost	-	-	2,335,852	-
Totals	-	2,379,804	2,335,852	2,379,804
Liabilities				
Accrual and other liabilities	-	-	2,193,592	-
Totals	-	-	2,193,592	-

Below are the assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the company's financial statements. These fair values were calculated for disclosure purposes only.

(i) *Cash & cash equivalents*

Cash and cash equivalents represent cash and short term placements held with various banks. The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

(ii) *Amortised cost*

The classification represents short term receivables from third parties, therefore the fair value of these balances approximates their carrying amounts.

(iii) *Accrual and other liabilities*

The carrying amount of financial liabilities in other liabilities is a reasonable approximation of fair value.

(b) Financial instruments measured at fair value

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2021

	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit or loss			
- Mutual Funds	-	1,295,992	-
Financial assets at fair value through other comprehensive income			
- Eurobonds	1,281,938	-	-
Total assets	1,281,938	1,295,992	-

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2020.

	Level 1	Level 2	Level 3
Assets			
- Mutual Funds		444,821	-
Financial assets at fair value through other comprehensive income			
- Eurobonds	1,293,933	-	-
Total assets	1,293,933	444,821	-

- Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Federal Government bonds and Treasury bills classified as available for sale.

- Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, unquoted equities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 - classified as available for sale.

- Financial instruments in level 3

This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (observable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

Financial assets and liabilities

Financial assets and liabilities are recognised in the statement of financial position and measured in accordance with their assigned category. The Company uses settlement date accounting for regular way contracts when recording financial asset transactions.

The Company classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The Company allocates financial assets to the following categories: amortised cost and fair value through other comprehensive income. Management determines the classification of its financial instruments at initial recognition. The classification made can be seen below:

	Financial assets		
31 December 2021	**FVTPL**	**FVTOCI**	**Amortised Cost**
	N'000	**N'000**	**N'000**
Cash and cash equivalents	-	-	2,499,132
Investment securities	1,295,992	1,281,938	-
Financial assets at amortised cost	-	-	2,203,804
	1,295,992	**1,281,938**	**4,702,936**
31 December 2020	**FVTPL**	**FVTOCI**	**Amortised Cost**
	N'000	**N'000**	**N'000**
Cash and cash equivalents	-		2,379,804
Investment securities	444,821	1,293,933	-
Financial assets at amortised cost	-	-	2,335,852
	444,821	**1,293,933**	**4,715,656**

	Financial liabilities			
	31 December 2021		31 December 2020	
	Financial liabilities at fair value through profit or loss	**Financial liabilities at amortised cost**	**Financial liabilities at fair value through profit or loss**	**Financial liabilities at amortised cost**
	N'000	**N'000**	**N'000**	**N'000**
Accrual and other liabilities	-	2,195,967	-	2,193,592
	-	**2,195,967**	**-**	**2,193,592**

4 Fees and commission

	31 December 2021 N'000	31 December 2020 N'000
Fee income comprises:		
Management fees	4,892,954	4,236,558
Performance fees	-	-
	4,892,954	4,236,558

Increase in management fees largely relates to increase in Assets Under Management (AUM) under the DPMS Portfolios from N173.7bn in December 2020 to N198.3bn as at 31 December 2021.

5 Interest income

	31 December 2021 N'000	31 December N'000
Interest on placements	220,692	85,035
Interest on treasury bills	-	-
Interest on bonds	107,891	55,113
Interest income on staff loans	8,402	9,641
	336,985	149,790

6 Other income

	31 December 2021 N'000	31 December 2020 N'000
Exchange gain on foreign currency translations	93,333	63,412
Other investment income	702,255	481,718
Gain/Loss on FVTPL Investments	23,582	79,031
Sundry Income	64,263	489
	883,433	624,650

7 Operating expenses

7.1 Expenses by nature

		31 December 2021 N'000	31 December 2020 N'000
Maintenance expense		11,048	1,324
Professional fees		64,177	28,718
Directors remuneration	**17.1**	85,753	65,300
Personnel expense	**8**	1,296,566	594,831
Advertisement and business promotions		115,980	82,273
Depreciation & amortisation	**12 & 13**	39,154	29,535
Other operating expenses	**7.2**	1,654,636	1,913,471
		3,267,314	**2,715,452**

7.2 Other operating expenses

	31 December 2021 N'000	31 December 2020 N'000
Auditor's remuneration	10,000	10,750
Printing and stationery	490	368
Travels	6,278	7,682
Seminars, Conferences & Training	-	2,499
Information Technology	112,562	53,503
Insurance Expenses	13,024	12,329
Bloomberg Subscription	32,492	24,650
Shared service costs	952,414	1,382,700
Impairment Loss	18,300	-
Office Rent	6,954	5,643
Telecommunication Bills	30,453	15,125
Other Motor Running Expenses	3,700	23,254
Subscription - Professional Organisation	27,549	4,697
Other expenses	440,421	370,271
	1,654,636	**1,913,471**

Shared service cost represent the Company's portion of the cost of overheads and other technical services provided by its parent company FBNQuest Merchant Bank Limited. The outstanding unpaid amount is included in intercompany payable to FBNQuest Merchant Bank Limited in Note 14.

8 Personnel expense

8.1 Staff costs (excluding executive Directors):

	31 December 2021 N'000	31 December 2020 N'000
Salaries and wages	484,854	436,812
Performance Bonus	627,000	
Staff benefits	184,713	158,019
	1,296,566	**594,831**

8.2 The average number of persons, excluding directors, employed by the Company during the year was as follows:

	31 December 2021 Number	31 December 2020 Number
Managerial	8	8
Non-management	22	21
	30	**29**

8.3 The table below shows the number of employees (excluding directors), who earned over N3,000,000 as emoluments in the year and were within the bands stated.

	31 December 2021 Number	31 December 2020 Number
N3,000,001 - N5,000,000	3	3
N5,000,001 - N7,000,000	-	7
N7,000,001 - above	27	19
	30	**29**

9 Taxation

	31 December 2021 N'000	31 December 2020 N'000
Company income tax	789,031	609,250
Education tax	67,635	41,151
Information Technology Levy	28,603	23,070
Current income tax charge	885,269	673,471
Deferred tax charge	97,281	18,933
	982,550	**692,404**

The current tax charge has been computed at the applicable rate of 30% plus tertiary education tax of 2.5% on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as legal fees, donations, public relations expenses and certain provisions which are not allowed as a deduction by the tax authorities. Tax exempt income includes income such as dividend income and income from government bonds which are not taxable.

9.1 Effective tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	31 December 2021	%	31 December 2020	%
Profit before tax	2,846,058	100%	2,295,545	100%
Tax using domestic rate	853,817	30%	688,663	30%
Tax exempt income	(38,789)	(1)%	(123,540)	(5)%
Non deductible expense	66,567	2%	52,143	2%
Education tax	67,635	2%	41,151	2%
Fair value gain	4,716	0%	10,916	0%
Information Technology Levy	28,603	1%	23,070	1%
Effective tax rate	982,550	35%	692,404	30%

10 Cash and cash equivalents

	31 December 2021 N'000	31 December 2020 N'000
Cash in bank	171,530	212,704
Short term placements	2,327,602	2,167,100
	2,499,132	2,379,804

11 Financial assets

	Note	31 December 2021 N'000	31 December 2020 N'000
Fair value through profit or loss	**11.1**	1,295,992	444,821
Fair value through other comprehensive income	**11.2**	1,281,938	1,293,933
Amortised cost	**11.3**	2,203,804	2,335,852
		4,781,734	4,074,606
Opening Balance		2,335,852	1,317,038
Closing Balance		2,203,804	2,335,852
Movement in financial asset at amortised cost		132,047	(1,018,814)

11.1 Fair value through profit or loss

Fair value through profit or loss financial assets comprise:		31 December 2021 N'000	31 December 2020 N'000
Investment in Smart Beta fund		86,134	75,895
Investment in Halal Fund		58,899	55,100
Investment in FBN Money Market Fund		800,000	-
Investment in FBN Nigerian Eurobond fund		350,959	313,826
Total fair value through profit or loss financial assets	**11.1a**	1,295,992	444,821

Analysis of financial assets at fair value through profit or loss:	31 December 2021 N'000	31 December 2020 N'000
Current	-	-
Non-current	1,295,992	444,821
Total	1,295,992	444,821

11.1a The fair value of held for trading financial assets were derived as follows:

		31 December 2021 N'000	31 December 2020 N'000
Cost		1,272,409	314,751
Fair value gain	11.1b	23,582	130,070
Total		1,295,992	444,821

11.1b The movement in fair value gain was derived as follows:

	31 December 2021 N'000	31 December 2020 N'000
Opening	130,070	51,039
Fair value gain reported in fair value through profit or loss:	23,582	79,031
Closing	153,652	130,070

11.2 Fair value through other comprehensive income

Fair value through other comprehensive income financial assets comprise:

	31 December 2021 N'000	31 December 2020 N'000
Eurobonds	1,281,938	1,293,933
Total Fair value through other comprehensive income financial assets at fair value	1,281,938	1,293,933

Analysis of Fair value through other comprehensive	31 December 2021 N'000	31 December 2020 N'000
Opening Balance	1,293,933	1,293,933
Fair value gain/(loss) on Financial assets	23,978	
Closing Balance	1,281,938	
Purchase of investment securities	2,599,849	1,293,933

11.2a The fair value of financial assets at Fair value through other comprehensive income were derived as follows:

		31 December 2021 N'000	31 December 2020 N'000
Amortized cost		1,218,406	1,188,124
Fair value gain	11.2b	81,830	105,809
Total		1,300,236	1,293,933

11.2b The movement in fair value loss was derived as follows:

	31 December 2021 N'000	31 December 2020 N'000
Opening	105,810	33,460
Fair value gain during the year	(23,978)	72,349
Closing	81,830	105,810

11.3 Financial assets at amortised cost

	Note	31 December 2021 N'000	31 December 2020 N'000
Commercial Paper		212,048	-
Staff loan		98,081	99,489
Other receivable	11.3a	1,893,676	2,236,363
Total		2,203,804	2,335,852

Analysis of Financial assets at amortised cost	31 December 2021 N'000	31 December 2020 N'000
Current	2,203,804	2,283,312
Non-current	-	52,540
Total	2,203,804	2,335,852

11.3a Other receivables

	31 December 2021 N'000	31 December 2020 N'000
Fees receivable	1,477,606	1,181,321
ECL impairment allowance	-	-
Withholding tax receivable	203,198	772,992
Prepayments & Other assets	212,872	282,050
Total	1,893,676	2,236,363

11.3b Net interest received

	31 December 2021 N'000	31 December 2020 N'000
Opening Balance	259,501	249,158
Interest Income	336,985	149,790
Interest Income Received	(274,479)	(139,447)
Closing Balance	322,007	259,501

12 Property, Plant and Equipment

Cost	**Opening**	**Additions**	**Disposals**	**At year end December 2021**
Motor Vehicles	110,703	82,250	-	192,953
Computer Equipments	12,468	7,540	-	20,008
Furniture and Fittings	1,084	65	-	1,150
Office equipment	1,716	-	-	1,716
	125,971	**89,856**	**-**	**215,826**

Accumulated depreciation	**Opening**	**Depreciation charge**	**Disposals**	**At year end December 2021**
Motor Vehicles	(80,736)	(23,627)	-	(104,362)
Computer Equipments	(2,379)	(5,383)	-	(7,762)
Furniture and Fittings	(304)	(376)	-	(680)
Office equipment	(1,132)	(343)	-	(1,475)
	(84,551)	**(29,728)**	**-**	**(114,280)**

Carrying amount	
At 31 December 2021	**101,547**

Cost	**Opening**	**Additions**	**At year end December 2020**
Motor Vehicles	103,638	7,065	110,703
Computer Equipments	305	12,163	12,468
Furniture and Fittings	611	473	1,084
Office equipment	1,716	-	1,716
	106,269	**19,701**	**125,971**

Accumulated depreciation	**Opening**	**Depreciation charge**	**At year end December 2020**
Motor Vehicles	(57,453)	(23,283)	(80,736)
Computer Equipments	(154)	(2,225)	(2,379)
Furniture and Fittings	(136)	(284)	(420)
Office equipment	(812)	(320)	(1,132)
	(58,555)	(26,112)	(84,667)

Carrying amount	
At 31 December 2020	41,304

a) There were no authorised or contracted capital commitments as at the end of the reporting year (2020: Nil)
b) There were no capitalised borrowing costs related to the construction of property and equipment during the year (2020:Nil)
c) There were no impairment losses on any class of property and equipment (31 December 2020: Nil)
d) All classes of property and equipment are non-current.

13 Intangible assets

Computer software

31 December 2021

Cost	**N'000**
Balance as at 1 January 2021	202,406
Intangibles Asset - WIP	198,672
Additions	17,237
Balance as at 31 December 2021	418,314
Accumulated amortisation	
Balance as at 1 January 2021	(198,726)
Amortisation for the year	(9,426)
Disposals	-
Balance as at 31 December 2021	(208,151)
Carrying amount	
At 31 December 2021	**210,163**

31 December 2020

Cost	**N'000**
Balance as at 1 January 2020	202,406
Additions -: IT transformation	
Balance as at 31 December 2020	202,406
Accumulated amortisation	
Balance as at 1 January 2020	(195,303)
Amortisation for the year	(3,423)
Disposals	-
Balance as at 31 December 2020	(198,726)
Carrying amount	
At 31 December 2020	3,680

The intangible assets represents the Company's investment in Athena and iDeal fund software as part of the IT transformation program of the parent company (FBNQuest Merchant Bank Limited)

14 Accruals and other liabilities

	31 December 2021 N'000	31 December 2020 N'000
Accounts payable	56,956	240,326
Accrued expenses	991,813	759,438
Intercompany payable to FBNQMB	47,199	589,828
Dividend payable to FBNQuest Merchant Bank Limited (Note 18)	1,100,000	604,000
Total	2,195,967	2,193,592

Analysis of accruals and other liabilities	31 December 2021 N'000	31 December 2020 N'000
Opening balance	2,193,592	1,868,986
Liability Paid (Note 18)	604,000	-
Closing Balance	2,195,967	2,193,592
Increase/ (Decrease) in trade and other payables	606,375	324,606

15 Current Tax Liabilities

The movement on company taxation payable account during the year was as follows:

	31 December 2021 N'000	31 December 2020 N'000
Balance at beginning of year	680,478	581,574
Tax paid during the year	(61,472)	(574,567)
WHT utilised in the year	(569,794)	-
Charge for the year (Note 9)	885,269	673,471
Balance at end of year	934,481	680,478

15.1 Deferred Tax

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2020: 30%)

Deferred income tax assets and liabilities are attributable to the following items:

Deferred tax liabilities	31 December 2021 N'000	31 December 2020 N'000
Unrealised exchange difference	123,808	92,037
Property, Equipments and Intangible assets	79,029	8,777
Fair value gain on unquoted equities	2,358	1,155
Impairment of investment securities	(5,947)	-
Balance at end of year	199,248	101,969
- Deferred tax liability to be recovered after more than 12 months	199,248	101,969
- Deferred tax liability to be recovered within 12 months	-	-

16 Share capital

Share capital comprises of Ordinary shares of N1 each:

Authorized and issued:	31 December 2021 N'000	31 December 2020 N'000
Balance at beginning of year	150,000	150,000
Balance at end of year	150,000	150,000

16.1 Retained earnings

	31 December 2021	31 December 2020
Balance, beginning of year	3,267,540	2,268,405
Profit for the year	1,863,508	1,603,141
	5,131,048	3,871,546
Dividend paid	(1,100,000)	(604,000)
Balance, end of year	**4,031,048**	**3,267,546**

16.2 Fair value reserve

	31 December 2021	31 December 2020
Balance, beginning of year	105,809	33,460
Additions	(23,978)	72,349
Balance, end of year	**81,831**	**105,809**

17 Related parties

The Company is a subsidiary of FBNQuest Merchant Bank Limited and is thus related to other subsidiaries of the Merchant Bank and FBN Holdings through common shareholdings or common directorships. Balances arising from dealing with related parties are as follows:

17.1 Remuneration of key management personnel/Directors

The Company has identified its key management personnel as the management committee and Board of Directors. This represents the total amount of transactions between the Company and its related parties stated below during the year:

	31 December 2021	31 December 2019
	N'000	N'000
Director's emolument	85,753	65,300
	85,753	65,300
Amount paid to the highest paid director	85,753	65,300

The Company had one executive director as at 31 December 2021 (31 December 2020: one executive director)

17.2 Transactions with related parties

	Entity	Nature of balances	31 December 2021	31 December 2020
a)	**Balances with related parties**		N'000	N'000
a(i)	**Member of FBN Holdings**			
	First Bank	Bank balance	169,001	209,667
	FBN UK	Short term placement	2,615	2,469
	FBNQuest Capital Limited	Investment	212,048	-
	FBN Money Market Fund	Mgt fees receivable	495,352	642,563
	FBN Fixed Income Fund	Mgt fees receivable	95,967	47,810
	FBN Heritage Fund	Mgt fees receivable	16,040	12,057
	FBN Insurance Limited	Advisory fees receivable	-	5,660
	FBNQuest Capital Limited	Accounts payable	27,126	-
a (ii)	**Parent Company**			
	FBNQuest Merchant Bank Limited	Short term placement	-	-
	FBNQuest Merchant Bank Ltd	Dividend payable	1,100,000	604,000
a (iii)	**Structured entity**			
	FBN Halal Fund	Investment	58,899	55,100
	FBN Smart Beta Fund	Investment	86,134	75,895
	FBN Nigerian Eurobond Fund	Investment	350,959	313,826
	FBN Money Market Fund	Investment	800,000	-
	FBN Smart Beta Fund	Mgt fees receivable	1,383	933
	FBN Nigerian Eurobond Fund	Mgt fees receivable	31,264	17,304
	FBN Halal Fund	Mgt fees receivable	19,457	-
b (i)	**Member of FBN Holdings**			
	First Bank	Operating account	136,601	71,460
	First Bank	Short term placement	-	-
	First Bank	Accounts payable	-	-
	FBN Money Market Fund	Management fees	1,980,959	2,498,150
	FBN Fixed Income Fund	Management fees	351,276	131,262
	FBN Heritage Fund	Management fees	62,505	45,533
	FBN Insurance Limited	Management fees	-	42,219
	FBN Merchant Bank Limited	Interest Income	-	-
b(ii)	**Parent Company**			
	FBN Merchant Bank Limited	Accounts payable	(47,199)	(589,828)
	FBN Merchant Bank Limited	Dividend payable	(1,100,000)	(604,000)
	FBN Merchant Bank Limited	Share services	(952,414)	(1,382,699)
b (iii)	**Structured entity**			
	FBN Halal Fund	Management fees	92,871	13,278
	FBN Smart Beta Fund	Management fees	4,957	2,892
	FBN Nigerian Eurobond Fund	Management fees	100,961	69,655

18 Dividend	31 December 2021	31 December 2020
	N'000	N'000
Opening	604,000	604,000
Interim dividend declared	1,100,000	-
Dividend paid	(604,000)	-
Closing payable	1,100,000	604,000

During the year, the company declared dividend (2021: N1.1bn, 2020:N604m).

19 Interest in structured entities

IFRS 12 requires certain disclosures in respect of interests in subsidiaries, joint arrangements, associates and unconsolidated structured enties.

a Structured entities with direct holdings

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The company has assessed whether the funds it manages are structured entities and concluded that managed funds are structured entities unless substantive removal or liquidation rights exist.

The company deployed seed capital into funds to assist in building a track record from launch or give small but strongly performing funds sufficient scale to attract external money. As at 31 December 2021, the company had a total investment of N1.272bn in own funds (31 December 2020: N445m). These investments are shown on the company's balance sheet under financial assets at fair value through profit or loss.

The table below shows the company's interest in its structured entities:

As 31 December 2021

Type	Number of units	Net AUM of funds N'000	Management Fees N'000	Management fees receivable N'000
FBN Nigeria Eurobond Fund	6,759	8,425,959	100,961	30,482
FBN Money Market Fund	8,000,000	155,636,513	1,980,959	482,969
FBN Halal Fund	509,374	5,178,773	92,871	18,970
FBN Smart Beta Fund	573,801	357,394	4,957	1,348
	9,089,933	169,598,638	2,179,748	533,769

As 31 December 2020

Type	Number of units	Net AUM of funds N'000	Management Fees N'000	Management fees receivable N'000
FBN Nigeria Eurobond Fund	6,452	5,384,910	69,655	15,573
FBN Halal Fund	500,000	6,786,085	13,278	11,950
FBN Smart Beta Fund	500,000	271,769	2,892	840
	1,006,452	12,442,764	85,825	28,363

b Other interests in structured entities

These relate to funds that the company manages but has no direct holding in, however has an interest through the receipt of management and performance fees.

The table below shows the assets under management of funds that the company manages and the fees received.

As 31 December 2021

Type	Number of funds	Net AUM of funds N'000	Investment management/ performance fees N'000	Management/ performance fees receivable N'000
Mutual funds	6	211,807,505	2,590,751	642,977
Discretionary funds	41	198,284,435	2,302,203	834,629

As at 31 December 2020

Type	Number of funds	Net AUM of funds N'000	Investment management/ performance fees N'000	Management/ performance fees receivable N'000
Mutual funds	6	251,107,997	2,732,575	704,738
Discretionary funds	41	173,724,212	1,503,984	476,582

c Assets Under Management

The company provides discretionary and non-discretionary investment management services to institutional and private investors. Commissions and fees earned in respect of trust and management activities performed are included in profit or loss. Assets managed and funds administered on behalf of third parties include:

	31 December 2021 N'000	31 December 2020 N'000
FBN Balanced Fund	4,139,663	4,045,562
FBN Fixed Income Fund	38,069,204	19,442,946
FBN Money Market Fund	155,636,513	215,176,725
FBN Smart Beta Fund	357,394	271,769
FBN Nigeria Eurobond Fund	8,425,959	5,384,910
FBN Halal Fund	5,178,773	6,786,085
Discretionary Portfolio Managed Service	198,284,435	173,724,212
Total	**410,091,941**	**424,832,210**

The amounts stated above represents market value of all the funds being managed by FBNQuest Asset Management on behalf of its clients.

20 Contingent Liabilities

The Company is presently involved in one litigation suit as a defendant (31 December 2020: 1). However, the solicitors of the Company are of the view that there are no probable claims.

21 Events after statement of financial position date

The Finance Act was signed into Law on 31 December, 2021, with an effective date of 1 January, 2022. The signing into law of the Finance bill on 31 December 2021 qualifies as an adjusting event as the bill had been in existence at the end of the financial year. In view of this development, the Company has reviewed the provisions of the Act and have made appropriate adjustments to the financial estimates disclosed in the Financial statement in line with the relevant provisions of the Finance Act.

22 Non-Audit Services

There were no non-audit services provided during the year by the external auditor.

Other National Disclosures

VALUE ADDED STATEMENT

	2021 N'000	%	2020 N'000	%
Gross earnings	6,113,372		5,010,998	
Bought in materials and services	(1,884,995)		(2,055,320)	
Value added	4,228,377	100%	2,955,677	100%
Distribution				
Employees				
Wages, salaries and benefits	1,382,320	33%	660,131	22%
Government				
Company income tax	982,550	23%	692,404	23%
The future				
Asset replacement - depreciation & amortization				
Expansion - transfer to reserves	1,863,508	44%	1,603,141	54%
	4,228,376	100%	2,955,677	100%

FBNQUEST ASSET MANAGEMENT LIMITED

FIVE YEAR FINANCIAL SUMMARY

	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalents	2,499,132	2,379,804	2,947,864	2,386,839	1,042,444
Financial assets					
Fair value through profit or loss	1,295,992	444,821	315,390	303,961	284,748
Fair value through OCI	1,281,938	1,293,933	350,350		100,327
Amortised cost	2,203,804	2,335,852	1,317,038	1,059,392	1,126,838
Property & equipment	101,547	41,304	47,715	60,948	72,873
Intangible assets	210,163	3,680	7,103	68,720	129,543
	7,592,577	6,499,393	4,985,461	3,879,860	2,756,773
LIABILITIES					
Accruals and other liabilities	2,195,967	2,193,592	1,868,986	1,911,234	937,181
Deferred tax liability	199,248	101,969	83,035	498,296	81,822
Tax payable	934,481	680,478	581,574	96,873	657,860
	3,329,696	2,976,038	2,533,596	2,506,403	1,676,864
NET ASSETS	**4,262,879**	**3,523,355**	**2,451,865**	**1,373,457**	**1,079,910**
CAPITAL AND RESERVES					
Share capital	150,000	150,000	150,000	150,000	150,000
Retained earnings	4,031,048	3,267,546	2,268,405	1,223,457	953,253
Fair value reserve	81,831	105,809	33,460		(23,343)
TOTAL CAPITAL AND RESERVES	**4,262,879**	**3,523,355**	**2,451,865**	**1,373,457**	**1,079,910**

	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
	N'000	N'000	N'000	N'000	N'000
Net operating income	6,113,372	5,010,998	3,872,130	3,363,209	3,184,430
Operating expenses	(3,267,314)	(2,715,452)	(2,322,128)	(1,966,152)	(1,270,407)
Profit before tax	2,846,058	2,295,546	1,550,002	1,397,057	1,914,023
Taxation	(982,550)	(692,404)	(505,060)	(448,183)	(690,913)
Profit after tax	**1,863,508**	**1,603,141**	**1,044,942**	**948,874**	**1,223,110**
Other comprehensive (loss)/ income	(23,978)	72,349	33,460	-	(2,209)
Total comprehensive income	**1,839,529**	**1,675,491**	**1,078,402**	**948,874**	**1,220,901**