



DLM CAPITAL GROUP LIMITED

**PERIODIC REPORT AND FINANCIAL STATEMENTS
30TH SEPTEMBER 2025**

CORPORATE INFORMATION

DIRECTORS:

Mr Malcom Gilroy

Dr. Sonnie Babatunde Ayere

Michael Orimobi

Olayimika Phillips

Ashim Egunjobi

Ms Kari Tukur

Kennedy Ighodaro

Independent Chairman (Acting)

Group Chief Executive Officer

Director

Director

Director

Director

Director

COMPANY SECRETARY

DLM Nominees Limited.

66-68 Alexander Avenue, Ikoyi,

Lagos Nigeria.

RC No.

RC845612

BUSINESS OFFICE:

66-68 Alexander Avenue, Ikoyi Lagos.

BANKERS

Access Bank Plc

UBA Plc

Zenith bank

AUDITORS:

Deloitte & Touche

Plot GA 1 Ozumba Mbadiwe Avenue,

Victoria Island

Lagos, Nigeria

DLM CAPITAL GROUP LIMITED
DIRECTORS' REPORT

30 September 2025

The Directors submit their report together with the audited company's and consolidated accounts for the period ended 30 September 2025.

1 RESULT

	Group		Company	
	N'000	N'000	N'000	N'000
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
The profit for the year after taxation was	<u>756,966</u>	<u>1,485,195</u>	<u>(263,998)</u>	<u>(1,070,378)</u>

2 LEGAL FORM

DLM Capital Group Limited (formerly Dunn Loren Mernfield Group Limited) is a non-trading holding financial institution that provides innovative solutions to economic and social developmental problems that impact everyday lives of people. The Group thrives on funding sectors of the Nigerian economy using bespoke financing techniques via our finance company, corporate finance advisory, asset management, trustee and securities trading arms, to sovereign/ sub-sovereign entities as well as private and non-private corporations. The company was incorporated under the Companies and Allied Matters Act 2020 (As Amended), as a private limited liability company in 2009.

3 PRINCIPAL ACTIVITY

The Company's principal activities includes but not limited to the provision of financial and capital market operators' services through its SEC and CBN regulated subsidiary entities.

4 DIRECTORS AND DIRECTORS' RESPONSIBILITIES

The names of the current Directors are stated on page 1.

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the

- Proper accounting records are maintained;
- Internal control procedures are instituted which as far as is reasonably possible;
- Safeguard the assets and prevent and detect fraud and other irregularities;
- Applicable accounting standards are followed;
- Suitable accounting policies are adopted and consistently applied;
- Judgements and estimates made are reasonable and prudent; and
- The going concern basis is used, unless it is inappropriate to presume that the company will

5 BENEFICIAL OWNERSHIP

The Company is wholly owned by Dunn Loren Mernfield LLC

S/N	Shareholder	Number of Shares held
1	Dunn Loren Mernfield LLC	495,000,000
2	Others	5,000,000
		<u>500,000,000</u>

6 EVENTS AFTER REPORTING DATE

There were no events after reporting date which could have had a material effect on these financial statements which have not been considered.

7 EMPLOYMENT AND EMPLOYEES

Employment of disabled persons

The Company does not discriminate in considering applications for employment including those from disabled persons. However no disabled person was employed by the Company as at 30 September 2025

Health, safety and welfare at work of employees

Health and safety regulations are in force within the premises of the Company. Employees are informed, through formal and informal means of communication both on a group or individual basis where issues of concern to them arise.

Employees' involvement and training

Training is carried out at various levels through in-house and external courses. In addition to any in-house training, the company, where necessary sends its employees on various seminars, conferences, workshops and courses both within and outside Nigeria. The staff are encouraged to improve themselves academically, in any chosen profession relevant to their assignment within the firm. The company refunds a substantial portion of all of such expenses on successful completion of the course.

8 AUDITORS

Deloitte & Touche, having indicated their willingness, will continue in office as the company's auditors in accordance with section 357(2) of the Companies and Allied Matters Act, 2020 (As Amended). A resolution will be proposed authorizing the Directors to determine their remuneration.

BY ORDER OF THE BOARD



Company Secretary
DLM Nominees Limited
66-68 Alexander Avenue, Ikoyi, Lagos
FRC/2024/COY/007224

Ohiani Idawu
FRC/2025/PRO/ICSAN/008/089736
LAGOS, NIGERIA

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

The Directors of DLM Capital Group Limited accept responsibility for the preparation of financial statements that give a true and fair view of the financial position of the Company as at 30 September 2025, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

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

Going Concern:

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



KENNEDY IGHODARO
GROUP CHIEF FINANCIAL OFFICER
FRC/2015/PRO/DIR/000000012587



DR. SONNIE BABATUNDE AYERE
GROUP CHIEF EXECUTIVE OFFICER
FRC/2014/PRO/DIR/003/A/00000008560

CERTIFICATION OF FINANCIAL STATEMENTS

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

- (i) Management accounts do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) Management accounts and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the Management accounts;

We state that management and directors:

- (i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the company, particularly during the period in which the audited financial statement report is being prepared,
- (ii) has evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of the date of its audited financial statement, and
- (iii) certifies that Company's internal controls are effective as of that date;

We have disclosed:

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and
- (iii) as indicated in the report, whether, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Company for the period ended 30th September 2025 were approved by the directors on the 19th October 2025.



KENNEDY IGHODARO
GROUP CHIEF FINANCIAL OFFICER
FRC/2015/PRO/DIR/000000012587



DR. SONNIE BABATUNDE AYERE
GROUP CHIEF EXECUTIVE OFFICER
FRC/2014/PRO/DIR/003/A/00000008560

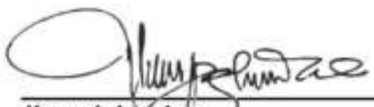
DLM CAPITAL GROUP LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 30 September 2025

	Note	Group		Company	
		30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
Interest Income	5	12,171,419	5,496,760	6,273,677	2,330,494
Interest expense	6	(10,027,713)	(6,310,252)	(6,405,535)	(4,666,158)
Net interest income/(expense)		2,143,706	(813,491)	(131,859)	(2,335,665)
Fee and Commission Income	7	1,976,259	3,282,289	89,523	173,233
Fee and Commission Expense	8	(308,662)	(898,376)	(164,397)	(418,954)
Net fee and commission income/(expense)		1,667,597	2,383,913	(74,874)	(245,721)
Impairment charge on financial assets	9	(182,624)	(197,233)	-	-
Impairment on goodwill	9.1	-	-	-	-
Other income	10	-	4,901,261	-	1,490,437
Operating income		3,628,679	6,274,450	(206,733)	(1,090,948)
Amortisation	11	(8,832)	(49,448)	-	-
Personnel expenses	12	(539,688)	(749,859)	-	(1,458)
Depreciation	11.1	(164,066)	(167,816)	-	(58,538)
Other operating expenses	13	(2,877,909)	(3,253,792)	(57,265)	(39,799)
Total expenses		(3,590,495)	(4,220,915)	(57,265)	(99,795)
Profit before tax		38,185	2,053,536	(263,998)	(1,190,744)
Income tax expense	14	-	(108,821)	-	120,366
Profit for the year		38,185	1,944,715	(263,998)	(1,070,378)
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>	10.1	718,781	(459,519)	-	-
Other comprehensive income for the year, net of tax					
Total comprehensive income for the year		756,966	1,485,195	(263,998)	(1,070,378)
Basic earnings per share (kobo)	15	151	389	(53)	(214)

DLM CAPITAL GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2025
STATEMENT OF FINANCIAL POSITION

	Notes	Group		Company	
		30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
ASSETS					
Cash and cash equivalents	16	994,916	1,664,022	3,549,658	1,503,927
Investment in FGN Securities	17a	16,290,174	8,594,333	7,090,657	5,235,941
Investment in corporate bonds	17b	5,828,549	3,965,516	3,824,429	3,824,429
Investment in equities	17c	1,985,475	2,898,053	459,375	459,375
Investment in associates	17d	1,665,458	1,665,458	-	-
Investment in subsidiaries	17.1	-	-	5,888,492	5,888,492
Investment property	18	12,446,510	12,871,718	3,502,767	3,927,975
Trade receivables and prepayments	19	10,407,053	5,700,297	6,511,296	1,830,146
Loans & advances	20	2,555,074	5,833,663	1,910,944	3,043,306
Other assets	21	5,974,145	7,909,930	12,260,027	6,133,651
Property and equipment	23	569,592	584,392	293,479	281,817
Intangible assets	23.1	305,298	198,198	-	-
Deferred tax assets	28	678,885	1,294,590	335,445	475,781
Goodwill	22	-	-	-	-
Total Assets		59,701,127	53,180,170	45,626,569	32,604,840
LIABILITIES					
Trade Payable	24	1,625	1,625	1,891,895	1,253,530
Managed Deposits	25	39,942,557	30,782,828	35,856,860	22,429,845
Borrowings	27	5,418,455	5,652,559	5,012,899	5,214,813
Other liabilities	26	1,775,680	3,770,839	1,255,103	943,017
Current tax liabilities	27	397,050	819,919	13,120	33,092
Deferred tax liabilities	28	284,717	531,665	6,249	6,249
Deposit for Shares	0	-	-	-	-
		47,820,085	41,559,435	44,036,128	29,880,546
SHAREHOLDERS EQUITY					
Share capital	29	500,000	500,000	500,000	500,000
Share Premium	30	1,386,000	1,386,000	1,386,000	1,386,000
Other equity	31	710,862	710,862	710,862	710,862
Retained earnings	32	7,762,385	7,610,471	(2,229,511)	(1,095,657)
Capital reserve	33	1,403,167	1,403,167	1,223,090	1,223,090
Statutory reserve	34	10,235	10,235	-	-
Regulatory risk reserve	34.1	108,393	(1)	-	-
		11,881,042	11,620,734	1,590,441	2,724,294
		59,701,127	53,180,169	45,626,569	32,604,840

The financial statements were approved by the Board of Directors on 19 October 2025 and signed on its behalf by:


Kennedy Ighodaro
 Group Chief Financial Officer
 FRC/2015/PRO/DIR/000000012587

(0) (1) 0 0

Dr. Sonnie Babatunde Ayere
 Group Chief Executive Officer
 FRC/2014/PRO/DIR/00000008560

DLM CAPITAL GROUP LIMITED
STATEMENT OF CASH FLOWS
AS AT 30TH SEPTEMBER 2025

	Note	Group		Company	
		30-Sep-25 N' 000	31-Dec-24 N' 000	30-Sep-25 N' 000	31-Dec-24 N' 000
Profit for the year		756,966	1,485,195	(263,998)	(1,070,378)
Adjustments for;					
Income tax recognised in profit or loss		-	108,821	-	(120,366)
Depreciation and amortization		171,931	217,263	-	58,538
Impairment charge on Goodwill		-	-	-	-
Gain on foreign exchange		-	-	-	-
Deferred tax movement		-	-	-	-
Impairment charge on financial asset		(182,624)	197,233	-	-
Prior period adjustments		-	(8,363)	-	-
		746,273	2,000,150	(263,998)	(1,132,205)
Movement in working capital					
Decrease/ (Increase) in trade receivables	19	(4,706,756)	(2,464,700)	(4,681,150)	(1,356,637)
Decrease/ (Increase) in loans assets	20	3,278,588	(1,988,504)	1,132,362	(1,454,353)
Decrease/ (Increase) in Other Assets	21	1,935,785	(4,705,949)	(6,126,376)	(1,872,709)
Decrease/ (Increase) in deferred tax assets	28	615,705	(457,028)	-	-
(Decrease)/ Increase in managed deposits	25	8,894,824	6,129,032	13,427,016	6,819,852
(Decrease)/ Increase in other liabilities	26	(1,995,159)	2,351,558	312,086	341,340
(Decrease)/ Increase in Trade Payable	24	-	(12,500)	638,365	914,097
Decrease/ (Increase) in deferred tax liabilities	28	(246,948)	245,883	-	-
(Decrease)/ Increase in Goodwill	22	-	-	-	-
Cash generated from operations		8,522,311	1,097,943	4,438,306	2,259,385
Income taxes paid	27	(422,868)	(75,217)	(19,972)	-
Net cash (used in)/generated by operating activities		8,099,443	1,022,726	4,418,334	2,259,385
Cash flows from investing activities					
Purchase of property and equipments	23.0	(416,753)	(434,244)	-	(215,847)
Disposal of property and equipments	20.2	-	(184,620)	-	-
Disposal/ (Purchase) on investment property	18	425,208	(4,912,617)	425,208	(3,434,187)
Disposal/ (Purchase) on investment FGN Securities	17a	(7,695,841)	(890,772)	(1,854,716)	(678,687)
Disposal/ (Purchase) of financial assets	17b	(1,863,033)	-1,817,236	1	(2,674,535)
Disposal/ (Purchase) of investment in equities	17c	912,579	66,050	-	(459,375)
Disposal/ (Purchase) of investment in associates	17d	-	40,000	-	-
Disposal/ (Purchase) of investment in subsidiaries		-	-	-	(600,000)
Net cash generated by/(used in) investing activities		(8,637,839)	(8,133,438)	(1,429,507)	(8,062,631)
Cash flows from financing activities					
Borrowings received	27	(234,104)	2,338,525	(201,914)	1,900,779
Increase in risk reserve		108,394	(35,024)	-	-
Increase in Statutory reserve		-	-	-	-
Increase in retained earnings		-	-	(741,180)	-
Increase/ decrease in other equity	33	-	-	(0)	-
Dividends paid to owners of equity capital		(5,000)	-	-	-
Net cash generated by financing activities		(130,710)	2,303,501	(943,095)	1,900,779
Net increase/ (decrease) in cash and cash equivalents		(669,105)	(4,807,210)	2,045,732	(3,902,467)
Cash and cash equivalents at beginning of period	16	1,664,022	6,471,232	1,503,926	5,406,393
Cash and cash equivalents at end of period		994,916	1,664,022	3,549,658	1,503,926
		(0)	(0)	0	(1)

DLM CAPITAL GROUP LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 30TH SEPTEMBER 2025

(a) 30 September 2025

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Other equity N'000	regulatory Risk Reserve N'000	Statutory Reserve N'000	Capital Reserve N'000	Total Equity N'000
At 1 January 2024	500,000	1,386,000	(1,093,637)	710,862	-	-	1,223,090	2,724,294
Increase/(decrease) during the year	-	-	(869,856)	-	-	-	-	(869,856)
Profit for the year	-	-	(263,998)	-	-	-	-	(263,998)
Net change in fair value	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-
At 30 September 2025	500,000	1,386,000	(2,229,511)	710,862	-	-	1,223,090	1,590,441

(b) 31 December 2024

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Other equity N'000	regulatory Risk Reserve N'000	Statutory Reserve N'000	Capital Reserve N'000	Total Equity N'000
At 1 January 2023	500,000	1,386,000	(23,279)	710,862	-	-	1,223,090	3,794,672
Increase during the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	(1,070,378)	-	-	-	-	(1,070,378)
Net change in fair value	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
AT 31 December 2024	500,000	1,386,000	(1,093,637)	710,862	-	-	1,223,090	2,724,294

DLM CAPITAL GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30TH SEPTEMBER 2025

(a) 30 September 2025

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Other equity N'000	regulatory Risk Reserve N'000	Statutory Reserve N'000	Capital Reserve N'000	Total Equity N'000
At 1 January 2024	500,000	1,386,000	7,478,479	710,862	142,300	10,235	1,403,167	11,631,043
Increase during the year	-	-	0	-	-	-	0	-
Transfer to regulatory risk reserve	-	-	-108,394	-	108,394	-	-	-
Profit for the year	-	-	756,966	-	-	-	-	756,966
Opening Retained Earnings	-	-	(155,374)	-	-	-	-	(155,374)
Dividend Paid	-	-	-	-	-	-	-	-
AT 30 September 2025	500,000	1,386,000	7,971,676	710,862	250,694	10,235	1,403,167	12,232,634

(b) 31 December 2024

	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Other equity N'000	regulatory Risk Reserve N'000	Statutory Reserve N'000	Capital Reserve N'000	Total Equity N'000
At 1 January 2024	500,000	1,386,000	6,237,554	710,862	35,025	10,235	1,403,167	10,282,843
Transfer to regulatory reserve	-	-	-107,275	-	107,275	-	-	-
Profit for the year	-	-	1,348,200	-	-	-	-	1,348,200
Opening Retained Earnings - Links MI	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
AT 31 December 2024	500,000	1,386,000	7,478,479	710,862	142,300	10,235	1,403,167	11,631,043

DLM CAPITAL GROUP LIMITED

STATEMENT OF ACCOUNTING POLICIES

1. Corporate information

DLM Capital Group Limited, previously called Dunn Loren Merrifield Group Limited is a private limited liability company incorporated under the Companies and Allied Matters Act 1990 to engage in the business of providing financial and capital market operators' services through its CBN and SEC regulated subsidiary companies.

DLM Capital Group Limited is a non-trading holding financial institution that provides innovative solutions to economic and social developmental problems that impact everyday lives of people. The Group thrives on funding sectors of the Nigerian economy using bespoke financing techniques via our finance company, corporate finance advisory, asset management, trustee and securities trading arms, to sovereign/ sub-sovereign entities as well as private and non-private corporations.

The company's registered address is 66-68, Alexander Avenue, Ikoyi, Lagos, Nigeria

The financial statements for the period ended 31 July 2024 were authorised for issue in accordance with a resolution of the directors on 15 August, 2024

2.1 Basis of preparation

The financial statements for the period ended 31 July 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as issued by the IASB. Additional information required by national regulations is included where appropriate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors 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 year the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly.

(a) Statement of compliance

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

(b) Presentation of financial statements

The company presents its statement of financial position broadly in order of liquidity. Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the company.

(c) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

(d) Basis of measurement

The financial statements are prepared on the historical cost basis unless otherwise stated in the accounting policies as set below. The Company applies accrual accounting for recognition of its income and expenses.

2.2 Basis of consolidation

The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company's reporting date.

Subsidiaries

The consolidated and separate financial statements incorporates the financial statements of the Company and all its subsidiaries where it is determined that there is a capacity to control. Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.3 Significant accounting judgements, estimates and assumptions

In the process of applying the company's accounting policies, management has exercised judgement and estimates in determining the amounts recognised in the financial statements. The most significant uses of judgements and estimates are as follows:

Going concern

The Groups’s management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

New and revised IFRS Standards in issue but not yet effective

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

IFRS 17	Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

IFRS 17 - Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders’ options and guarantees. The standard is not applicable to the Company.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The amendments are effective for annual periods beginning on or after 1 January 2024 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

*A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset.

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The standard has no material impact on the Company.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss.

The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

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

The Company shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

4 Significant accounting policies

The Company consistently applied the following accounting policies presented in the financial statements.

(a) Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of each transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the statement of profit/(loss).

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from translation of available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss) are recognised in OCI.

(b) Interest income and expense

Interest Income is made up of interest income on loans to related entities and cash and cash equivalent while interest expense is made up of interest on borrowings. Interest income and expense are recognized in the statement of comprehensive income using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

(c) Borrowing costs

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

Interest is capitalized as from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(d) Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer and excludes amounts collected on behalf of third parties.

Interest income

This is income from placement with third parties. Funds placed are include placements made at a group level and funds obtained from the bond issuer for onward payment to the bond holders. Interest expense payment may also be made to these bond issuers at a pre agreed interest rate.

Other income

Other income represents income generated from sources other than interest income. It includes income realized from sale of foreign currency, fair value gain on investment property or disposal of other investments. Income is recognized when the right to receive cash is established.

(e) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in Other Comprehensive Income or equity respectively.

Current tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The current taxes include: Company Income Tax at 30% of taxable profit; Tertiary education tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains, Nigerian Police Levy at 0.005% of net profit.

The Company is subject to the Companies Income Tax Act (CITA). Total amount of tax payable under CITA is determined based on the higher of two components namely Company income tax (based on taxable income (or loss) for the year; and Minimum tax (determined based on 0.5% of Gross Revenue in accordance with the Finance Act, 2019). Taxes based on taxable profit for the period are treated as current income tax in line with IAS 12; whereas taxes which is based on gross amounts is outside the scope of IAS 12 and therefore are not treated as current income tax.

Where the minimum tax is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above income tax line as minimum tax.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

Deferred tax

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(f) Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair values and are readily convertible to known amount of cash. Cash and cash equivalents includes balances and placements with banks and other short term investments including bank overdrafts. Bank overdrafts are shown separately as current liabilities in the statement of financial position.

(g) Financial assets and liabilities

All financial assets and liabilities – which include derivative financial instruments – have to be recognized in the statement of financial position and measured in accordance with their assigned category.

(i) Initial recognition and measurement

For debt financial assets, the classification is based on the results of the Company's business model test and the contractual cashflow characteristics of the financial assets. At initial recognition, all assets are measured at fair value plus transaction costs that are incremental and directly attributable to the acquisition of the financial assets in the case of financial asset not at fair value through profit or loss.

(ii) Classification and subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification category.

i. Financial assets at fair value through profit or loss

Debt instruments at fair value through profit or loss are financial assets held for trading and those designated by the Company as at fair value through profit or loss upon initial recognition. Financial assets classified as fair value through profit or loss are those that have been acquired principally for the purpose of selling in the short term or repurchasing in the near term, or held as part of a portfolio that is managed together for short-term profit.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net gains/(losses) on financial assets classified as fair value through profit or loss'. Interest income and expense and dividend income on financial assets fair valued through profit or loss are included in 'Interest income, interest expense and dividend income', respectively and reported under investment income.

ii. Amortised Cost

Except for debt financial assets that are designated at initial recognition as at fair value through profit or loss, a debt financial asset is measured at amortised cost only if both of the following conditions are met:

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

If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition.

iii. Fair Value through other comprehensive income (FVTOCI)

Except for debt financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- A. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and
- B. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduces exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default. All equity financial assets are measured at fair value through profit or loss, however, equity financial assets which are not held for trading may be irrevocably elected (on an asset-by-asset basis) to be measured at fair value through OCI.

(iii) Impairment

The impairment model under IFRS 9 reflects expected credit losses. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, the company always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

The Company recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

For financial assets that are debt instruments, money market placements, trade receivables, and Other receivables. The Company measures expected credit losses and recognizes interest income on risk assets based on the following stages: Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the Company recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring. Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Company measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the effective interest rate (EIR) multiplied by the gross carrying amount. Exposures which are overdue for more than 30 days are considered to have significantly increased in credit risk. Stage 3: A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. For debt instruments that have observable evidence of impairment. Exposure which are overdue for more than 90 days are considered to be in default.

Definition of default

The Company's definition of default has been aligned to its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:

- a breach of contract, such as default or delinquency in interest and/or principal payments
- it becomes probable that a borrower will enter bankruptcy or other financial reorganisation

(iv) Reclassification of financial assets

Reclassification of financial assets is determined by the Company's senior management, and is done as a result of external or internal changes which are significant to the Company's operations and demonstrable to external parties.

Reclassification of debt instruments occurs when the Company changes its business model for managing financial assets.

Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

(v) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Company has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

(h) Financial liabilities

(i) Classification and subsequent measurement

The Company's holding in financial liabilities represents mainly 'borrowings', 'managed funds' and 'other liabilities'. These are all classified as financial liabilities measured at amortised cost. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are derecognised when the obligation of the financial liabilities are extinguished, that is, when the obligation is discharged, cancelled or expires.

(i) Property and equipment

(a) Recognition and measurement

All property and equipment used by the Company is measured at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(b) Subsequent costs

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to other operating expenses within the income statement during the financial period in which they are 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. 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:

Leasehold Improvement	5 years
Plant & Machinery	5 years
Office Equipment	5 years
Furniture & Fittings	5 years
Motor Vehicles	4 years
Motor bikes	4 years
Computer	5 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(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.

(j) Intangible assets

Software

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 4 years, from the date that it is available for use. The amortisation method and useful life of software are reassessed at each financial year end and adjusted if appropriate.

(k) Impairment of non-financial assets

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Company that generates cash flows, which are largely independent from other assets and Companies. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Company of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

(l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(m) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Company as fair value through profit or loss.

(n) Share capital

Ordinary shares are classified as share capital.

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.

Dividend on ordinary shares

Dividend on ordinary shares are recognised in equity in the period in which they are approved by the company's shareholders. Dividend for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

Dividend proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

(o) Employee benefits

(a) Post-employment benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due. The company operates a funded, defined contribution pension scheme for employees in Nigeria. Obligations in respect of the company's contributions to the scheme are recognised as an expenses in the profit or loss accounts on annual basis. The employee and the company contribute 8% and 10% of total emolument respectively to each employee's retirement savings account maintained with their nominated Pension fund Administrators (PFAs).

(b) Short-term benefits

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

A provision is recognised 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.

(p) Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(q) Related party transactions

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

DLM CAPITAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

	Group		Company	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	N'000	N'000	N'000	N'000
5 Interest income				
Interest on placement call	1,483,745	2,231,298	-	1,480,258
Loan interest income	1,701,011	2,362,128	619,170	850,236
Fixed interest trading income	2,149,090	431,183	-	-
Interest on treasury bills	894,871	29,691	-	-
Bonds Interest Income	5,832,335	358,792	5,654,507	-
Other Interest Income	110,366	83,667	-	-
Interest on commercial papers	-	0	-	-
	12,171,419	5,496,760	6,273,677	2,330,494
6 Interest expense				
Interest expense	7,702,855	4,705,138	4,159,901	3,538,927
Loan interest expense	2,272,425	550,194	1,132,362	74,598
Other interest expense	52,432	-157,466	1,113,273	1,052,633
Fixed interest trading expense	-	1,212,386	-	-
	10,027,713	6,310,252	6,405,535	4,666,158
7 Fee and commission income				
Management fee income	905,438	793,325	-	-
Trustee fee income	52,900	73,090	-	-
Issuing house fee income	0	1,513,021	-	-
Advisory fee income	364,066	310,736	-	-
Income from equities	23,993	108,519	-	-
Other income	541,568	209,126	1,656	138,398
Other commission & fees	88,294	56,063	87,867	34,835
Franked investment income	0	0	-	-
Sale of foreign currency	-	218,408	-	-
	1,976,259	3,282,289	89,523	173,233
8 Fees and commission expense				
Transaction cost	174,811	480,524	62,514	213,706
Purchase of foreign currency	-	212,604	-	-
Other commission & charges	133,850	205,248	101,883	205,248
	308,662	898,376	164,397	418,954

13 Other operating expenses

Trade group membership subscription	8,737	19,340	-	-
Group shared cost	704,031	733,299	-	-
Professional fee	-	-	-	-
Economic subsidy	586,244	676,873	-	-
Bank charges	13,323	(6,807)	3,734	(13,595)
Rating renewal fee	22,452	22,186	-	-
Pre - operational License Expense	-	-	-	-
Auditor's remuneration	52,311	91,595	-	-
Conference and seminars	-	-	-	-
Consultancy/professional fees	255,141	284,223	0	15,013
Directors allowance	12,533	16,140	-	-
General and administrative expenses	136,115	128,543	8,950	-
Insurance expense	59,132	90,386	-	1,334
Marketing expenses	79,676	57,538	-	-
Other operating expenses	16,806	49,952	-	40
Penalties	14,528	12,625	0	0
Printing and stationeries	19,681	11,488	-	-
Rent and rates	221,613	221,414	-	-
Subscription fees	179,138	163,196	0	0
Trading costs	-	4,670	-	-
Training expenses	24,085	19,837	-	-
Training Fees	-	-	-	-
Additional tax expense	31,081	84	-	-
Travelling expenses	56,273	94,209	-	1,463
Office expenses	14,173	26,958	-	-
Relocation expenses	-	-	-	-
Consultancy fee IT project	125,537	154,374	0	0
Advertising expenses	133,597	79,098	-	-
Entertainment	13,916	32,018	-	-
Security & guards expenses	3,133	1,673	-	-
Legal fees and charges	5,788	9,540	0	0
Custodian Fees	7,535	867	-	-
Corporate services	62,753	(1,061)	44,103	(4,908)
Investment write-off	-	-	-	-
Sales of document	-	-	-	-
Licence and registration	12,862	148,030	-	-
Search and valuation expenses	5,238	20,498	-	-
Exchange loss	-	-	-	-
Withholding tax expense	478	17,981	478	17,981
Proposed dividend expense	-	-	-	-
Realized loss on bond trading	-	73,028	-	22,471
	2,877,909	3,253,792	57,265	39,799

	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
14 Income tax				
Per statement of profit or loss				
Corporate tax	-	347,046	-	16,625
Education tax	-	32,962	-	-
Information technology	-	39,062	-	-
Police trust fund	-	216	-	-
NASENI levy	-	58	-	-
	-	419,345	-	16,625
Deffered tax	0	- 211,146	-	(136,991)
	-	208,198	-	(120,366)

DLM CAPITAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

	Group		Company	
	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
14.1 Reconciliation of effective tax to statutory tax rate				
Profit Before Tax	<u>756,966</u>	<u>2,053,536</u>	<u>(263,998)</u>	<u>(1,190,744)</u>
Tax charge:				
Income tax expense	<u>-</u>	<u>208,037</u>	<u>-</u>	<u>(120,366)</u>
Company income tax	-	347,046	-	16,625
Education tax	-	32,962	-	-
Information technology levy	-	39,062	-	-
Police trust fund	-	55	-	-
Under provision in prior year	-	58	-	-
Deferred tax	-	(211,146)	-	(136,991)
Total tax expense in income statement	<u>-</u>	<u>208,037</u>	<u>-</u>	<u>(120,366)</u>

15 Earnings per share

Basic earnings per share of DLM Capital Group are calculated based on profit after taxation attributable to ordinary shareholders and the weighted average number of issued share capital at the end of the reporting period.

The following table shows the income and share data used in the basic earnings per share calculation:

	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
Net profit attributable to ordinary equity holders of the company (N'000)	756,966	1,944,715	(263,998)	(1,070,378)
Number of ordinary share in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share(Kobo)	<u>151</u>	<u>389</u>	<u>(53)</u>	<u>(214)</u>

There has been no transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these financial statements which would require the restatement of earnings per share.

DLM CAPITAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

	Group 30-Sep-25 N'000	31-Dec-24 N'000	Company 30-Sep-25 N'000	31-Dec-24 N'000
16 Cash and cash equivalents				
Bank balances	2,471,641	1,401,946	408,593	672,547
Placements with financial institutions	-1,566,624	192,078	3,141,065	831,380
Balance with CBN	70,000	70,000	-	-
Interest Receivable on Cash and Cash Equivalent	19,901	-1	-	-
Balance with NSE	0	0	-	-
	<u>994,916</u>	<u>1,664,022</u>	<u>3,549,658</u>	<u>1,503,927</u>
17a Investments in FGN Securities				
Investment in FGN Securities	16,290,174	8,594,333	7,090,657	5,235,941
	<u>16,290,174</u>	<u>8,594,333</u>	<u>7,090,657</u>	<u>5,235,941</u>
17b Investments				
Corporate bonds	5,856,346	4,003,313	3,852,226	3,852,226
	<u>5,856,346</u>	<u>4,003,313</u>	<u>3,852,226</u>	<u>3,852,226</u>
Impairment provisions	(27,797)	(37,797)	(27,797)	(27,797)
	<u>5,828,549</u>	<u>3,965,516</u>	<u>3,824,429</u>	<u>3,824,429</u>
17c Investments in Equities				
Equity investments	1,526,100	826,453	-	-
Investment in Recyclan Global	0	1,612,226	-	-
Investment in Velox	459,375	459,375	459,375	459,375
	<u>1,985,475</u>	<u>2,898,053</u>	<u>459,375</u>	<u>459,375</u>
17d Investments in Associates				
Investment in associates	1,665,458	1,705,458	-	-
Redemption of investment during the period		(40,000)		
	<u>1,665,458</u>	<u>1,665,458</u>	<u>-</u>	<u>-</u>
impairment	20,341,562	21,438,543	17,470,893	16,803,422
	<u>-</u>	<u>(37,797)</u>	<u>-</u>	<u>-</u>
Total Financial Assets	<u>20,341,562</u>	<u>21,400,746</u>	<u>17,470,893</u>	<u>16,803,422</u>

17.1 Investment in subsidiary

Investment in Citihomes	-	-	226,630	226,630
Investment in DLM AP	-	-	4,809,862	4,309,862
Investment in DLM FX	-	-	212,000	212,000
Investment in Links MFB	-	-	540,000	540,000
	-	-	<u>5,888,492</u>	<u>5,888,492</u>

18 Investment in property

Opening balance	12,871,718	2,506,355	3,927,975	3,927,975
Property development expenditures (Post 2024 valuation)				
Property development cost	-	-	-	-
Fai value gain/(loss)	-	4,901,261	(425,208)	-
Closing balance	<u>12,446,510</u>	<u>12,871,718</u>	<u>3,502,767</u>	<u>3,927,975</u>
Other investment in property - UK	-	-	-	-
Total	<u>12,446,510</u>	<u>12,871,718</u>	<u>3,502,767</u>	<u>3,927,975</u>

Basis of measurement

The company measures investment property at fair value and the valuation is done annually by a licensed and experienced valuer with membership number with the Nigerian Institution of Estate Surveyors and Valuers (NIESV) N3096.

The basis of value for the valuation as presented by the valuers is market value, which is the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

	Group		Company	
	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
19 Trade Receivables and Prepayments				
Prepaid Rent	180,326	134,011	-	-
Prepaid expenses	1,363,144	292,518	758,599	94,249
Trade debtors & receivables	8,863,582	5,273,768	5,752,697	1,735,897
	10,407,053	5,700,297	6,511,296	1,830,146
20 Loan Assets				
Loan Assets - Individual	3,192,793	3,355,246	69,966	69,966
Loan Assets - Corporate	104,002	3,125,984	1,840,979	2,973,340
Impairment allowance (note 18.1)	(741,721)	(647,568)	-	-
	2,555,074	5,833,663	1,910,944	3,043,306
20.1 Impairment allowance				
At 1 January	647,568	481,485	-	-
Other adjustments		-	-	-
Charge for the year	94,153	166,083	-	-
	741,721	647,568	-	-

DLM CAPITAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

	Group		Company	
	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
21 Other Assets				
Property development expenditures	3,768,034	2,675,355	3,768,034	2,675,355
Staff Advance	-	-	-	-
Interest Receivable	-	888,394	-	557,114
Other Receivables	491,483	417,395	95,342	88,493
Due from related parties (Note 21.1)	1,140,419	3,610,623	8,360,130	2,776,168
Net Receivable-MWFL	5,250	5,250	-	-
Withholding tax	568,959	310,743	36,521	36,521
Value Added Tax Recoverable	-	-	-	-
Interest in suspense	-	(208,057)	-	-
Other income receivable	-	145,482	-	-
Other Assets	-	64,744	-	-
	5,974,145	7,909,930	12,260,027	6,133,651

21.1 This balance represents the net receivable amount to the following DLM Group related entities, DLM Trust, DLM FX, DLM Advisory Partners, DLM Securities, DLM Asset, Citihomes Finance Company, Links MFB and DLM Capital

22 Goodwill

At 1 January	0	0	-	-
Impairment arising during the year	-	0	-	-
At 31 December	0	0	-	-

DLM CAPITAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

20 Property, plant and equipment

31 December 2024

	Leasehold Improvements N'000	Office Furniture & Fittings N'000	Motor Vehicles N'000	Office Equipments N'000	Computer Equipments N'000	Motor Bikes N'000	Computer Software N'000	Total N'000
Cost								
At 1 January	150,093	25,691	-	-	175,238	900	-	351,922
Additions	-	-	-	-	-	-	-	-
Write Off	-	-	-	-	-	-	-	-
Disposal	-	-	0	-	-	0	-	-
At 31 December 2024	150,093	25,691	-	-	175,238	900	-	351,922
Depreciation								
At 1 January	11,679	3,595	-	-	42,899	270	-	58,443
Charge for the year	-	-	-	-	-	-	-	-
Write Off	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
At 31 December 2024	11,679	3,595	-	-	42,899	270	-	58,443
Net carrying amount:								
At 31 December 2024	138,415	-	-	-	132,339	630	-	293,479

Property, plant and equipment

31 December 2024

	Leasehold Improvements N'000	Office Furniture & Fittings N'000	Motor Vehicles N'000	Office Equipments N'000	Computer Equipments N'000	Motor Bikes N'000	Computer Software N'000	Total N'000
Cost								
At 1 January	-	3,093	-	-	132,083	900	-	136,076
Additions	150,093	22,598	-	-	43,155	-	-	215,846
Write Off	-	-	-	-	-	-	-	-
Disposal	-	-	0	-	-	0	-	-
At 31 December 2023	150,093	25,691	-	-	175,238	900	-	351,922
Depreciation								
At 1 January	-	316	-	-	11,221	30	-	11,567
Charge for the year	14,598	4,103	-	-	39,597	240	-	58,538
Write Off	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
At 31 December 2023	11,679	3,595	-	-	42,899	270	-	70,105
Net carrying amount:								
At 31 December 2023	138,415	-	-	-	132,339	630	-	281,817

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

23 Group Property, plant and equipment

30 September 2025										
	Leasehold Improvements N'000	Office Furnitures & Fittings N'000	Motor Vehicles N'000	Office Equipments N'000	Plant & Equipment N'000	Computer Equipments N'000	Motor Bikes N'000	Computer Software N'000	Intangible Assets N'000	Total N'000
Cost										
At 1 January	317,795	203,316	249,345	122,563	47,495	498,283	1,331	127,186	3,296	1,570,611
Additions	0	0	30,787	-4,860	0	25,470	-1	365,356	0	416,753
Write Off										-
Disposal/Adjustment			0	-	-	-	-	-	-	-
At 30 September 2025	317,794	209,934	280,132	117,703	47,495	523,753	1,330	492,542	3,296	1,987,363
Depreciation										
At 1 January	144,644	154,547	141,160	93,726	37,593	268,682	491	103,421	3,296	947,560
Charge for the year	13,750	10,742	26,577	7,118	4,109	25,632	179	83,824	-	171,931
Write Off										-
Disposal/Adjustment										-
At 30 September 2025	158,394	165,290	167,736	100,398	41,702	294,314	670	187,245	3,296	1,119,491
Net carrying amount:										
At 30 September 2025	159,400	44,645	112,395	17,305	5,794	229,439	660	305,298	0	867,872
31 December, 2024										
	Leasehold Improvements N'000	Office Furnitures & Fittings N'000	Motor Vehicles N'000	Office Equipments N'000	Plant & Equipment N'000	Computer Equipments N'000	Motor Bikes N'000	Computer Software N'000	Intangible Assets N'000	Total N'000
Cost										
At 1 January	167,701	180,719	122,733	108,388	47,495	378,420	431	127,186	3,296	1,136,369
Additions	150,094	22,597	126,612	14,175	0	119,863	900	-	0	434,242
Disposal/Transfer	-	-	-	-	-	-	-	-	-	-
At 31 December	317,795	203,316	249,345	122,563	47,495	498,283	1,331	127,186	3,296	1,570,611
Depreciation										
At 1 January	112,842	134,562	97,918	81,410	28,922	217,447	375	64,159	3,296	740,931
Charge for the year	31,802	19,985	43,242	12,316	8,671	51,235	116	39,262	0	206,629
Disposal	-	-	-	-	-	-	-	-	-	-
At 31 December	144,644	154,547	141,160	93,726	37,593	268,682	491	103,421	3,296	947,560
Net carrying amount:										
At 31 December, 2023	173,150	48,769	108,185	28,838	9,903	229,601	840	23,765	(0)	623,051

DLM CAPITAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

	Group		Company	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	N'000	N'000	N'000	N'000
24 Trade payable				
Accrued commission	1,625	1,625	-	-
Other trade payables	0	-	1,891,895	1,253,530
	<u>1,625</u>	<u>1,625</u>	<u>1,891,895</u>	<u>1,253,530</u>
25 Managed deposits				
Commercial paper	8,195,731	9,049,215	8,195,731	9,049,215
Other managed deposits(i)	31,746,827	21,733,613	27,661,130	13,380,630
	<u>39,942,557</u>	<u>30,782,828</u>	<u>35,856,860</u>	<u>22,429,845</u>
i Other managed deposits				
Other Assets under Management	32,571,517	13,470,961	23,545,723	11,926,186
Accrued interest expenses	-824,690	1,460,655	-	-
Deposit liabilities related entities	-	2,244,743	4,115,406	1,454,444
	<u>31,746,827</u>	<u>30,782,828</u>	<u>27,661,130</u>	<u>13,380,63</u>

27 Borrowings & payables

Loan from related parties	405,556	391,334	-	-
Loan Facility Corporate	-	46,412	-	-
Zenith Overdraft Facility	5,012,899	5,214,813	5,012,899	5,214,813
	5,418,455	5,652,559	5,012,899	5,214,813

	Group		Company	
	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
26 Other liabilities				
Accrued staff salaries and benefits	95,125	53,826	905	905
MWFL payable	65,910	65,910	-	-
PAYE payable	8,977	7,627	-	-
Staff pension payable (see note 24.1)	7,929	17,969	-	-
NHF payable	1,753	1,050	-	-
Sundry liabilities	671,724	487,096	-	-
Due to related parties	24,589	2,410,487	971,804	800,581
Provision for tax claims on disputed income	291,216	291,216	-	-
WHT payables	185,115	181,788	102,707	121,307
Accrued professional fees	276,908	131,703	159,464	-
VAT payable	67,060	52,053	-	-
Accrued audit & consultancy	62,911	39,463	-	-
Accrued directors fees	10,938	10,191	-	-
Accrued income suspense	-	-	-	-
Other Payables	-	-	20,224	20,224
Impairment Provisions	-	-	-	-
Dividend payable	5,000	-	-	-
Shareholders Account	524	20,459	-	-
	1,775,680	3,770,839	1,255,103	943,017

26.1 Staff pension

At 1 January	6,501	40,955	-	-
Charge for the year	43,560	26,889	-	-
	50,061	67,844	-	-
Remittance to PFA during the year	(42,132)	(61,343)	-	-
At 31 December	7,929	6,501	-	-

In compliance with the Pension Reform Act (2014), the Company and employee contribute 10% and 8% of the employee total

emolument under the contributory pension scheme and remit to the Pension Fund Administrator of the employee choice.

5.2 Retirement benefit obligations

The Company does not operate a defined benefit plan retirement scheme for employees under any gratuity scheme.

	Group		Company	
	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
27 Current tax liabilities				
At 1 January	819,919	475,791	33,092	6,130
Charge for the year	-	419,345	-	16,625
Payment during the year	(422,868)	(75,217)	(19,972)	10,337
Overprovision in prior year	-	-	-	-
At 30 June	397,050	819,919	13,120	33,092

The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 as amended and Education Tax Act, CAP E4 LFN 2004.

	Group		Company	
	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
28 Deferred tax				
Liabilities				
At 1 January	531,665	113,020	6,249	-
Charge for the year	-	418,645	-	6,249
Deferred tax credit	(246,948)	0		
At 31 December	284,717	531,665	6,249	6,249
Assets				
At 1 January	1,294,590	289,324	475,781	-
Charge for the year	(615,705)	1,005,266	(140,337)	475,781
At 31 December	678,885	1,294,590	335,445	475,781
Deposit for Shares	-	-	-	-

DLM CAPITAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

	Group		Company	
	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
29 Share capital				
Called up:				
i Authorised:				
500,000,000 ordinary shares of N1 each	500,000	500,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
ii Issued and fully paid:				
500,000,000 ordinary shares of N1 each	500,000	500,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
30 Share Premium				
Share Premium on Ordinary Shares	<u>1,386,000</u>	<u>1,386,000</u>	<u>1,386,000</u>	<u>1,386,000</u>
31 Other equity				
Net other equity from Group expansion	<u>710,862</u>	<u>710,862</u>	<u>710,862</u>	<u>710,862</u>
32 Retained earnings				
At 1 January	7,610,471	6,261,371	(1,961,014)	(20,779)
Opening Retained Earnings		-	-	-
Prior year adjustment	-	-	-	-
Dividend declared	-	-	-	-
Profit for the year	<u>756,966</u>	<u>1,485,195</u>	<u>(263,998)</u>	<u>(1,070,378)</u>
	8,367,437	7,746,566	(2,225,011)	(1,091,157)
Transfer to Regulatory Risk Reserve	-	-	-	-
Transfer to Statutory Reserve	<u>(1,474,907)</u>	<u>(136,095)</u>	<u>-</u>	<u>-</u>
At 31 December	<u>7,762,385</u>	<u>7,610,471</u>	<u>(2,225,011)</u>	<u>(1,091,157)</u>

33 Capital reserve

At 1 January	1,403,167	1,403,167	1,223,090	1,218,365
Capital reserve from property revaluation	0	0	-	4,725
Capital reserve from property revaluation	<u>1,403,167</u>	<u>1,403,167</u>	<u>1,223,090</u>	<u>1,223,090</u>

34 Statutory Reserve

	10,235	10,235	-	-
	<u>10,235</u>	<u>10,235</u>	-	-

34.1 Regulatory Risk Reserve

Risk adjustment	108,394	-0	-	-
	-	-	-	-
	<u>108,394</u>	<u>-0</u>	-	-

34.1 Regulatory risk reserve

At 1 January	-1	35,025	-	-
Transfer from retained earnings	108,394	(35,025)	-	-
Risk adjustment		-		
At 31 December	<u>108,393</u>	<u>(1)</u>	-	-

Transfer to regulatory risk reserve was as a result of difference between credit losses on loans and advances to customers calculated under IFRS 9 expected credit loss model and provisions of the CBN prudential guidelines.

Impairment losses reconciliation

As calculated under CBN prudential guideline	283,216	259,240	-	-
As calculated under IFRS	-175,715	-167,711	-	-
Transfer to regulatory risk reserve	<u>107,501</u>	<u>91,529</u>	-	-

35 Dividend

No dividend was declared for the current year (2024: Nil)

	30-Sep-25 N'000	31-Dec-24 N'000	30-Sep-25 N'000	31-Dec-24 N'000
Dividend declared	-	-	-	<u>(4,500)</u>

DLM CAPITAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

37 Claims and Contingent liabilities

In accordance with Clause 9.5 of the Technical Services Agreement entered into between DLM LLC New York and all subsidiaries of DLM Capital Group Limited or its successors in title, at the option of shareholder(s) of DLM LLC, the repayment of the Accumulated Technical Services Fee calculated from the first day of January 2010 to the 31st of December 2022 amounting to N3,212,530,891 and converted at the official Central Bank of Nigeria Naira to US\$ exchange rate of N460 to US\$1 as at the 31st of December, 2022; equating to US\$6,983,763; the higher of the Naira or US\$ amount shall be due and payable in instalments or as a bullet to the shareholder(s) of DLM LLC on the earlier of:- (a) the Shareholder's funds of DLM Capital Group exceeding N20,000,000,000.00 or; (b) when the consolidated Profit Before Tax of DLM Capital Group equals to or exceeds N10,000,000,000.00. DLM LLC will also have the option to convert part, or all of the Accumulated Technical Services Fee as stated above into the equity of DLM Capital Group

38 Events after the reporting date

There were no events after the reporting date requiring adjustment of, or disclosure in, these financial statements.

DLM CAPITAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30TH SEPTEMBER 2025

36 Related Party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. From the Company's perspective, this definition includes key management personnel and directors. A summary of related party transactions during the year is shown below:

	30-Sep-25 N'000	31-Dec-23 N'000	30-Sep-25 N'000	31-Dec-23 N'000
(i) Key management compensation				
Salaries and other short-term employee benefits	-	-	-	-
Sitting allowance	-	-	-	-
Total compensation of key management personnel	-	-	-	-

(ii) Transactions with key management personnel

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the senior management staff and directors of the Company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group.

Key management personnel and their immediate relatives were not engaged in any transactions with the company during the year.

(iii) Transactions with related companies

DLM Capital Group Ltd is the parent company of companies within the DLM Group-Ultimate Parent. The following are the transactions and balances arising from dealings within its subsidiaries and DLM Group during the year.

Accounts (payable)/receivable	Relationship	Group		Company	
		30-Sep-25 N'000	31-Dec-23 N'000	30-Sep-25 N'000	31-Dec-23 N'000
Cithomes finance Company Limited	Subsidiary	-	-	1,244,033	1,385,259
DLM Asset Management	Subsidiary	-	-	365,823	275,276
DLM Trust Ltd	Subsidiary	-	-	(87,162)	(143,263)
DLM Securities	Subsidiary	-	-	147,813	114,765
DLM FX Trading Company	Subsidiary	-	-	(266,104)	(271,727)
DLM Advisory Limited	Subsidiary	-	-	24,729	18,494
Links MFB	Subsidiary	-	-	0	0
Investments					
Cithomes Finance Company	Subsidiary	-	-	171,300	-
Links MFB	Subsidiary	-	-	2,409,764	-
Managed deposits					
Cithomes Finance Company	Subsidiary	-	-	-	-
DLM Asset Management	Subsidiary	-	-	-	-
DLM Trust Ltd		-	-	-	-
Interest income/(expense)					
Cithomes Finance Company	Co- Subsidiary	-	-	(103,521)	-
Links MFB	Co- Subsidiary	-	-	(198,464)	-
DLM Asset Management	Co- Subsidiary	-	-	-73,806	-
DLM Advisory Limited	Co- Subsidiary	-	-	0	-

39 Risk Management Framework

The following provides the Risk Management Framework for DLM Capital Group Company. It contains the guidelines for the management of risks inherent in the operations of funds management business. The objective is to put in place a risk management process with a view to identifying, assessing, controlling, monitoring and reporting all risks inherent in the business and institute robust mitigants to minimize losses and loss events.

Our Vision

Our vision is to develop an integrated and disciplined approach to risk management that aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties the company faces as it creates value.

Our Mission

To ensure the company operates within the predefined loss tolerance limit through best risk management practices that emphasize compliance, quality, speed, agility and simplicity in the delivery and documentation of funds management transactions in a manner that consistent with the objectives and policies of the company.

Our Strategic Risk Management Objectives

- a. Create and sustain a world-class risk management function that is process based, cutting - edge technology enabled and driven by a highly trained workforce with a focus on growing quality risk assets and minimizing losses.
- b. Ensure ZERO Tolerance for policy violation and service delivery failure
- c. Limit incidence of financial and non-financial losses/loss events in the operations to tolerable levels.
- d. Ensure that the company attains and maintains the highest possible standard of Investment Portfolio.
- e. Pursue and attain the highest standard of Corporate Governance and Regulatory Compliance under a **Zero Tolerance Policy** for regulatory infraction.
- f. Ensure the integrity and reliability of our Database, Accounting and management information systems, Information Technology Infrastructure and all Operating Systems across the company with a view to ensuring prompt and accurate rendition of our regulatory returns and timely provision of accurate information for management decision making.
- g. Institute an efficient Legal practice and processes that limits Legal Risk exposures of the company to tolerable levels.
- h. Maintain a **feedback process** that facilitates the continuous review of risk analysis and processes for effectiveness, relevance, and responsiveness to changes in the market place.

Risk Management Framework

- i. Organize the above objectives such that an **optimal balance** exists between risk management, service delivery, relationship management and control objectives

Our risk management philosophy

Our Risk Management Philosophy is to:

- Strive to meet and exceed minimum best practice standards in risk management as defined by local and international regulatory bodies and market leaders.
- Maintain a holistic approach to risk control by placing all risk functions under one umbrella.
- Promote regular internal audit of our products, processes and systems by an independent audit and compliance functions
- Promote an enterprise-wide risk management culture and ensure that every member of staff is involved in the process
- Recognize that the long term survival of the institution depends on its ability to abide by sound risk management practices and corporate governance principles. Where there is a conflict between risk and revenue considerations risk management issues take precedence.
- Maintain a best-in-class risk management function through effective and efficient processes enabled by cutting - edge technology

Risk Type	Risk Description	Loss Characteristics
Market & Investment Risk	The risk of loss due to unfavourable movements in the value of assets.	This could result in loss of value to the Company's property investment holdings
Project Risk	The risk of a negative impact on project quality, cost and/or completion timelines arising from failed or inadequate pre-defined scope, unexpected changes in project schedule or inadequate project resources.	This could result in significant project cost overruns; thereby resulting in eroded profit margins on such projects
Liquidity Risk	The risk that the Firm will not be able to meet its financial obligations as they fall due.	This could result in significant business disruption, delays in project completion or could hinder normal operations of the Firm
Operational Risk	The risk of loss arising from inadequate or failed internal processes, people, systems and external events.	This could result in business disruption, litigation costs and/or regulatory penalties

Risk Type	Risk Description	Loss Characteristics
Compliance Risk	The risk of loss arising from violations of, or non-conformance with laws & regulations	This could result in adverse reputational impact, significant financial losses arising from regulatory penalties; and in severe cases, loss of business licence
Credit Risk	The risk of loss arising from counterparty's inability or unwillingness to fulfill contractual obligations to the Group.	This could result in impairment in the Company's credit assets and could invariably affect its short to long-run liquidity needs.
Strategic Risk	The risk of loss due to adverse or improper implementation of business decisions, or lack of responsiveness to industry changes.	This could result in a significant loss of market share.
Reputational Risk	The risk of brand damage due to the failure to meet stakeholders' expectations with respect to the Firm's performance and behaviour.	This could result in a significant loss of market share; loss of key employees and costly litigation.

a. **Basel II Requirements**

o Enterprise-wide risk management framework

§ Operational Risk Management

§ Credit risk management

§ Market risk management

§ Investment risk

- Three Pillar Risk Management framework

§ Pillar 1 - Minimum Capital Requirement

§ Pillar 2 –Supervisory review

§ Pillar 3 – Market discipline/disclosure requirement

§ SEE Risk (Social, Ethical and Environment) provisions

Risk Management Framework

i. Organize the above objectives such that an **optimal balance** exists between risk management, service delivery, relationship management and control objectives

Our risk management philosophy

Our Risk Management Philosophy is to:

- Strive to meet and exceed minimum best practice standards in risk management as defined by local and international regulatory bodies and market leaders.
- Maintain a holistic approach to risk control by placing all risk functions under one umbrella.
- Promote regular internal audit of our products, processes and systems by an independent audit and compliance functions
- Promote an enterprise-wide risk management culture and ensure that every member of staff is involved in the process
- Recognize that the long term survival of the institution depends on its ability to abide by sound risk management practices and corporate governance principles. Where there is a conflict between risk and revenue considerations risk management issues take precedence.
- Maintain a best-in-class risk management function through effective and efficient processes enabled by cutting - edge technology

Risk Type	Risk Description	Loss Characteristics
Market & Investment Risk	The risk of loss due to unfavourable movements in the value of assets.	This could result in loss of value to the Company's property investment holdings
Project Risk	The risk of a negative impact on project quality, cost and/or completion timelines arising from failed or inadequate pre-defined scope, unexpected changes in project schedule or inadequate project resources.	This could result in significant project cost overruns; thereby resulting in eroded profit margins on such projects
Liquidity Risk	The risk that the Firm will not be able to meet its financial obligations as they fall due.	This could result in significant business disruption, delays in project completion or could hinder normal operations of the Firm
Operational Risk	The risk of loss arising from inadequate or failed internal processes, people, systems and external events.	This could result in business disruption, litigation costs and/or regulatory penalties

Risk Type	Risk Description	Loss Characteristics
Compliance Risk	The risk of loss arising from violations of, or non-conformance with laws & regulations	This could result in adverse reputational impact, significant financial losses arising from regulatory penalties; and in severe cases, loss of business licence
Credit Risk	The risk of loss arising from counterparty's inability or unwillingness to fulfill contractual obligations to the Group.	This could result in impairment in the Company's credit assets and could invariably affect its short to long-run liquidity needs.
Strategic Risk	The risk of loss due to adverse or improper implementation of business decisions, or lack of responsiveness to industry changes.	This could result in a significant loss of market share.
Reputational Risk	The risk of brand damage due to the failure to meet stakeholders' expectations with respect to the Firm's performance and behaviour.	This could result in a significant loss of market share; loss of key employees and costly litigation.

a. **Basel II Requirements**

o Enterprise-wide risk management framework

§ Operational Risk Management

§ Credit risk management

§ Market risk management

§ Investment risk

- Three Pillar Risk Management framework

§ Pillar 1 - Minimum Capital Requirement

§ Pillar 2 –Supervisory review

§ Pillar 3 – Market discipline/disclosure requirement

§ SEE Risk (Social, Ethical and Environment) provisions

b. Regulatory Requirements

Compliance with local and international regulatory/statutory provisions at all times

o DLM Capital Group Limited offers products and services that are functionally regulated Nigerian Stock Exchange (NSE). The SEC has the primary responsibility to supervise the functional activities and interpret and enforce applicable laws and regulations under its jurisdiction. Such laws include Investment and Securities Act 2007.

o Investment Tribunal – adjudicates on matters bordering on breaches of Capital Market rules and regulations and applies sanctions where necessary.

The applicable laws include:

- Companies and Allied Matters Act, 2020
- Banks and Other Financial Institutions Acts, 2020
- Securities and Exchange Commission Act, 2013
- Investment and Securities Act, 2007
- Economic and Financial Crime Commission Act, 2004
- Federal Inland Revenue Service Act, 2007

o Relationship with other bodies and associations include:

- Fund Managers Association of Nigeria
- Nigerian Shareholders Solidarity Association
- Nigerian Stock Exchange
- Stockbrokers and Issuing Houses Association
- Central Securities and Clearing System
- Financial Reporting Council of Nigeria
- National Data Bank
- Other financial institutions

o The periodic returns rendered to the regulatory bodies include:

- Filing of statutory reports with Corporate Affairs Commission
- Rendition of statutory returns to NSE / SEC on behalf of client companies

Regulatory Provision

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

Risk Management Framework

Legal Risk

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

Best Practice Risk Management

- Strong and visible commitment from top management
- Central oversight of risk management across the enterprise
- Risk / return principles
- Establishing a risk management function that is independent of direct risk takers, that is, separate risk management function from the risk generating units
- Clear-cut policies and guidelines
- Best practice infrastructure

Our Risk Management Blueprint

1 Strategy

We have put in place the following best practice principles –

- Enforcement of consistent measurement approaches and an effective, decision-oriented reporting system
- Stringent set of well-documented and well-understood risk policies; policies linked to risk appetite
- Effective limit structure that reflects overall risk appetite and current business structure (e.g., to adapt limit structure to current capital base, business mix, and size of operations)
- Clearly differentiated organizational structure (e.g., separate reporting) but effective monitoring of exceptions (e.g., limit total number of exceptions to focus management attention on critical cases)
- Consistent process for allocating capital among business units and review of risk-adjusted performance of businesses and key products on an ongoing basis
- Risk-returns considerations are built into the fabric of decision-making processes (e.g., new product valuations account for required risk capital)
- The central risk management function formulate policies and procedures while the subsidiaries and strategic business units are subject to same risk management guidelines and policies with corporate staff
- Board and Management have oversight function over risk management (e.g. through the Board Risk Management Committee)
- Development and deployment of Board approved Risk Management Policies
- Setting up of an independent Audit and Compliance function with direct reporting line to the Chief Executive Officer and dotted reporting relationship to Group Risk Management Directorate
- Well Documented Empowerment, Rewards and Sanction Policies

Risk Management Framework

Development and institutionalization of disaster recovery and business continuity and contingency plans to critical business lines

- Reliable and timely management information system to aid prompt decision making
- Ensuring confidentiality, reliability, integrity and availability of information assets in the company

2 Our Risk Management Process

This involves the identification, assessment, controlling, monitoring and reporting all risks inherent in funds management products and services.

3 Risk Identification process

Funds Management activities operate within a broad and complex risk environment.

The most obvious risks are created by or arise out of specific client agreements, legal documentations, laws and regulations, court rulings, and other recognized agency principles. Other risks, which are more subtle but as potentially damaging, arise from the manner in which we deliver our products and services, the quality and integrity of the individuals we employ, the integrity and reliability of the underlying records and the type of leadership and strategic direction provided by our board of directors and senior management.

We identify risks inherent in funds management activities and group them into the following risk areas:

- Operational risk
- Compliance risk
- Reputational risk
- Credit Risk
- Investment risk
- Market risk
- Settlement risk

In line with the provisions of DLM Capital Group Operating Risk policy, all new products/processes/systems developed by DLM Capital Group is submitted to Risk Management Department for review and sign off before they are implemented.

Mapping of the products/processes of DLM Capital Group Limited is undertaken by Operating Risk Management group with the support of functional departments in DLM Capital Group who are primarily responsible for identification of risks in their processes. The mapping process involves documentation of processes, risks and control templates to guide processors in DLM Capital Group and hence reduce the incidence of losses/loss event in the company.

Operational Risk inherent in Funds Management Activities

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risks inherent in Funds Management activities include among others:

- i. Defective client instruction/agreements
- ii. Court rulings leading to payment of penalties and fines
- iii. Breaches of fiduciary and contractual responsibilities thereby resulting in litigations
- iv. Fraud/theft - both internal and external
- v. Liability for damages or restitution because of litigation
- vi. Inadequate training of staff
- vii. Inadequate internal processes and system work flows
- viii. The quality and integrity of personnel employed
- ix. Deficient information processing, accounting, reconciliation and reporting systems in relation to transaction volume and complexity
- x. Loss either through direct expense charges or from loss of client as a result of failure to fulfil fiduciary and contractual responsibilities to customers, shareholders, regulatory authority
- xi. Failure to effectively manage third-party vendors
- xii. Weak internal compliance systems and training programs
- xiii. Inadequate disaster contingency planning for information systems
- xiv. Systems failure thereby resulting in inability to issue contract notes and statements timely.
- xv. Lack of focus on customers which threatens the company's capacity to meet or exceed the customer expectation
- xvi. Inefficient processing system to render services at or below cost levels incurred by competitors or world-class performing stockbrokers
- xvii. insufficient capacity to meet the customer demands
- xviii. Unnecessary processes or activities that threaten the company's capacity to develop, produce and render services on a timely basis
- xix. Poorly performing or positioned distribution channels which threaten the capacity to efficiently and effectively reach the clients with both contract notes and statements
- xx Failure to provide a safe working environment for the workers which exposes the firm to compensation liabilities, loss of business reputation and other cost.
- xxi. Processing for mandate instructions that are not genuine or forged
- xxii. Accepting forged certificates for verification which may lead to indirect liability
- xxiii. Inadequate Know Your Customer (KYC) documentations
- xxiv. Failure to update the mandate instructions in the appropriate systems
- xxv. Unauthorized overdraw of trading accounts
- xxvi. Failure to build, carry out periodic test and continuous monitoring of disaster recovery site / program

Outsourcing of sensitive information assets

- xxvii. Ineffective, inaccurate, unreliable or incomplete management information reports
- xxviii. Unavailability of important information when needed threatens the continuity of the company's critical operations and processes
- xxix. Failure to adequately restrict access to information (data or programs) resulting in unauthorized knowledge and use of confidential information
- xxx. All the risks associated with the authorization, completeness and accuracy of transactions as they are entered into, processed by, summarized by and reported by various application systems deployed by the company.
- xxxi. Lack of information technology infrastructure needs to effectively support the current and future information requirements of the Funds Management business in an efficient, cost-effective and well-controlled fashion.
- xxxii. Loss of critical Data
- xxxiii. Sanction for failure to report suspicious transactions in line with Anti-Money Laundering law to the responsible regulatory agencies
- xxxiv. Sanction/penalty for failure to identify customer properly before consummation of business relationship.
- xxxv. Sanctions for failure to carry out due diligence on a customer

3.2 Compliance Risk

- i. Non-compliance with laws, rules, regulations, prescribed practices, internal policies and procedures, ethical standards.
- ii. Implementation of untested and ambiguous rules and laws
- iii. Actions which results in payments of fines, penalties, damages, and voiding of contracts
- iv. Non-compliance with applicable agreements
- v. Non consideration to changes in regulatory environments
- vi. Weak internal compliance systems and training programs
- vii. Loss either through direct expense charges or from loss of client because of failure to fulfil fiduciary and contractual responsibilities to customer, shareholders, regulatory authority and other stakeholders
- viii. Non-compliance with regulatory returns

3.3 Reputational risk

- i. Negative public opinion
- ii. Inability to offer innovative products and services
- iii. Uncompetitive products and services
- iv. Lack of understanding to identify and manage risk inherent in Funds Management products and services
- v. Lack of strong and enforced ethical culture and risk control environment
- vi. Lack of clearly defined and consistently applied investment management philosophy

Deficiencies in the ethical culture and expertise of management and supporting personal

- vii. Marginal or poor customer services and product performance
- viii. Adverse regulatory enforcement actions
- ix. Liability for damages or restitution as a result of litigation
- x. Diminishing of reputation, franchise value, limited business opportunities, reduced expansion potentials and inability to enforce control
- xi. Dealing with companies and individuals who are proponents of Social, Ethical and Environmental (SEE) risks
- xii. Dealing with companies and individuals who sponsor terrorist activities

3.4 Credit risk

Inability of the client to meet its obligations as and when due thereby resulting in unauthorized overdrawn trading account.

i **Management of Risk**

The Company's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting specific high standards. Credit risk is monitored on a monthly basis by the Finance and Management service (FMS) unit in accordance with the policies and procedures in place. Principal policies set in place include:

Establishing an appropriate credit risk management environment

- Maintaining an appropriate credit administration, measurement and monitoring processes, including strict adherence to the investment rules and regulations set by the Securities and Exchange Commission (SEC); and
- Establishing an appropriate approval limits for investment of certain types and tenors.
- Ensuring adequate control over risk.

Risk Management Framework

ii Exposure of risk

The company's maximum credit risk exposure at the reporting date is represented by the respective carrying amounts of the relevant financial asset in the statement of financial position.

The Company is exposed to credit on its interest and trade receivable balances due from financial institutions and its client companies respectively. Most of the Company's revenue could be attributable to interest and trade receivable balances.

The Company has dedicated credit standards, policies and procedures to control and monitor intrinsic and concentration risks through all credit levels of selections, administration and control. Some of these policies include ensuring that all investment entered are of low medium duration; thus minimizing the risk of default.

3.5 Market Risk

The market risk inherent in Funds Management business includes the following:

Price Risk: This is the probability that the price of equity being traded will move adversely thereby causing a loss.

Trading Liquidity Risk: The risk that one will be unable to unwind or dispose of the equity.

Lapse Risk: The risk that it will take longer time than expected to dispose of the equity.

Pre-settlement Risk: The risk that the counterparty will not be able to deliver on the forward sale of equity on the due date.

Trading Credit / Default Risk: The risk that the counterparty will default on payment at the expiration of the equity forward contract.

Concentration Risk: The risk of adverse market movement against one equity that a firm has more than half of its entire portfolio.

Cross border risk/sovereign risk: The risk of investing in equity of other country whose regulatory frameworks are different from the local frameworks.

The market risk factors listed above are managed through limit setting and proper monitoring of such risk exposures.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks.

Interest rate sensitivity analysis

"The sensitivity analyses below have been determined based on the exposure to interest rates for interest yielding financial instruments which were measured at fair value at the end of the reporting period.

The fair values of financial assets classified as held-to-maturity would be impacted as shown below if yields were 1% higher or lower as at 31 December 2019.

	Fair value as at		
	2024	1% higher	1% lower
	N'000	N'000	N'000
Placements with financial institutions	3,141,065	3,172,476	3,109,654

Risk assessment process

The risk assessment process begins with identifying risk as mentioned above, and followed with assessing and measuring all risk associated with Funds Management business and grouping them into appropriate risk categories. The level of risk and the quality of risk management processes are considered when making decision on products and services pricing, new business proposals, employee compensation and the amount of capital needed to adequately support funds management activities.

We assess and measure all risks inherent in the products and services offered by DLM Capital Group using the assessment grid below. The grid considers the impacts of changes in regulatory, economic and political environments, derailment in strategic objectives, inability to achieve the financial goals and the quality and performance of products and services provided by our company.

Risk Management Framework

Risk Rating	Financial Loss	Quality of Products / Services	Compliance/ Regulatory Environment	Volume/ Significance of Litigation	Strategic Goals
Low	Below N100,000	Customer complaints almost non-existent (not more than 1 or 2 per month); Customer complaints are minor; Sustained, massive and increasing clientele base	Environment is lightly regulated; Incidents of non-compliance almost none (not more than 1 or 2 per month); Non-conformance events are minor; Little deviation from prescribed practices	Litigations are rare (once in 5 years) Litigations are non-significant	Weak threat of entrance of new products; Low possibility of emergence of new markets Relatively stable technology
Moderate	Up to N1m	Few customer complaints; (up to 4 per month); Customer complaints are fairly significant; Sustained and moderate clientele base	Environment is fairly regulated; Few incidents of non-compliance (up to 4 per month); Non-conformance events are fairly significant; Marked deviation from prescribed practices	Litigations occur once in 3 years) Litigations are fairly significant	Fairly strong threat of entrance of new products; Reasonable possibility of emergence of new markets Slightly rapid technological changes
High	Above N1m	Several customer complaints (More than 4 per month); Customer complaints are fundamental; Marginal and declining clientele base	Environment is highly regulated; Several incidents of non-compliance (above 4 per month); Non-conformance events are fairly significant; Fundamental deviation from prescribed practices	Environment is highly regulated; Several incidents of non-compliance (above 4 per month); Non-conformance events are fairly significant; Fundamental deviation from prescribed practices	Strong threat of entrance of new products; High possibility of emergence of new markets; Rapid technological changes

Risk Management Framework

The three (3) major grids shown in the table above can be further enlarged to 5 grids in line with Operational Risk policy as shown in the table below:

Risk Rating	Financial Loss	Strategic Objectives	Regulatory Environment	Product & Service Quality	Corporate Image	Staff
Insignificant	Below N50,000	No deviation from defined strategic goals	No regulatory implications	No customer dissatisfaction or service disruption	No negative publicity in the Press	No physical or mental injury and no redundancies or lay-offs
Minor	Up to N100,000	Insignificant deviation from defined strategic goals which can be easily corrected.	Minor violations that are easily resolved in the course of business	Minimal customer dissatisfaction leading to minor disruption	Routine and transitory gossip in the Press, and limited in coverage.	Potential for minor physical or mental injury with one or two redundancies or lay-offs
Moderate	Up to One Million Naira	A marked deviation from defined strategic goals that requires management attention for re-alignment	Regulators will take exceptions and document reservations	Sizeable customer dissatisfaction leading to prolonged service disruption	May result in some adverse publicity in the Press with a fairly wide coverage	Injury requiring hospital treatment for more than one member of staff. A few redundancies and lay offs
High	Up to Ten Million Naira	Significant deviation from defined strategic goals leading to loss of market share	May result in immediate query by regulators to the company or its principal office	Remarkable customer dissatisfaction leading to closure of accounts and walk-outs	May result in negative publicity that leads to a temporary run	Significant injuries, potential death. Significant redundancies
Massive	Over Ten Million Naira	Fundamental deviation from defined strategic goals leading to capital erosion and liquidation	May result in any kind of sanction by regulators, irrespective of severity of such sanctions	Colossal loss of customers and legal disputes	May result in protracted negative publicity that gives an indication of signs of distress or insolvency	Deaths and/or major effect on staff lives. Wide scale redundancies

Risk Management Framework

Documentation of Controls / mitigants

The types and sophistication of control processes is consistent with the risk tolerance standards established by the Board of Directors and Senior Management for the company. Effective controls put in place to guard against identified risks include among others:

- i. Diligent adherence to personnel profile guidelines
- ii. Clearly defined and enforced limits and responsibilities
- iii. Automation of controls wherever possible
- iv. Implementation of Straight through processing (STP) wherever possible
- v. Minimization of duplication and handoffs
- vi. Pre and post transaction verification
- vii. Segregation of duties to avoid connivance
- viii. Establishment of audit trails for all transactions
- ix. Investment in training and software support for control officers
- x. Daily and monthly back-up procedures to remote locations
- xi. Business continuity and Disaster Recovery Plans
- xii. Strategic planning and monitoring of performance
- xiii. Product development and assessment of response to market changes and customers demands
- xiv. Development of effective process for the control of outsourced activities
- xv. Information security risk control to minimize the vulnerability of all information to errors, misuse and loss
- xvi. New products and services development cycle shall be evaluated by risk management, operations, accounting, legal and audit and business line manager
- xvii. All new products and services with material impact on the company's overall risk profile shall be approved by the board of directors.

Risk Monitoring and compliance processes

The Board of directors, or its designated committees, and senior management regularly monitor and evaluate the types and levels of risk and the adequacy and effectiveness of risk management processes.

1. Risk Management Directorate have institutionalized a well-designed monitoring process to assist the Board of directors in evaluating management's performance in achieving the company's strategic and financial objectives, appropriate implementation of strategic directives and policy guidance, and managing risk position, control systems, and policy exceptions in an effective manner.

Risk reporting process

We have clearly defined policies, procedures, practices and standards in providing the Board with the necessary information tools.

The reports are accurate, relevant, consistent, complete and timely to support risk management decisions at all levels.

The risk reporting process shall show the following:

- o Maintenance of enterprise wide cumulative loss-event database for experience, planning and in compliance with the requirements of Basel II provisions for Agency Service and Custody Business line.
- o Key risk areas
- o Compliance dashboard
- o Summary of remedial actions taken to date
- o Unresolved issues that require further escalation
- o Capital requirement for the assessment period
- o New and existing products and services performance

Determination of fair value and fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflects market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy. DLM Capital Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

The following table shows an analysis of the company's financial instruments recorded at fair value by level of the fair value hierarchy. This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

RISK MANAGEMENT FRAMEWORK

For financial instruments for which the fair value approximates carrying value i.e. those instruments that are liquid or have a short-term maturity (less than three months), it is assumed that the carrying values approximate their fair value.

		2024 N'000	2023 N'000
Cash and cash equivalents	Liquid assets/short term maturity	12,551,259	13,607,602
Financial assets			
Receivables & Prepayment	Current assets	18,771,323	7,963,797
Property and equipment	Non-current assets	293,479	281,817
Investments	Non-current assets	3,824,429	3,824,429
Total assets		35,440,490	25,677,646
Financial Liabilities			
Borrowings	Liabilities at amortised cost	-	-
Managed Deposits	Liabilities at amortised cost	35,856,860	22,429,845
Other liabilities	Liabilities at amortised cost	3,146,999	2,196,547
Current tax liabilities	Liabilities at amortised cost	13,120	33,092
Total liabilities		39,016,980	24,659,484

Fair valuation methods and assumptions

I Cash and balances with banks and amounts due from other financial institutions:

Cash and balances with banks represent cash held with banks, while amounts due from other financial institutions represent investments in term deposits with these institutions. The fair value of these balances is their carrying amounts.

II Equity securities

The fair value of quoted equity securities are determined by reference to quoted prices (unadjusted) in active markets for identical instruments. The fair value of unquoted equity securities are determined based on prices obtained from an observable market.

III Trade and other account receivable

These represent monetary assets which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.

IV Treasury Bills

Fair value of Treasury Bills is determined based on prices obtained from an observable market.

Capital Management The basic objective of any Entity is to maximise returns and deliver value whilst ensuring the Entity is able to continue effectively as a going concern. Value adding opportunities to grow the business are continually assessed, although strict and careful criteria are applied. The policies for managing capital are geared towards maximising profits and cash. The policy is to set budgets and forecasts into the short and medium term that the Entity ensures are achievable. The process for managing capital are regular reviews of financial data to ensure that the entity is tracking the targets set and to reforecast as necessary based on the most up to date information while maintaining a sustainable generation of free cash flow in our operations to fund steady growth.

Capital	2024 N'000	2023 N'000
- Share Capital	500,000	500,000
- Share Premium	1,386,000	1,386,000
- Irredeemable Conv. Pref. shares	-	-
Other equity	710,862	710,862
- Retained Earnings	-2,229,511	-1,095,657
Capital reserve	1,223,090	1,223,090
Total qualifying for Capital	1,590,441	2,724,295

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by the Board of Directors or a sub-committee as appropriate.

Although maximization of the return on Risk-Adjusted Capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision-making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer term strategic objectives. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

DLM CAPITAL GROUP LIMITED
STATEMENT OF VALUE ADDED
30TH SEPTEMBER 2025

	Group				Company			
	30-Sep-25 N'000	%	31-Dec-24 N'000	%	30-Sep-25 N'000	%	31-Dec-24 N'000	%
Gross earnings	14,147,677	856	13,680,310	425	6,363,200	(2,410)	3,994,164	
Operating expenses	(12,495,503)	(756)	(10,462,420)	(325)	(6,627,198)	2,510	(5,124,911)	
Value added/ consumed	1,652,175	100	3,217,891	100	(263,998)	100	(1,130,747)	100
Applied as follows:								
To pay employees:								
Salaries and other benefits	539,688	32	749,859	23	-	-	-	-
To pay Government:								
Taxation	-	-	108,821	3	(1)	0	(120,366)	-
To pay Shareholders:								
Dividend	-	-	-	-	(1)	0	-	-
Retained for future replacement of assets, expansion of business:								
Depreciation	164,066	9	167,816	5	-	-	-	-
Amortisation	8,832	1	49,448	1	-	-	-	-
Net impairment loss	182,624	11	197,233	6	-	-	-	-
Profit for the year	756,966	47	1,944,715	61	(263,998)	100	(1,070,378)	90
	1,652,175	99	3,217,892	99	(263,999)	100	(1,190,744)	100

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

**DLM CAPITAL GROUP LIMITED
 FINANCIAL SUMMARY
 30TH SEPTEMBER 2025**

	Group				Company							
	2024 July N'000	2023 December N'000	2022 December N'000	2021 December N'000	2020 December N'000	2019 December N'000	2024 July N'000	2023 December N'000	2022 December N'000	2021 December N'000	2020 December N'000	2019 December N'000
ASSET EMPLOYED												
Cash and cash equivalents	994,916	1,664,022	4,278,032	4,610,561	1,863,309	9,997,831	3,549,658	1,503,927	1,250,660	4,749,318	92	5,774
Investment in FGN securities	16,290,174	8,594,333	0									
Investment in corporate bonds	5,828,549	3,965,516	5,040,666	11,584,012	9,346,150	4,324,997	3,824,429	3,824,429	5,679,349	4,708,591	4,692,899	4,625,862
Investment in equities	1,985,475	2,898,053	282,650						29,904			
Investment in associates	1,665,458	1,665,458	1,705,458									
Investment property	12,446,510	12,871,718	3,458,628	2,557,103	-	-	3,502,767	3,927,975	266,406	211,794	-	-
Trade Receivables and Prepayme	10,407,053	5,700,297	2,160,875	2,238,982	983,028	56,090	6,511,296	1,830,146	102,208	26,200	-	-
Loans & Advances	2,555,074	5,833,663	2,955,247	1,630,431	472,341		1,910,944	3,043,306	-	-	-	-
Other Assets	5,974,145	7,909,930	2,973,539	953,226	823,648	674,438	12,260,027	6,133,651	971,079	922,928	899,481	914,971
Intangible Assets	305,298	198,198	76,683	51,438	4,028	623	-	-	-	-	-	-
Property and equipment	569,592	584,392	288,339	279,289	90,381	39,872	293,479.44	281,816.80	-	-	-	-
Goodwill	0	0	35,100	70,200	124,698	124,699	-	-	-	-	-	-
Deferred tax assets	678,885	1,294,590	289,324	106,304	106,323	106,323	335,444.50	475,781.00	-	-	-	-
Total Assets	59,701,126	53,180,170	23,544,541	24,081,546	13,813,906	15,324,873	31,852,600	20,545,251	8,299,605	10,618,830	5,592,473	5,546,607
Total Liabilities	(47,820,085)	(41,559,435)	(17,138,217)	(18,925,841)	(9,420,623)	(11,450,625)	(44,036,130)	(29,880,548)	(4,299,570)	(6,631,018)	(1,620,351)	(1,574,483)
Net Assets/ (Liabilities)	11,881,041	11,620,735	6,406,324	5,155,705	4,393,283	3,874,248	(12,183,530)	(9,335,297)	4,000,034	3,987,812	3,972,122	3,972,124
EQUITY ATTRIBUTABLE TO OWNERS												
Share capital	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Share Premium	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000
Retained earnings	7,762,385	7,610,471	2,192,760	1,047,128	563,552	54,830	-2,229,511	-1,095,657	180,083	167,862	156,897	156,897
Other equity	710,862	710,862	710,862	710,862	710,862	710,862	710,862	710,862	710,862	710,862	710,862	710,862
Statutory reserve	10,235	10,235	10,235	10,235	10,235	2,123	-	-	-	-	-	-
Regulatory reserve	108,393	-1	203,300	121,434	4,270	2,070	-	-	-	-	-	-
Capital reserve	1,403,167	1,403,167	1,403,167	1,380,047	1,218,365	1,218,365	1,223,090	1,223,090	1,223,090	1,223,090	1,218,365	1,218,365
Total Equity	11,881,042	11,620,733	6,406,323	5,155,705	4,393,283	3,874,250	1,590,441	2,724,295	4,000,035	3,987,814	3,972,124	3,972,124
STATEMENT OF COMPREHENSIVE INCOME												
Operating income	3,628,679	6,274,450	3,233,595	2,128,862	1,363,637	1,278,070	(206,733)	(1,090,948)	127,826	15,036	-	-
Operating expenses	(2,871,714)	(4,220,915)	(1,930,034)	(1,245,203)	(769,275)	(592,614)	(57,265)	(99,795)	(71,156)	(4,032)	-	-
Profit before tax/(loss)	756,965	2,053,535	1,303,561	883,659	594,362	685,456	-263,998	(1,190,744)	56,670	11,005	-	-
Profit after tax	756,966	1,944,715	1,227,500	707,781	519,035	543,445	(263,998)	(1,070,378)	12,221	10,965	-	-
Earnings per share/ (Loss) per share - Kobo	151	389	246	142	104	109	(53)	(214)	2	2	-	-

