Annual Reports 2014-24

Vision

To champion wealth creation that makes a positive impact on society.

Mission

BGL will actively seek the best opportunities to bring people and knowledge together to deliver values greater than the sum of its parts

Core Values

Close by

BGL is well connected to its people: clients, employees, communities and partners throughout the globe. Because we know that well connected institutions that give their customers access to a wide range of life-transforming opportunities are rare.

Trailblazing

Fresh thinking, future focus, impeccable innovation and imagination sets BGL apart. In Africa and out of Africa, BGL's footprint is expanding with new products and services to match changing times and to complement the evolving business and investment character of our clients.

Can do

BGL's ambitious, energetic spirit embraces the new: new approaches, new directions, new opportunities, new growth, and new wealth creation.

Table of Content

Table of Content *(Cont'd)*

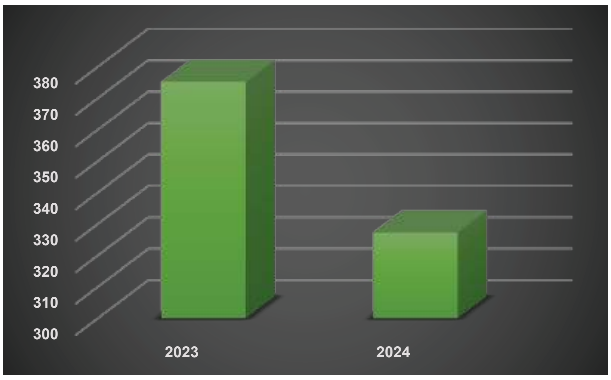
Table of Content *(Cont'd)*

Financial Highlights for 2024

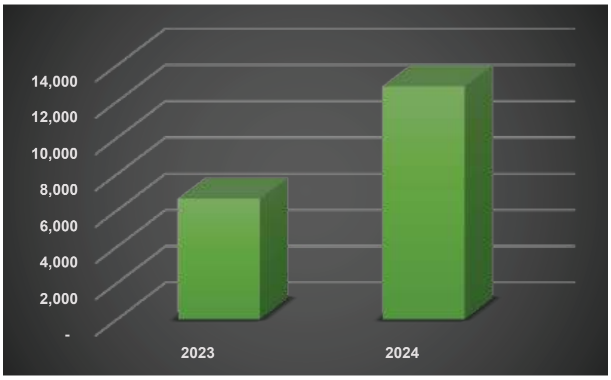
GROUP

	2023 ₦,000	2024 ₦,000
Gross Earnings	454,282	796,858
Profit before Taxation	375,264	327,416
Shareholders' Funds	6,656,848	12,847,048
Total Assets	**18,855,819**	**24,924,266**

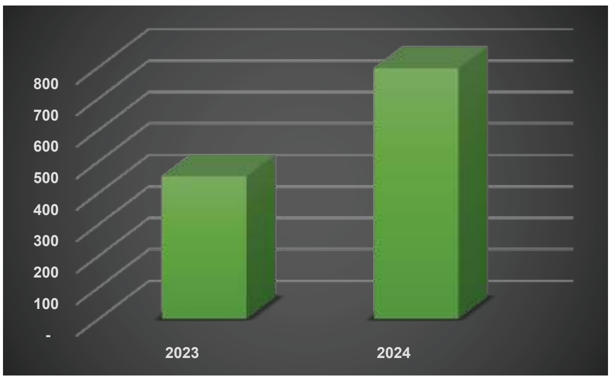
Profit before taxation (Group) (N'm)



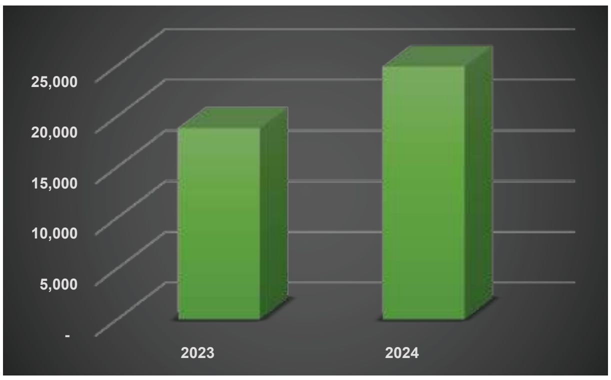
Shareholders' funds (Group) (N'm)



Gross earnings (Group) (N'm)



Total assets (Group) (N'm)



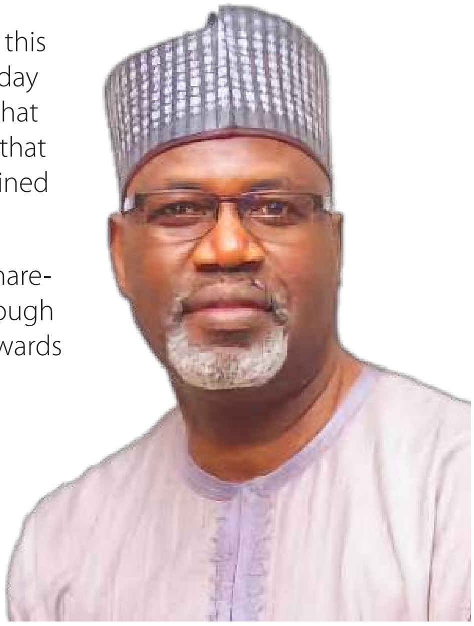
Results at a Glance

	Group			Company		
	2024 ₦'000	2023 ₦'000	%	2024 ₦'000	2023 ₦'000	%
Profit and Loss						
Gross earnings	796,858	454,282	75%	670,602	417,296	61%
Profit or (loss) before taxation	327,416	375,264	-13%	329,281	(2,595,153)	113%
Profit or (loss) after taxation	6,374,694	375,264	1599%	5,913,457	(2,595,153)	328%
Profit or (loss) after taxation & other comprehensive income	6,374,694	375,264	1599%	5,913,457	(2,595,153)	-328%
Balance Sheet						
Financial Investments	17,700,963	17,814,726	-1%	17,882,982	17,996,745	-1%
Shareholders' funds	12,847,048	6,656,848	93%	19,760,395	13,846,938	43%
Total Assets	24,924,266	18,855,819	32%	32,677,511	27,090,167	21%
Per Share Data						
Earnings / loss per share	38.53	2.27		35.74	(15.69)	

Corporate Information

Country of Incorporation and domicile:	Nigeria RC 223042	
Directors:	Musa Kida	- Chairman
	Chibundu Edozie	- Managing Director
Registered Office:	5, Idowu Taylor Street Victoria Island, Lagos	
Company Secretaries:	**Ebhodaghe, Ishmael** Bernateva Partners, 13, Town Planning Way Ilupeju, Lagos	
	Basit Olawoyin The Transaction Experts LP 24, Isujeh Street Off Palmspring Estate, Ikate, Lagos	
Legal advisers/Solicitors:	Oak Partners LP	187 Igbosere Road *(3rd Floor),* Opposite Lagos High Court, Lagos Island
	SPA Ajibade & Co.	Suite 201, SPAACO House, 27A Macarthy Street, Onikan
	Mathew Esonanjor & Co.	2B, Shipeolu Street, Onipanu, Lagos
	Ndubuisi Okonta	24 Anambra River Crescent, Maitama, Abuja
	Babalakin & Co.	12th Floor, 9th, 43A Churchgate Street, Victoria Island, Lagos
	Pinheiro LP	5/7 Folayemi St, Ilupeju, Lagos
	G. Ellias & Co.	6, Broad Street, Lagos
Bankers:	United Bank for Africa Plc:	57, Marina, Lagos Island, Lagos
	Union Bank Plc:	Stallion Plaza, 36, Marina, Lagos Island, Lagos
	Guaranty Trust Bank Plc:	Plot 635, Akin Adesola Street, Victoria Island
	Access Bank Plc:	Plot 999c, Danmole Street off Idejo Str. Victoria Island
Auditors:	Messrs Ahmed Zakari & Co *(Chartered Accountants)* 22B, Oladipo Diya Crescent 2nd Avenue Estate Ikoyi, Lagos	

Chairman's Statement



Engr. Dr. Alhaji Musa Kida
Chairman, Board of Directors

My Dear shareholders it is with all Praise to Allah that I welcome you to this Consolidated Annual General Meetings I thank Allah for the gift of this day the Journey to this point in the history of our Company has been one that can be liken to the valley of the shadow of death but we Thank God that in the true spirit of BGL where we strive to do the impossible we remained resilient through this harrowing period.

I would once again thank God and thank you our long suffering shareholders that have stayed the course and provided the backbone through which the Board has been able to reach deep to stir the company towards a turnaround

As we reflect over the period of this valley of death the years 2015 to 2024 which cumulated with the withdrawal of the regulatory operating licenses of all the BGL subsidiaries.

This period also marked profound human losses for the BGL Group . We mourned the passing of our esteemed former Chairman, Dafe Akpedeye SAN. OFR. C. Arb, who left us on October 5th, 2020, and our founding Group Managing Director (GMD), Albert Okumagba FCA, who passed away on November 19, 2020. Their contributions to BGL and the financial sector have been invaluable, and their legacies will continue to inspire us.

We also lost within this period the following valuable staff members Mrs Ehime Alofoje, Executive Director, BGL Asset Management, Mr Victor Obire, Executive Director, Operations, BGL Securities, Mr Funso Oke, Head, Research & Intelligence, BGL Plc, Mr Cornelius Oboh, Executive Director, BGL Securities Limited, and Mrs Onyekachi Amakoh, Client Relationship Management, this has indeed been a time of mourning, intertwined with the hash realities of navigating the monumental financial and regulatory challenges faced by our institution.

Dear shareholders you would recall that the last time we had to meet was at a hurriedly called Extra-Ordinary General meeting held on the 13th day of March 2023, this meeting if you can recall was required to meet the court ordered Long Stop date of 31st of March 2023 to meet all the court conditions for the scheme of Arrangement to reach an understanding with the affected investors with the BGL Asset Management Guaranteed Consolidated Note Program.

Fellow Shareholders it is with Great Pride and pleasure that I have the honor to tell you that via this scheme we were able to reduce our total liabilities to these customers from ₦19,816,225,181.69 to ₦4,333,916,404.79 out of which we have made payments of ₦1,622,418,386.57 and we have up until 25th November 2025 to pay the outstanding balance currently standing at ₦2,596,172,437.19

As part of this Scheme of Arrangement The Securities and Exchange Commission were magnanimous to re-instate our all the operating Licenses for the subsidiaries, in this regard we have formally open our doors AGAIN to our beloved loyal customers on Monday, 5st of May 2025.

Our Turn-around Plans

In line with your mandate to the Board at the Extra -Ordinary Meeting to Restructure , Reorganise and Realign the Business model and the capital Structure of the company and all its subsidiaries

Your Board swung into action by:

I. Opening up the three main subsidiaries BGL Securities Limited, BGl Asset Management Limited and BGL Capital Limited for new capital injection to meet the regulatory capital requirement to return to business by new Investors we can confirm the injection of this regulatory capital of ₦1 Billion by a Private Equity firm ALS Capital limited for a 40% equity stake in the above mentioned subsidiaries

II. Ensuring that the Securities and Exchange Commission re-instate the Licenses of all the subsidiaries

III. Complete the financial audit of the group for the years 2014- 2024

IV. Hold statutory Annual General meetings to approve Financial audit for the period 2014-2024

V. Regularize all statutory filings with Corporate Affairs Commission (CAC)

VI. Raise new Capital via rights issue to pay off ₦2,596,172,437.19 outstanding liabilities under the GCN Scheme of Arrangement

VII. Raise additional capital of ₦25,000,000,000 to fund new business initiative, buy back shares

VIII. Take the company private

IX. Begin the process of rebranding and relaunching the Group via major public relations campaign

In Conclusion

As we reflect on the past years, we would like to remind shareholders of the true mantle of your company:,

Over the last 27 Years the BGL Group:

* Raised over ₦3.7 Trillion in new capital for different clients and have advised key players in both the Nigerian public and private sectors;
* Was very prominent in the Nigerian bank consolidation exercise; having handled 12 out of the 20 bank consolidation transactions that took place;
* Was involved in structuring and raising capital for over 25 State Governments in Nigeria through Bonds; and
* Advised the Federal Government on major privatization exercises.
* Just before the Financial Market meltdown, the BGL Group was generating group-wide income of over ₦13 Billion annually and had a Market Valuation of close to ₦100 Billion and Shareholders' funds of over ₦60 Billion.
* Played a Pivotal role in the development and growth of the Sub-Sovereign Bond Capital Market .
* Played a Major role In developing the Mergers and Acquisition Market in Nigeria handled 12 of the 20 bank consolidation Mergers including transactions that had up to 4 merging Banks, the first Institution to initiate a reverse acquisition in the Nigerian Capital Market
* Played a Major role in Developing and improving the Privatization process was involved in the set-up of the Petroleum Product Pricing Regulatory (PPPRA) template for the privatization of the Port-Harcourt and Kaduna refineries

* Played a major role in the development of Public Private Partnership in the Concession of The National Art's Theater and the Concession of the security structure of the national Water ways
* Played a role in the setting up of the Nigerian Content Development Support Fund (NCDSF)
* Played a major role in the set-up of the NASD over the counter Market
* Initiated the first formulate supplementary offer in the Nigeria Capital
* Played a major role in the work that resulted in the Pension Reform Act that gave birth to the close to 13 Trillion Naira vibrant Pension Market that we know of today.
* Played a significant role in formulating the current ten year capital Market Master Plan currently been used as the road map for capital market reform
* BGL Securities Limited arranged the listing of over 50 companies and over 21 Sub National and Corporate Bond Instruments on the main board of The Exchange which has added over 5 trillion Naira to the market Capitalisation of the Exchange generating application and listing fees (Income) for The Stock Exchange of close to 1 billion Naira.
* BGL Securities Limited over the last 27 years has transacted secondary market trades of over 300 Billion Naira on the floor of the Nigerian Exchange which ultimately contributed transaction charges (income) for the Stock Exchange in excess of 300 Million Naira.
* Prior to 2016, BGL Securities over a 10-year period had maintained a top 5 position on the transaction league tables in volume and value turnover.

BGL Plc remains committed to its mission of championing wealth creation and positive societal impact. We are focused on leveraging the lessons learned from recent challenges to build a more robust organization that can navigate the complexities of the financial landscape. Together, we will strive to honour the legacies of our departed leaders while positioning BGL for future success.

Thank you for your continued support as we embark on this exciting journey.

AMKida

Alhaji Musa Kida
Chairman, Board of Directors

Directors' Report

In accordance with Section 385 of the Companies and Allied Matters Act, 2020 ["CAMA"], the Board of Directors presents its report on the affairs of the Company and its subsidiaries (together "the Group") together with the audited consolidated and separate financial statements and independent auditor's report for years ended December 31, 2014 - 2024.

LEGAL FORM

BGL Plc (formerly known as BGL Limited) was incorporated on May 19, 1993 as a private limited liability company. It commenced Investment Banking and Asset Management business in May, 1995. BGL Limited was converted to a Public Company and the name was changed to BGL Plc following a special resolution passed by the Members in the General meeting on June 2008 to broaden its shareholder base and further enhance its ability to raise required capital for growth and expansion.

PRINCIPAL ACTIVITIES

BGL PLC, over the years, has evolved from a Bank Holding Company to an Investment Banking Group, with principal investments in BGL Securities Limited, BGL Asset Management Limited, BGL Capital Limited. We intend to pivot and return to our original business model of being a Principal Investment Company, with either controlling or strategic equity stakes in businesses within Nigeria's economic value chain — including Banking, Insurance, Power, Telecom, Media, Real Estate, and Hospitality.

From 2025, we intend to position ourselves as the 'Berkshire Hathaway' of Nigeria — operating purely as a non-operational investment company.

OPERATING RESULTS FOR 2024

	GROUP		COMPANY	
	2024 ₦,000	**2023 ₦,000**	**2024 ₦,000**	**2023 ₦,000**
PROFIT BEFORE TAX	327,416	375,264	329,281	(2,595,153)
TAXATION	6,047,278	-	5,584,176	-
PROFIT FOR THE YEAR	6,374,694	375,264	5,913,457	(2,595,153)

Directors

The Directors who held office during the year and at the date of this report are as follows:

Ahmadu Musa Kida — Director

Chibundu N. Edozie — Managing Director

In relation to the Directors who held office from 2014 to 2020:

a. Albert Okumagba passed on November 19, 2020

b. Dafe Akpedeye SAN passed on October 6, 2020

c. Adekunle Alli resigned on September 7, 2016

d. Hajia Fatima Wali resigned on the 7th of january 2014

e. Mr. Mohan Lalchandani retired and resigned on the 30th of September 2014

Directors' Report *(Cont'd)*

Directors' Shareholding

The following Directors of the company who held office during the year and had direct (and indirect) interests in the shares of the company as follows-

	Number of Ordinary Shares of 50k each	
Name	**Direct**	**Indirect**
Ahmadu Musa Kida	200,232,089	
Chibundu N. Edozie	9,462,207	8,334,088,057 *(held by Lexcap Partners Ltd.)*

Major Shareholding

The Company's paid up share capital of N7, 500,000,000.00 is made up of 15,000,000,000 Ordinary Shares of 50k each. According to the Register of members, no shareholder other than the under-mentioned held 5% or more of the issued share capital of the Company as at December 31st, 2024.

Shareholder	No of Shares	%
Lexcap Partners Limited	8,334,088,057	55.56
Niccolo Pratzzi Limited	750,000,000	5.00
Others below 5%	5,915,912,343	39.44
Total	15,000,000,000	100.00

Share Capital History

Year	Increase (N)	Share Capital (N)
May 1993	10,000,000	10,000,000
August 1995	140,000,000	150,000,000
October 1996	50,000,000	200,000,000
December 1996	50,000,000	250,000,000
March 1997	50,000,000	300,000,000
November 1999	100,000000	400,000,000
February 2001	80,000,000	480,000,000
January 2006	1,520,000,000	2,000,000,000
June 2006	* 1,500,000,000	3,500,000,000
June 2008	2,500,000,000	6,000,000,000
September 2011	1,500,000,000	7,500,000,000

* Stock split from N1.00 shares to N0.50k shares

Directors' Report *(Cont'd)*

Analysis of Shareholding

The analysis of the distribution of shares of the company as at December 31st, 2024 is as follows:

Share Range	No of Shareholders	No of Holdings	Percentage of Shareholding
1 - 50,000	19	366,600	0.002%
50,001 - 100,000	13	1,378,429	0.009%
100,001 - 500,000	64	19,167,923	0.1%
500,001 - 1,000,000	347	342,813,750	2.3%
1,000,001 - 50,000,000	289	1,735,078,570	11.6%
50,000,001 - 100,000,000	10	724,362,117	4.8%
100,000,001 - 500,000,000	7	1,241,655,896	8.3%
500,000,001 - 1,000,000,000	4	2,601,088,658	17.3%
1,000,000,001 - & Above	1	8,334,088,057	55.6%
Total	**756**	**15,000,000,000**	**100.00%**

Report of the Audit Committee for the period ended 31 December 2014-2024

To Members of BGL Plc

To members of BGL Plc in accordance with the provisions of Section 404 of the Companies and Allied Matters Act, CAP. C20, Laws of the Federation, 2020, we the members of the Audit Committee hereby report as follows:

- We confirm that we have seen the audit plan and scope, and the Management letters on the audit of the accounts of the Group and the responses to the said letters
- In our opinion, the plan and scope of the audit for the period ended December 31, 2014 – 2024 were adequate. We have reviewed the Auditor's findings and we are satisfied with the Management responses thereon.
- We also confirm that the accounting and reporting policies of the company in accordance with legal requirements and ethical practices

Chuma Anosike
Chairman Audit Committee

Members of the Audit Committee

- Chuma Anosike
- Mohan Lalchandani
- Hamisu Abubakar
- Chibundu Edozie

Statement of Directors' Responsibilities for the Preparation of the Financial Statements for the year ended 31 December 2014-2024

The Directors of BGL Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2014-2024, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act 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.
- Making an assessment of the Company's ability to continue as a going concern.

The Directors are also responsible for:

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

Going Concern:

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions from 2015 to 2023. The Directors have assessed this threat on the going concern of the Group and are of the opinion that the threat associated with the non-renewal of the operating license of the subsidiaries no longer exist as the licenses were re-issued on November 22nd 2024 by the Securities & Exchange Commission (SEC) and the subsidiaries formally opened for business on the 5th of May 2025. Therefore, the Directors have applied the going concern basis in the preparation of these financial statements.

The audited financial statements of the Company for the year ended 31 December 2014-2024 were approved by Directors on 11th June 2025.

Signed on behalf of the Directors of the Company by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Certification of Financial Statements for the Year Ended 31 December 2014-2024

In accordance with Section 405 of the Companies and Allied Matters Act, 2020, the Managing Director/ Chief Executive Officer and the Chief Finance Officer hereby certify that the officers who signed the financial statements of the Company for the year ended 31 December 2014-2024 have reviewed the audited financial statements and based on their knowledge the:

1. Audited financial statements that do not contain any untrue statement of material fact or omit to state a material fact which would make the financial statement misleading in light of the circumstances in which the statement was made.
2. Audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the periods covered by the audited financial statements.

We certify that the officers who signed the audited financial statements:

1. Are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by others officers of the Company, particularly during the period in which the audited financial statements report is being prepared.
2. Have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements.
3. Certify that the Company's internal controls are effective as of that date.

We further certify that the officers who signed the audited financial statements have disclosed to the Company's external auditors and those charged with governance that:

1. There were no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data.
2. There was no fraud that involved management or other employees who have significant roles in the Company's internal control.

We confirm that there were no changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation.

Chibundu Edozie
Managing Director
FRC\2013\CISN\00000002912

11th June 2025

Kingsley Odiana
Chief Financial Officer
FRC/2013/ICAN/00000002834

11th June 2025

Corporate Governance Report

Principles of Corporate Governance

The Board of Directors continues to recognise the importance of good corporate governance to enhance and protect shareholder value. The Company is committed to and complies with the principles contained in the 2018 Code of Corporate Governance for Public Companies and the revised Securities and Exchange Commission's Code of Corporate Governance for Public Companies of 2011, the Companies and Allied Matters Act 2020 and is committed to applying the principles of this Code, where they are appropriate given our Company's size.

Board of Directors

The Board of Directors headed by the Non-Executive Chairman.

The Board is responsible to shareholders for the proper management of the Group and meets regularly throughout the year, usually quarterly, to set the overall direction and strategy for the Group and to review financial and operating performance. Financial policy and budgets, including major capital expenditure and treasury policy, are approved and monitored by the Board. The key operational decisions are subject to Board approval.

The division of responsibilities between the Chairman and the Group Managing Director/Chief Executive Officer is clearly defined, documented and approved by the Board.

Independence

All Board members receive monthly management accounts and regular management reports to enable them to review the Group's performance against agreed objectives. Regular reports and papers are circulated to all Directors in a timely manner to enable them discharge their duties effectively.

The performance of each Executive and Non-Executive Director is appraised annually. The Board has a number of Committees to assist in the discharge of its responsibilities. The composition, duties and functions of the various Committees are stated below:

The Statutory Audit Committee

The company has a statutory Audit Committee comprised of Chuma Anosike as Chairman. The Committee is made up of one Executive Directors and three shareholders' representatives appointed at the 2013 Annual General Meeting. The Group's Chief Financial Officer is an ex-officio member of the Committee. The Committee oversees the monitoring of the Group's internal controls, accounting and treasury policies and financial reporting and provides a forum through which the external auditors report. It also reviews the scope and results of the external audit; the independence and objectivity of the auditors; and makes recommendations to the Board on issues surrounding the auditors'remuneration, appointment, resignation and removal. The Committee is authorised by the Board to seek and obtain any information it requires from any officer or employee of the Group and to obtain external legal or other independent professional advice.

Corporate Governance and Human Resources Committee

The Corporate Governance and Human Resources Committee is responsible for reviewing the Corporate Governance structure of the Group to ensure compliance with the Code of Corporate Governance as well as the review of matters pertaining to or concerning all staff matters.

Corporate Governance Report *(Cont'd)*

Credit and Risk Management Committee

The Credit and Risk Management Committee is responsible for monitoring key credit and operational risks and the development and implementation of strategies to manage and mitigate these risks. The Head, Enterprise Risk Management is an ex-officio member of the Committee.

Communication with shareholders

The Board recognises the importance of effective communication with shareholders. The Group now has a very vibrant Investors/Shareholders Relations platform on its website where important Group information is provided on a timely basis. There is also a newsletter which has become an important information dissemination platform that has proved very useful in providing information about the Group to shareholders and investors alike. The Annual General Meeting provides an additional opportunity to communicate with shareholders and gives the opportunity to put questions to the Chairman and other Directors.

Internal controls

The Board has overall responsibility for the Group's systems of internal control, which are designed to safeguard the assets of the Group and to ensure the reliability of its financial information.

The Group prepares detailed budgets and cash flow projections, which are approved annually by the Board and updated regularly throughout the year. Detailed management accounts and working capital cash flow projections are prepared on a monthly basis and compared to budgets and projections to identify any significant variances. The Group has a very robust internal audit function that the Board considers appropriate given the Group's size and stage of development.

Operational Risk

Worthy of note is the implementation of our new and integrated software for Financial Control, Asset Management, Stockbroking, Customer Relationship Management, Workflow engine etc. This software, we believe, would help improve operational efficiency; improve our client relations; ultimately reduce the physical movement of paper and reduce turnaround time on our transactions. It would also help in performance management across board through the use of key risk indicators (KRI's) and key performance indicators (KPI's).

In most financial contracts, counterparty risk prevails; one of the ways we mitigate this risk is ensuring that KYC documentation guidelines are strictly adhered to. We also ensure that payment is received upfront for most capital market dealings.

Market Risk

The Firm is currently implementing a Market Risk Framework that focuses more on the Real sector.

Corporate Governance Report *(Cont'd)*

Liquidity Risk

BGL manages the profiles of its assets and liabilities and the relationships between them with the objective of ensuring that sufficient liquidity to meet maturing funding obligations in all environments is maintained even in periods of financial stress. This asset-liability management involves maintaining the appropriate amount and mix of financing related to the underlying asset profiles and liquidity characteristics, while monitoring the relationship between cash flow sources and uses. BGL considers a legal entity focus essential in view of the regulatory, tax and other considerations that can affect the transfer and availability of liquidity between legal entities.

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

The BGL Group

BGL Plc, formerly known as Banc Garanti Limited, was incorporated in May 1993 and commenced operations as an Investment Banking company in May 1995.

Early on, BGL identified the Banking Industry as an attractive sub-sector with many distressed and underperforming institutions, and therefore, as one of its earliest transactions, BGL made a strategic investment in Continental Trust Bank Plc *(Then Merchant Bank of Commerce MBCOM)* in June 1995. This significant investment also led to the acquisition of Crystal Bank (which was restructured and re-branded Standard Trust Bank Plc but has now become United Bank for Africa Plc).

In 2006, BGL concluded the very first merger in the Banking Industry in Nigeria, which saw the coming together of Standard Trust Bank Plc and the old United Bank for Africa Plc to form one of the fastest growing Commercial Banks in Nigeria, United Bank for Africa Plc (UBA).

In July 2008, BGL launched two new subsidiaries; BGL Asset Management Limited and BGL Private Equity Limited to join the already existing BGL Securities Limited. This strategic initiative was aimed at positioning BGL to respond better to the peculiar needs of our market. BGL further launched BGL Capital in August 2014 to harness its investment banking capabilities and focus on available opportunities. In 2023, BGL Group subsequently unbundled the subsidiaries into standalone companies after a restructuring exercise which brought in new investors into each company.

Our strategic goal at BGL is to continually create and grow wealth by offering a unique range of Investment Banking and Financial Advisory services to our vast clientele.

BGL Securities Limited

BGL's 60% owned stock-broking subsidiary, BGL Securities Limited is a dealing member of the Nigerian Stock Exchange ("NSE") and registered by the SEC as a Broker/Dealer and Issuing House.

BGL Securities Limited was incorporated as a Limited Liability Company in 1993 and started operations in 1995. Following the restructuring and unbundling of BGL, it became a wholly owned subsidiary of BGL Plc in 2007 and has been expanding to strengthen its retail distribution platform.

BGL Securities Limited is a dealing member of the Nigerian Stock Exchange and is well positioned to take advantage of the growing opportunities in the market for the benefit of its distinguished clients and other stakeholders.

BGL Securities leverages on the distinctive BGL brand, harnessing its core competence and unique human resources to deliver excellent, value-added services to clients. The company is strategically known for executing high volume transactions and has acted as stockbroker to the listing of many public companies as well as government securities on The Nigerian Exchange. This has earned it a sterling reputation for delivering landmark transactions that have transformed the landscape of the Nigerian Stock market.

BGL Asset Management Limited

BGL Asset Management Limited (BAML), was incorporated on April 3, 2007 as a private limited liability company. It was setup to act as a premium asset manager for the holders of shares, bonds, real estate, art, alternative assets and trusteeship. They undertake and execute asset management for both public and private clients. Since commencement of operations the company has built a reputation for passionately and professionally executing briefs to deliver the best value to its prospective clients and alliances.

By combining institutional calibre analytics with customised advice and service, BAML delivers solutions that help clients achieve their financial goals across key facets of their lives and optimise risk adjusted returns on their investments. Additionally, BAML provides Private/Institutional Investment Advisory and Management services premised on sound research information.

Our Transaction History

Fund Manager/ Investment Advisers	Fund Manager and Investment Advisers	₦200 Million
Fund Manager/ Investment Advisers	Fund Manager and Investment Advisers	₦170 Million
Fund Manager/ Investment Advisers	Development Finance Investment Company Owerri	₦450 Million
Fund Manager/ Investment Advisers	Kano State Investment Company Limited	₦10 Billion
Fund Manager/ Investment Advisers	Plateau State Ministry of Finance Incorporated	₦1 Billion
Fund Manager/ Investment Advisers	Nigeria Police Cooperative Society	₦4 Billion
Fund Manager/ Investment Advisers	Rivers State Ministry of Finance Incorporated	₦7 Billion
Fund Manager/ Investment Advisers	Delta State Ministry of Finance Incorporated	₦8 Billion
Fund Manager/ Investment Advisers	Transcorp Plc	
Fund Manager/ Investment Advisers	Heirs Holdings	
Fund Manager/ Investment Advisers	Nigerian Content Development and Monitoring Fund	
Fund Manager/ Investment Advisers	Benue State Government	₦1 Billion
Fund Manager/ Investment Advisers	Bayelsa State Ministry of Finance Incorporated	₦1.5 Billion
Fund Manager/ Investment Advisers	Cross River State Reserve Fund (Negotiations at an advanced stage)	₦2 Billion
Stock Broker/ Investment Advisers	Total E&P Closed Pension Fund Administrators (CPFA)	₦1.9 Billion

BGL Capital Limited

BGL Capital Limited was setup to provide global standards investment banking service across Africa.

The Company is made up of the following divisions:

» Corporate Finance

» Financial Advisory, Mergers and Acquisition, Restructuring

» Structured Finance

» Project Finance, Debt Capital, Asset Securitisation, Private Equity & Venture Capital, Leveraged Buyouts

» Public Sector Advisory: to advise Sovereign and sub-Sovereign governments.

As one of Nigeria's fastest growing financial institutions, BGL is well positioned to advance the frontiers of superior investment banking services.

Our Transaction History

Joint Issuing House

Kaduna State
Government Bond Offer
₦20 Billion
On-going

Joint Issuing House

Abia State
Government Bond Offer
₦20 Billion
On-going

Joint Issuing House

Imo State
Government Bond Offer
₦18.5 Billion

Joint Issuing House

Kwara State
Government Bond Offer
₦17 Billion

Joint Issuing House

Delta State Government
Bond Offer
₦5 Billion

Joint Issuing House

Cross River State Government
Bond Offer
₦4 Billion

Joint Issuing House

Bauchi State
Government Bond Offer
₦20 Billion
On-going

Joint Issuing House

Niger State
Government Bond Offer
₦9 Billion
On-going

Financial/Lead Adviser

Bureau of Public Enterprises

Privatisation of Nigeria Unity Line Plc

Our Transaction History

Joint Financial Adviser

Nigerian National Petroleum Corporation (NNPC)

$350 Million Nigerian Content Support Fund

Financial Adviser

Delta State

Privatization and Commercialization Of 9 State-Owned Companies

Financial Adviser

Bureau of Public Enterprises

Privatization / Restructuring of Federal Superphospate Fertilizer

Financial Adviser

Niger Delta Development Commission (NDDC)
Collection Manager to the Niger Delta Development Commission

$500,000

Co-Financial Adviser

TINAPA CALABAR

Capital Raising for Setting-up Tinapa Business Resort Limited
$183 million

2004

Financial Adviser

Delta State Government
(Delta Development and Property Authority)

Development of Commercial Housing Estates in Asaba and Jeddo

₦3 Billion

Joint / Lead Adviser

Blue Star Oil Services Limited

Privatisation of Port Harcourt Refinery

Joint / Lead Adviser

Blue Star Oil Services Limited

Privatisation of Kaduna Refinery

Financial Adviser

Benue State Government
Resusitation of Benue Investment and Property Companies

₦27.5 Million

Financial Adviser

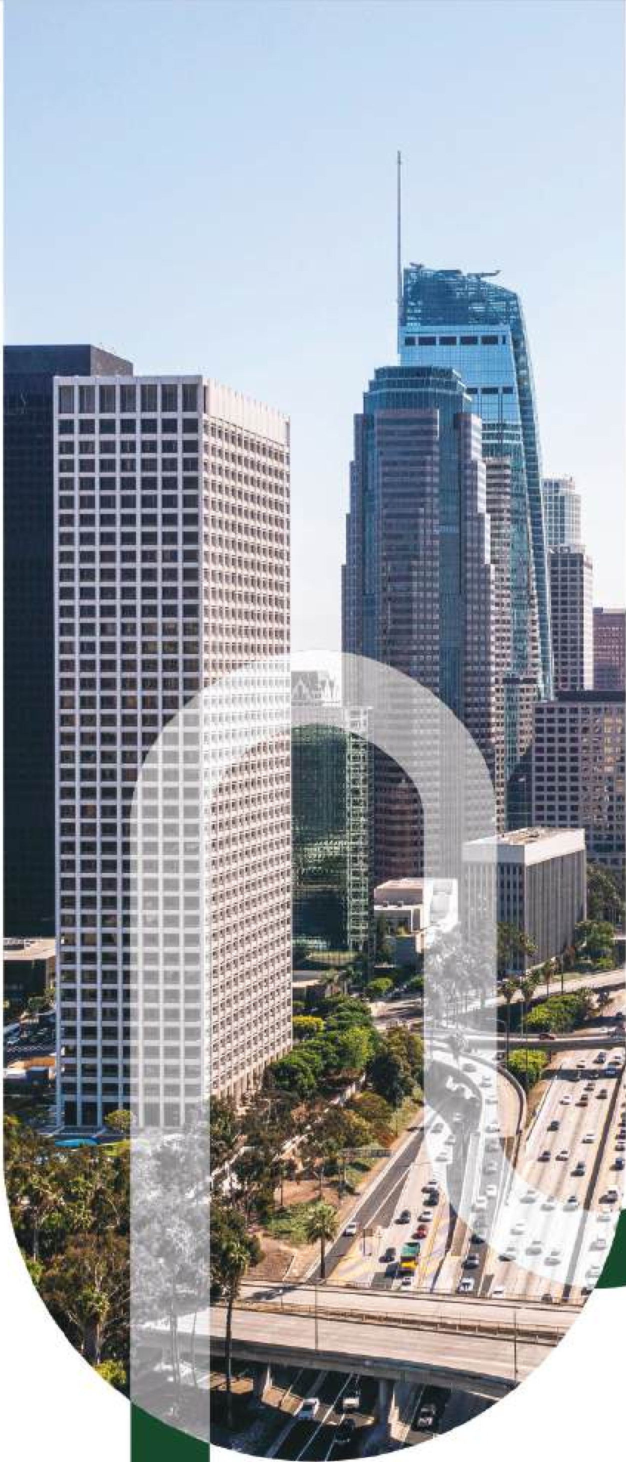
Bureau of Public Enterprises

Privatization of
3 inland Steel Rolling Mills
Jos-Katsina-Osogbo

Financial Adviser

Delta State

Privatization and Commercialization Of 9 State-Owned Companies



2014
Financial Report

Notice of Annual General Meeting 2014

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 10.00 a.m. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2014 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/ her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion
We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2014 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters
Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2014

		Group		Company	
	Note	31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-14 N'000	31-Dec-13 N'000
Revenue					
Fees, trading and asset management activities	7.	240,122	1,533,234	129,610	1,069,884
Other income	8.	4,181,941	1,683,636	3,811,087	776,464
Gross revenue		**4,422,063**	**3,216,870**	**3,940,697**	**1,846,348**
Operating Expenses					
Net Interest Expenses	9.	2,392,493	2,023,373	2,392,097	2,006,187
Depreciation		24,477	24,277	21,372	22,355
Administrative expenses	10.	1,801,493	2,103,949	1,090,024	1,150,669
Impairment charges/(write back)	11.	4,068,311	(59,051)	4,068,311	7,804
Total expenses		**8,286,774**	**4,092,548**	**7,571,804**	**3,187,015**
Loss before tax		(3,864,711)	(875,678)	(3,631,107)	(1,340,667)
Taxation	27.	3,726	(45,808)	-	(20,571)
Loss after tax		**(3,860,985)**	**(921,486)**	**(3,631,107)**	**(1,361,238)**
Other comprehensive income for the year					
Items that may be transferred subsequently to profit or loss					
Fair value gain on AFS investments	32.1	17,116	3,355,820	-	3,537,839
Items that will not be transferred subsequently to profit or loss:					
Actuarial gain on retirement benefit obligation	32.2	-	216,952	-	159,203
Total other comprehensive income		17,116	3,572,772	-	3,697,042
Total comprehensive income/(loss) for the year		**(3,843,869)**	**2,651,286**	**(3,631,107)**	**2,335,804**
Per share data					
Loss per share - Kobo		(51.48)	(12.90)	(48.41)	(18.15)

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at 31 December 2014

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	Note	N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	12.	134,166	526,577	14,563	46,507
Loans and receivables	13.	-	1,707,132	-	1,707,132
Trade and other receivables	14.	557,020	370,149	226,476	231,278
Financial investments	15.	14,597,305	17,578,858	11,997,115	14,523,526
Other assets	16.	23,483	21,515	10,000	318
Prepayments	17.	63,444	326,834	34,420	274,524
Amount due from related parties	18.	500,000	263,784	500,000	553,573
Investment in subsidiaries	19.	-	-	11,450,752	11,450,752
Intangible assets	20.	1	-	-	-
Investment properties	21.	-	2,689,381	-	-
Property and equipment	22.	51,333	44,790	48,912	40,638
Deferred taxation	27.3	-	10,536	-	-
Total assets		**15,926,752**	**23,539,556**	**24,282,238**	**28,828,248**
Liabilities and equity					
Liabilities					
Deposit liabilities	23.	14,823,164	13,973,027	3,019,352	1,268,559
Bank loans and overdrafts	24.	7,154,213	13,678,958	7,154,213	13,531,837
Other liabilities	25.	3,516,827	1,884,978	2,634,816	1,294,072
Amount due to related parties	26.	-	-	13,274,953	10,903,769
Tax payable	27.2	192,392	189,541	157,909	157,909
Defined benefit obligation	28.3	701,792	720,608	585,694	585,694
Total liabilities		26,388,388	30,447,112	26,826,937	27,741,840
Equity					
Share capital	29.	7,500,000	7,500,000	7,500,000	7,500,000
Share premium	30.	36,173,548	36,173,548	36,173,548	36,173,548
Retained earnings	31.	(51,526,275)	(47,955,079)	(43,770,848)	(40,139,741)
Available for sale reserve	32.1	(3,203,277)	(3,220,393)	(2,892,287)	(2,892,287)
Actuarial reserve	32.2	594,368	594,368	444,888	444,888
Total equity		(10,461,636)	(6,907,556)	(2,544,699)	1,086,408
Total liabilities and equity		**15,926,752**	**23,539,556**	**24,282,238**	**28,828,248**

The group financial statements were approved by the Directors on ……………………….. 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Changes in Equity for the year ended 31 December 2014

Group	Share capital N'000	Share Premium N'000	Retained Earnings N'000	Available for sale Reserve N'000	Actuarial Reserve N'000	Total N'000
At 1 January 2013	7,500,000	36,173,548	(47,033,593)	(6,576,213)	377,416	(9,558,842)
Comprehensive income for the year:						
Loss for the year	-	-	(921,486)	-		(921,486)
Other comprehensive income for the year	-	-	-	3,355,820	216,952	3,572,772
Total comprehensive income for the year	-	-	(921,486)	3,355,820	216,952	2,651,286
At 31 December 2013	**7,500,000**	**36,173,548**	**(47,955,079)**	**(3,220,393)**	**594,368**	**(6,907,556)**
At 1 January 2014	7,500,000	36,173,548	(47,955,079)	(3,220,393)	594,368	(6,907,556)
Adjustments	-	-	289,789	-	-	289,789
At 1 January 2014 restated	7,500,000	36,173,548	(47,665,290)	(3,220,393)	594,368	(6,617,767)
Comprehensive income for the year:						
Loss for the year	-	-	(3,860,985)	-	-	(3,860,985)
Other comprehensive income for the year	-	-	-	17,116	-	17,116
Total comprehensive loss for the year	-	-	(3,860,985)	17,116	-	(3,843,869)
At 31 December 2014	**7,500,000**	**36,173,548**	**(51,526,275)**	**(3,203,277)**	**594,368**	**(10,461,636)**
Company						
At 1 January 2013	7,500,000	36,173,548	(38,778,503)	(6,430,126)	285,685	(1,249,396
Comprehensive income for the year:						
Loss for the year	-	-	(1,361,238)	-	-	(1,361,238)
Other comprehensive income for the year	-	-	-	3,537,839	159,203	3,697,042
Total comprehensive income for the year	-	-	(1,361,238)	3,537,839	159,203	2,335,804
At 31 December 2013	**7,500,000**	**36,173,548**	**(40,139,741)**	**(2,892,287)**	**444,888**	**1,086,408**
At 1 January 2014	7,500,000	36,173,548	(40,139,741)	(2,892,287)	444,888	1,086,408
Comprehensive income for the year:						
Loss for the year	-	-	(3,631,107)	-	-	(3,631,107)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(3,631,107)	-	-	(3,631,107)
At 31 December 2014	**7,500,000**	**36,173,548**	**(43,770,848)**	**(2,892,287)**	**444,888**	**(2,544,699)**

Consolidated & Separate Statements of Cash Flows for the year ended 31 December 2014

	Notes	Group 31-Dec-14 N'000	Group 31-Dec-13 N'000	Company 31-Dec-14 N'000	Company 31-Dec-13 N'000
Cash flows from operating activities					
Loss before tax		(3,864,711)	(875,678)	(3,631,107)	(1,340,667)
Adjustments for non cash items:					
Depreciation	22.2	24,477	35,985	21,374	22,355
Amortisation of intangible assets	20.	-	3,809	-	3,809
Prior year's adjustments	31.	289,789	-	-	-
Impairment charge/(reversal) on cash and cash equivalents		(3,681)	115	-	(346)
Impairment charge/(reversal) on loans and advances	13.1	(156,495)	(683,723)	(156,495)	(140,363)
Impairment charge/(reversal) on trade and other receivables	14.1	2,173,915	624,672	2,216,486	148,167
Profit on disposal of property plant and equipment	8.	(5,383)	(4,979)	(4,675)	(1,792)
Retirement benefit expenses	28.3	-	247,121	-	211,899
Interest expense	9.	2,392,493	2,023,373	2,392,097	2,006,187
Interest income from placements	7.	-	(286,942)	-	(1,770)
Dividend income	8.	(222,670)	(254,427)	(175,017)	(239,947)
Cash flows before working capial changes		627,733	829,326	662,663	667,532
Changes in working capital:					
(Increase)Decrease in loans and advances	13.	1,863,627	641,063	1,863,627	73,213
(Increase)/decrease in trade and other receivables	14.	(144,299)	(268,082)	4,802	390,556
(Increase)/decrease in other assets	16.	(1,968)	102,586	(9,682)	9,574
Decrease in prepayments	17.	263,390	50,765	240,104	41,469
Increase in amount due from related party	18.	(2,452,702)	(263,596)	(2,162,913)	(263,598)
Increase in deposit liabilities	23.	850,137	3,052,775	1,750,793	478,079
Increase/(decrease) in other liabilites	25.	1,631,849	(3,684,713)	1,340,744	(46,822)
Increase/(decrease) in amount due to related party	26.	-	-	2,371,184	(1,859,634)
		2,637,766	460,124	6,061,322	(509,631)
Tax paid	27.2	(1,000)	-	-	-
Gratuity paid	28.3	-	(191,069)	-	(261,177)
Net cash provided/(used) by operating activities		2,636,766	269,055	6,061,322	(770,808)
Cash flows from Investing activities					
Changes in financial assets	15.	2,981,516	(20,001)	2,526,411	364,730
Fair value changes in AFS investments		17,116	-	-	-
Purchase of property, plant and equipment	22.	(31,686)	(32,811)	(29,648)	(31,653)
Proceeds of property, plant and machinery disposed		5,383	7,547	4,675	4,360
Dividend received	8.	222,670	254,427	175,017	239,947
Interest received on placement	7.	-	286,942	-	1,770
Investment property transferred to holding company	21.	2,689,381	-	-	-
Net cash provided by investment activities		5,884,380	496,104	2,676,455	579,154
Cash flows from financing activities					
Interest paid	9.	(2,392,493)	(2,023,373)	(2,392,097)	(2,006,187)
Borrowings taken	24.	-	414,541	-	2,042,445
Borrowings repaid	24.	(6,524,745)	-	(6,377,624)	-
Net cash provided/(used) by financing activities		**(8,917,238)**	**(1,608,832)**	**(8,769,721)**	**36,258**
Net increase in cash and cash equivalents		(396,092)	(843,673)	(31,944)	(155,396)
Cash and cash equivalents at the beginning of the year	12.	530,258	1,373,931	46,507	201,903
Cash and cash equivalents at the end of the year	**12.**	**134,166**	**530,258**	**14,563**	**46,507**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange.

The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission.

1.2 Corporate office

The registered address of the company is located at 12A, Catholic Mission Street, Lagos Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

Pronouncement	Nature of change	effective period of implementation
IFRS 9 Financial Instruments	IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. IFRS 9 replaces IAS 39.	1 January 2018
IFRS 10 Consolidated financial statements Applying consolidation exception	The amendments clarfies the exemption from preparing consolidated financial statements for enties that meet the defination of an investment entity.	1 January 2016
IFRS 16 Leases	IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.	1 January 2019

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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.

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.1 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

6.4 Foreign currencies

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.6.2 Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised."

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

6.6.3 Current and deferred taxes for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	Useful life
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.11.1 Financial Asset

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

6.11.1.2 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

For financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.
- For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.
- For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.
- For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.
- The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

- For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

6.11.1.3 Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

6.11.2 Financial liabilities and equity instruments

6.11.2.1 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

6.11.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

6.12 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Company discloses transactions with related parties which includes the:

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
		N'000	N'000	N'000	N'000
7.	**Revenue**				
	Fees, trading and asset management activities				
	Advisory fees	123,785	930,218	123,785	900,223
	Income from placements	-	286,942	-	1,770
	Asset management income	80,168	2,832	-	-
	Income from trading securities	36,169	313,242	5,825	167,891
		240,122	**1,533,234**	**129,610**	**1,069,884**
8.	**Other income**				
	Dividend Income	222,670	254,427	175,017	239,947
	Brokerage income	257,580	706,141	-	-
	Interest Income	22,930	68,260	16,544	59,732
	Rent Income	82,496	87,000	79,000	87,000
	Sundry income	78,528	19,328	50,000	-
	Profit on disposal of property, plant and equipment	5,383	4,979	4,675	1,792
	Net change in fair value of financial assets	(18,655)	543,501	-	387,993
	Foreign exhange gain	1,230	-	1,230	-
	Bad debts recovered	3,529,779	-	3,484,621	-
		4,181,941	**1,683,636**	**3,811,087**	**776,464**
9.	**Interest expenses**				
	Bank interest	617,601	-	617,601	-
	Others	1,774,892	2,023,373	1,774,496	2,006,187
		2,392,493	**2,023,373**	**2,392,097**	**2,006,187**
10.	**Administrative expenses**				
	Directors' remuneration	52,406	53,016	52,406	53,016
	Employee cost	405,226	512,517	194,088	281,904
	Repairs and maintenance	151,437	-	86,987	-
	Bank charges	4,206	-	4,206	-
	Fuel	31,158	-	31,158	-
	Electricity	8,122	-	8,122	-
	Rents	85,269	-	54,308	-
	Transport, travelling and hotel accomodation	561,914	-	298,027	-
	Utilities	20,776	-	20,776	-
	Business development	41,232	-	41,232	-
	Dues and subscriptions	26,038	-	26,038	-
	Statt welfare	161,998	-	161,998	-
	Professional charges	63,322	-	60,303	-
	Audit fees	8,000	-	1,000	-
	Security expenses	10,117	-	10,117	-
	Advertisement	13,657	-	13,657	-
	Printing and stationery	9,748	-	9,748	-
	Office expenses	126,721	-	15,853	-
	Loss on disposal of investments	20,146	-	-	-
	Others	-	1,538,416	-	815,749
		1,801,493	**2,103,949**	**1,090,024**	**1,150,669**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

10.1	**Employee cost**				
	Salaries and allowances	261,434	384,707	106,797	212,223
	Pension contribution	42,890	43,346	20,355	20,278
	Medicals	64,014	73,297	33,095	39,682
	Training	25,439	11,167	22,392	9,721
	Gratuity	11,449	-	11,449	-
		405,226	**512,517**	**194,088**	**281,904**
10.2	**Profit/(loss) before tax is arrived at after charging the following:**				
	Directors' remuneration	52,406	53,016	52,406	53,016
	Depreciation	24,477	24,277	21,372	22,355
	Audit fees	8,000	-	1,000	-
	Employee cost	405,226	512,517	194,088	281,904
11.	**Impairment charges/(write back)**				
	Cash and cash equivalents	-	-	-	-
	Loans and advances	1,562,035	(683,723)	1,562,035	(140,363)
	Trade and other receivables	-	624,672	-	148,167
	Amount due from related parties	2,506,276	-	2,506,276	-
		4,068,311	**(59,051)**	**4,068,311**	**7,804**
12.	**Cash and cash equivalents**				
	Cash in hand	597	641	370	338
	Bank balances	131,625	276,315	12,249	32,197
	Placement with Nigerian banks	1,944	253,302	1,944	13,972
		134,166	530,258	14,563	46,507
	Allowance for doubtful bank balance	-	(3,681)	-	-
	Total cash and cash equivalents	**134,166**	**526,577**	**14,563**	**46,507**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances comprise cash and bank deposits. The carrying amount of these assets is approximately equal to their fair value.

12.1	**Impairment allowance on placements**				
	As at 1 January	(3,681)	(3,566)	-	(346)
	(Addition)/reversal	3,681	(115)	-	346
	As at 31 December	-	(3,681)	-	-
13.	**Loans and advances**				
	Short term loans	3,853,866	5,717,493	3,853,866	5,717,493
	Impairment allowance(13.1)	(3,853,866)	(4,010,361)	(3,853,866)	(4,010,361)
		-	**1,707,132**	**-**	**1,707,132**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

13.1	**Impairment allowance**				
	At 1 January	4,010,361	4,694,084	4,010,361	4,150,724
	Reversal during the year	(1,718,530)	(683,723)	(1,718,530)	(140,363)
	Additions during the year	1,562,035	-	1,562,035	-
	At 31 December	3,853,866	4,010,361	3,853,866	4,010,361
14.	**Trade and other receivables**				
	Trade debtors	877,530	723,720	151,495	148,167
	Staff loans	79,528	46,361	35,493	37,826
	Staff mortgage loans	235,208	277,886	235,208	241,005
		1,192,266	1,047,967	422,196	426,998
	Impairment allowance on trade and other receivables	(635,246)	(677,818)	(195,720)	(195,720)
		557,020	**370,149**	**226,476**	**231,278**
14.1	**Impairment allowance on trade and other receivables**				
	At 1 January	677,818	53,146	195,720	47,553
	Impairment charge during the year	2,586	624,672	-	148,167
	Reversal during the year	(45,158)	-	-	-
	At 31 December	635,246	677,818	195,720	195,720
15.	**Financial investments**				
15.1	**Financial investments comprise:**				
	Available for sale investments (AFS)	12,818,239	15,442,017	10,234,814	12,598,477
	Fair value through profit/loss	1,779,066	2,136,841	1,762,301	1,925,049
		14,597,305	**17,578,858**	**11,997,115**	**14,523,526**
15.2	**AFS investments comprise**				
15.2.1	**Quoted equity Investment**				
	Private equity fund(BV1)	-	1,642,726	-	1,642,726
	Honeywell Flour Mills	3,179,544	3,179,544	3,179,544	3,179,544
	Abbey Building Society Plc	-	258,692	-	258,692
	Afromedia Plc	179,989	179,989	-	3,976,644
	Diamond Bank Plc	-	462,245	-	462,245
		3,359,533	5,723,196	3,179,544	9,519,851
	Fair value changes in AFS financial assets	(146,087)	(3,220,393)	-	(2,892,287)
		3,213,446	**2,502,803**	**3,179,544**	**6,627,564**
15.2.2	**Unqoted Investment**				
	Equity Partnership	-	94,695	-	-
	Central Securities Clearing System Plc	35,743	5,300	-	-
	Peak Petroleum Limted	2,039,720	2,039,720	-	-
	FCMB	3,976,644	3,976,644	3,976,644	-
	Schartz Resources Limited	5,920,913	5,920,913	5,920,913	5,920,913
	Mutual Funds	72,873	74,127	-	-
	Joint Komputer Kompany Limited	545,280	545,280	-	-
	National Association of Securities	37,926	50,000	-	-
	Staco Insurance	-	187	-	-
	Starcomms Telecomms	-	14,141	-	-
	Keystone Bank Limited	-	168,207	-	-
	Aquila Capital Limited	**50,000**	**50,000**	**50,000**	**50,000**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

15.2.2	Unqoted Investment	12,679,099	12,939,214	9,947,557	5,970,913
	Fair value changes in AFS financial assets	(3,074,306)	-	(2,892,287)	-
		9,604,793	12,939,214	7,055,270	5,970,913
	Carrying amount	**12,818,239**	**15,442,017**	**10,234,814**	**12,598,477**

15.2.3 Investment in BVI Private Equity Fund

This represents investment in BGL Private Equity (BVI) Club 1. The BGL Private Equity (BVI) Club 1 is a close ended fund registered in the British Virgin Islands and managed by BGL Private Equity (BVI) Limited. Both BGL Private Equity (BVI) Club 1 and BGL Private Equity (BVI) Limited are wholly owned special purpose vehicles (SPVs) of BGL Plc. The Company has 108,990,557 units in the Fund. The lock in period is 10 years till 2018. The Fund is managed by Internal Mauritius Limited. The investment was liquidated during the year.

15.2.4 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

15.2.5 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

		Group		Company	
		31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
		N'000	**N'000**	**N'000**	**N'000**
16.	**Other assets**				
	Sundry receivables	23,483	21,515	10,000	318
		23,483	**21,515**	**10,000**	**318**
17.	**Prepayments**				
	Rent	61,837	326,834	32,813	267,270
	Insurance	157	-	157	6,789
	Staff housing	1,450	-	1,450	465
		63,444	**326,834**	**34,420**	**274,524**
18.	**Amount due from related party**				
	BGL Capital Limited	500,000	263,784	500,000	263,784
	BGL Private Equity	216,486	-	216,486	-
	BGL Private Equity Limited	-	-	-	289,789
	Lexcap Partners Limited	2,000,000	-	2,000,000	-
		2,716,486	263,784	2,716,486	553,573
	Impairment allowance	(2,216,486)	-	(2,216,486)	-
		500,000	**263,784**	**500,000**	**553,573**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
		N'000	N'000	N'000	N'000
19.	**Investment in subsidiaries**				
	BGL Securities Limited	-	-	7,372,212	7,372,212
	BGL Asset Management Limited	-	-	4,078,540	4,078,540
		-	-	11,450,752	11,450,752

Investment in subsidiaries are carried at cost

19.1 Subsidiary undertakings

Subsidiary	Location	Interest %	Principal activities
BGL Securities Limited	Nigeria	100.00	Stock broking activities
BGL Asset Management Limited	Nigeria	100.00	Asset management services

19.2 Summary of operating results and financial position

	BGL Securities Limited	BGL Asset Management Limited
	N'000	N'000
31 December 2014		
Gross revenue	326,199	154,772
Profit/(loss) after tax	(185,268)	(52,186)
Total assets	2,709,347	13,881,218
Total liabilities	2,448,661	10,382,004
Total equity	260,686	3,499,214
31 December 2013		
Gross revenue	808,956	474,024
Profit/(loss) after tax	139,907	199,504
Total assets	4,804,352	12,804,742
Total liabilities	4,375,514	9,253,342
Total equity	428,838	3,551,400

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
		N'000	N'000	N'000	N'000
20.	**Intangible assets**				
	Cost				
	At 1 January	28,950	27,800	27,150	27,150
	Disposal	(27,150)	-	(27,150)	-
	At 31 December	1,800	27,800	-	27,150
	Amortisation				
	At 1 January	28,949	23,991	27,150	23,341
	Charge for the year	-	3,809	-	3,809
	Disposal	(27,150)	-	(27,150)	-
	At 31 December	1,799	27,800	-	27,150
	Carrying amount				
	At 31 December	**1**	**-**	**-**	**-**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
		N'000	N'000	N'000	N'000
21.	**Investment property**				
	Cost/valuation				
	At 1 January	2,724,505	2,724,505	-	-
	Transfers to BGL Plc	(2,724,505)	-	-	-
	Additions	-	-	-	-
	At 31 December	-	2,724,505	-	-
	Depreciation				
	At 1 January	35,124	23,416	-	-
	Transfers to BGL Plc	(35,124)	-	-	-
	Charge for the year	-	11,708	-	-
	At 31 December	-	35,124	-	-
	Carrying amount	**-**	**2,689,381**	**-**	**-**

22. Property, plant and equipment

22.1 Group

	Leasehold improvement	Plant and equipment	Furniture and Fittings	Computer equipment	Motor Vehicle	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost or Valuation						
At 1 January 2013	64,429	49,492	387,723	400,987	159,678	1,062,309
Additions	-	90	12,767	19,234	720	32,811
Disposals	-	-	(583)	(6,808)	(20,083)	(27,474)
At 31 December 2013	**64,429**	**49,582**	**399,907**	**413,413**	**140,315**	**1,067,646**
At 1 January 2014	64,429	49,582	399,907	413,413	140,315	1,067,646
Adjustments	-	-	(33,302)	22,800	-	(10,502)
Additions	-	23,378	3,664	4,644	-	31,686
Disposals	-	(6,930)	(218)	-	-	(7,148)
At 31 December 2014	**64,429**	**66,030**	**370,051**	**440,857**	**140,315**	**1,081,682**
Accumulated depreciation and impairment						
At 1 January 2013	63,141	48,385	379,499	393,012	131,670	1,015,707
Charge for the year	1,159	896	8,427	12,381	9,857	32,720
Eliminated on disposals	-	-	(583)	(6,808)	(17,515)	(24,906)
At 31 December 2013	64,300	49,281	387,343	398,585	124,012	1,023,521
At 1 January 2014	64,300	49,281	387,343	398,585	124,012	1,023,521
Adjustments	-	-	(29,493)	18,991	-	(10,502)
Charge for the year	125	3,191	3,896	8,868	8,397	24,477
Eliminated on disposals	-	(6,930)	(218)	-	-	(7,148)
At 31 December 2014	64,425	45,542	361,528	426,444	132,409	1,030,348
Carrying amount						
At 31 December 2013	**129**	**301**	**12,564**	**14,828**	**16,303**	**44,125**
At 31 December 2014	**4**	**20,488**	**8,524**	**14,412**	**7,906**	**51,333**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

22.2	Company	Leasehold improvement N'000	Plant & equipment N'000	Furniture & Fittings N'000	Computer equipment N'000	Motor Vehicle N'000	Total N'000
	Cost						
	At 1 January 2013	17,842	29,494	294,353	270,026	131,122	742,837
	Additions	-	-	12,084	18,849	720	31,653
	Disposals	-	-	-	-	(18,241)	(18,241)
	At 31 December 2013	17,842	29,494	306,437	288,875	113,601	756,249
	At 1 January 2014	17,842	29,494	306,437	288,875	113,601	756,249
	Adjustments	-	-	(33,302)	22,800	-	(10,502)
	Additions	-	23,308	3,382	2,958	-	29,648
	Disposals	-	(6,930)	-	-	-	(6,930)
	At 31 December 2014	17,842	45,872	276,517	314,633	113,601	768,465
	Depreciation						
	At 1 January 2013	17,839	29,494	291,270	265,528	104,798	708,929
	Charge for the year	-	-	4,097	9,412	8,846	22,355
	Eliminated on disposals	-	-	-	(15,673)	(15,673)	
	At 31 December 2013	17,839	29,494	295,367	274,940	97,971	715,611
	At 1 January 2014	17,839	29,494	295,367	274,940	97,971	715,611
	Adjustmens	-	-	(29,493)	18,991	-	(10,502)
	Charge for the year	-	2,914	2,804	7,932	7,724	21,374
	Eliminated on disposal	-	(6,930)	-	-	-	(6,930)
	At 31 December 2014	17,839	25,478	268,678	301,863	105,695	719,553
	Carrying amount						
	At 31 December 2013	**3**	**-**	**11,070**	**13,935**	**15,630**	**40,638**
	At 31 December 2014	**3**	**20,394**	**7,839**	**12,770**	**7,906**	**48,912**

		Group		Company	
		31-Dec-14 N'000	31-Dec-13 N'000	31-Dec-14 N'000	31-Dec-13 N'000
23.	**Deposit liabilities**	**14,823,164**	**13,973,027**	**3,019,352**	**1,268,559**
24.	**Bank loans and overdrafts**				
24.1	**Composition**				
	Bank overdrafts	4,154,213	4,296,512	4,154,213	4,153,198
	Term loans	3,000,000	9,382,446	3,000,000	9,378,639
		7,154,213	**13,678,958**	**7,154,213**	**13,531,837**
24.2	**Movement**				
	At 1 January	13,531,837	-	13,531,837	-
	Additions	1,015		1,015	
	Repayments	(6,378,639)	-	(6,378,639)	-
	At 31 December	**7,154,213**	**-**	**7,154,213**	**-**

The Company obtained facililties from several banks to finance its stock trading activities. Included in the term loan above are: N3.15 billion from Diamond Bank Plc, secured by shares which was to be fully repaid in the year 2011, but still outstanding and N3 billion from Honeywell Plc structured as BGL notes, which was to be fully repaid in the year 2013. The Diamond Bank Loan was subsequently transferred to the Asset Management Corporation of Nigeria (AMCON). Included in bank overdrafts are overdrawn amounts of N2.456 billion, N1.287 billion and N458.7 million from Zenith Bank Plc, First Bank of Nigeria Plc and Ecobank Plc respectively.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
		N'000	N'000	N'000	N'000
25.	**Other liabilities**				
	Trade creditors	357,812	128,018	-	36,502
	Staff Mortgage	531,698	568,955	531,698	568,955
	Dividend payable (Note 25.1)	5,887	5,887	4,813	4,813
	Short term employee benefit obligation	394,588	68,957	313,979	(11,732)
	Other taxes payable	285,803	-	255,504	-
	Interest payable	1,054,510	-	1,054,510	
	Other sundry creditors	418,042	920,218	237,733	671,481
	Contract stamp payable	151,643	142,493	-	-
	Deferred income	-	3,000	-	-
	Accruals	316,844	47,450	236,579	24,053
		3,516,827	**1,884,978**	**2,634,816**	**1,294,072**
25.1	**Dividend payable**				
	At 1 January	5,887	5,887	4,813	4,813
	At 31 December	**5,887**	**5,887**	**4,813**	**4,813**
26.	**Amount due to related parties**				
	Due to subsidiaries	-	-	13,274,953	10,903,769
		-	-	13,274,953	10,903,769
27.	**Taxation**				
27.1	**Tax expense**				
	Company income tax	3,851	46,547	-	20,571
	Education tax	-	-	-	-
	Prior year's tax overprovision	(18,113)			
		(14,262)	**46,547**	**-**	**20,571**
	Deferred tax				
	Deferred tax expense/(credit)	10,536	-	-	-
	Total income tax expense	**(3,726)**	**46,547**	**-**	**20,571**
27.2	**Tax payable**				
	At 1 January	189,541	142,994	157,909	137,338
	Charge for the year	3,851	46,547	-	20,571
		193,392	189,541	157,909	157,909
	Paid during the year	(1,000)	-	-	-
	At 31 December	**192,392**	**189,541**	**157,909**	**157,909**

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

		Group		Company	
27.3	**Deferred tax**				
	At 1 January	(10,536)	-	-	-
	Charge/(credit) for the year	10,536	(10,536)	-	-
	At 31 December	-	(10,536)	-	-

The deferred tax computation for the prior year resulted in a total credit of N7,563,874,113 comprising N3,920,715,084 and N3,632,623,029 for the Group and Company respectively out of which a credit of N10.536 million arising from the tax effect of the depreciation of investment property in a subsidiary, BGL Securities Limited was recognised. The balance of the credit amounting to N7,553,338,113 was not recognized in financial statements for the comparative period as the Directors have assessed that there are no reasonable expectation.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

28. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis.

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
		%	%	%	%
28.1	The principal assumptions applied for the purposes of the actuarial valuations are:				
	Financial assumptions				
	Discount rate	-	13.5	-	13.5
	Expected return	-	-	-	-
	Expected rate of salary increase	-	13.5	-	13.5
	Inflation rate	-	-	-	-
	Demographic assumptions	Sample	No. of deaths	No. of	deaths/yr
	Mortality in service	age	/yr/10,000	Sample age	/10,000
		25	7	25	7
		30	7	30	7
		35	9	35	9
		40	14	40	14
		45	26	45	26
	Recognised in profit o loss and OCI				
	Current service costs - profit or loss	-	113,356	-	92,652
	Interest obligation - profit or loss	-	133,765	-	119,247
	Actuarial (gain)/loss reported in OCI	-	(216,952)	-	(159,203)
		-	**30,169**	**-**	**52,696**

The expenses recognised for the year is included in employee cost disclosed in administrative expenses in profit or loss.

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
		N'000	N'000	N'000	N'000
28.2	Present value of unfunded defined benefit obligations	701,792	720,608	585,694	585,694
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	**701,792**	**720,608**	**585,694**	**585,694**
28.3	Movement in the present value of defined benefit obligation is as follows:				
	At 1 January	720,608	881,508	585,694	794,175
	Current service cost	-	113,356	-	92,652
	Interest cost	-	133,765	-	119,247
	Benefits paid	(18,816)	(191,069)	-	(261,177)
	Actuarial (gains)/loss	-	(216,952)	-	(159,203)
		701,792	**720,608**	**585,694**	**585,694**

29. Share capital

Authorised,				
15,000,000,000 ordinary shares of 50 kobo each (2013: 15 billion ordinary shares	7,500,000	7,500,000	7,500,000	7,500,000
Issued and fully paid				
15,000,000,000 ordinary shares of 50 kobo each	7,500,000	7,500,000	7,500,000	7,500,000

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
		N'000	N'000	N'000	N'000
30.	**Share premium**	36,173,548	36,173,548	36,173,548	36,173,548
31.	**Retained earnings**				
	At 1 January	(47,955,079)	(47,033,593)	(40,139,741)	(38,778,503)
	Adjustments	289,789	-	-	-
	At 1 January restated	(47,665,290)	(47,033,593)	(40,139,741)	(38,778,503)
	Profit/(loss) for the year	(3,860,985)	(921,486)	(3,631,107)	(1,361,238)
	At 31 December	**(51,526,275)**	**(47,955,079)**	**(43,770,848)**	**(40,139,741)**
32.	**Reserves**				
32.1	**Available for sale reserves**				
	At 1 January	(3,220,393)	(6,576,213)	(2,892,287)	(6,430,126)
	Fair value gain on AFS investments	17,116	3,355,820	-	3,537,839
	At 31 December	**(3,203,277)**	**(3,220,393)**	**(2,892,287)**	**(2,892,287)**
32.2	**Actuarial reserve**				
	At 1 January	594,368	377,416	444,888	285,685
	Remeasurement gain on retirement benefit obligation	-	216,952	-	159,203
	At 31 December	594,368	594,368	444,888	444,888
33.	**Directors and employees**				
33.1	**Chairman and Directors' emoluments**				
	Emoluments	-	8,531	-	8,531
	Other Directors	-	43,875	-	43,875
		-	**52,406**	**-**	**52,406**

33.2 The number of employees whose emoluments fall within the following ranges were:

			Group		Company	
			31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
			N'000	N'000	N'000	N'000
N		**N**				
60,000	-	999,999	-	38	-	8
1,000,000	-	1,999,999	-	37	-	18
2,000,000	-	2,999,999	-	27	-	8
3,000,000	-	3,999,999	-	9	-	5
4,000,000	-	4,999,999	-	8	-	4
5,000,000	-	5,999,999	-	12	-	7
6,000,000	-	6,999,999	-	6	-	3
			-	**137**	**-**	**53**

33.3	Average number of persons employed during the year				
	Managerial	-	25	-	14
	Non-managerial	-	112	-	39
		-	**137**	**-**	**53**
33.4	Staff costs excluding Directors relating to the above:				
	Salaries and allowances	261,434	384,707	106,797	212,223
	Staff welfare expenses	132,343	84,459	75,842	49,403
		393,777	**469,166**	**182,639**	**261,626**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

34. Related party disclosures

34.1 Related party relationships

Entity	*Nature of relationships*
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Private Equity Limited	Related party
BGL Capital Limited	Subsidiary

34.1.1 Group

Balances and transactions with related parties	**Nature of transaction**	**Amount of transaction**	**Amount due from related party**	**Amount due to related party**
Entity		**N'000**	**N'000**	**N'000**
31 December 2014				
BGL Capital Limited	Deposit for equity investment	236,216	500,000	-
BGL Private Equity	Expenses paid on related party's behalf	216,486	216,486	-
Lexcap Partners Limited	Debt offset	2,000,000	2,000,000	-
		2,452,702	**2,716,486**	**-**
31 December 2013				
BGL Capital Limited	Deposit for equity investment	-	263,784	-
		-	**263,784**	**-**

34.1.2 Company

Entity				
31 December 2014				
BGL Capital Limited	Deposit for equity investment	236,216	500,000	-
BGL Private Equity	Expenses paid on related party's behalf	216,486	216,486	-
Lexcap Partners Limited	Debt offset	2,000,000	2,000,000	
		2,452,702	**2,716,486**	**-**
31 December 2013				
BGL Capital Limited	Deposit for equity investment	-	263,784	-
BGL Private Equity Limited	Deposit for equity investment	-	289,789	-
		-	**553,573**	**-**

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 18 and 26 respectively of the financial statements.

34.1.3 Remuneration of key management personnel

The remuneration of Directors who are the key management personnel of the Company is set out below in aggregate for each of the categories specified in IAS 24, Related Party.

	Group		**Company**	
	31-Dec-14	**31-Dec-13**	**31-Dec-14**	**31-Dec-13**
	N'000	**N'000**	**N'000**	**N'000**
Short term benefits	52,406	53,016	52,406	53,016
Post employment benefits	-	13,244	-	13,244
	52,406	**66,260**	**52,406**	**66,260**

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

35. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

36. Financial risk management

36.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Operational risks

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruptionand cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

36.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

36.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

i Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.
ii Companies that have capacity to add substantially to industrial output.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

36.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk.

e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.

f Appoint credit officers and delegate approval authorities to individuals and committees.

The Group also as an Executive Management Committee charged with the responsibility of:

a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c Recommending to the Board Credit and Investment Committee those projects above its limits.

Financial assets past due but not individually impaired

	Group		Company	
	31-Dec-14 Loans and advances N'000	**31-Dec-13 Loans and advances N'000**	**31-Dec-14 Loans and advances N'000**	**31-Dec-13 Loans and advances N'000**
Past due by more than one year	-	1,707,132	-	1,707,132
	-	**1,707,132**	**-**	**1,707,132**
Financial assets individually impaired				
Gross amount	3,853,866	5,717,493	3,853,866	5,717,493
Allowance for impairment	(3,853,866)	(4,010,351)	(3,853,866)	(4,010,361)
	-	**1,707,142**	**-**	**1,707,132**

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

36.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

36.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

36.3.2 Group residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
Group							
31 December 2014							
Non-derivative assets:							
Cash and cash equivalents	134,166	134,166	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	557,020	557,020	-	-	-	-	-
Financial investments	14,597,305	14,597,305	-	-	-	-	-
	15,288,491	15,288,491	-	-	-	-	-
Non-derivative liabilities:							
Deposit liabilities	14,823,164	14,823,164	-	-	-	-	-
Loans and advances	7,154,213	7,154,213	-	-	-	-	-
Other liabilities	3,516,827	3,516,827	-	-	-	-	-
Amount due to related parties	-	-					
	25,494,204	25,494,204	-	-	-	-	-
Gap (assets - liabilities)	**(10,205,713)**	**(10,205,713)**					
31 December 2013							
Non-derivative assets:							
Cash and cash equivalents	526,577	526,577	-	-	-	-	-
Loans and advances	1,707,132	1,707,132	-	-	-	-	-
Trade and other receivables	370,149	370,149	-	-	-	-	-
Financial investments	17,578,858	17,578,858	-	-	-	-	-
	20,182,716	**20,182,716**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	13,973,027	13,973,027	-	-	-	-	-
Loans and advances	13,678,958	13,678,958	-	-	-	-	-
Other liabilities	1,884,978	1,884,978	-	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	29,536,963	**29,536,963**	**-**	**-**	**-**	**-**	**-**
Gap (assets - liabilities)	**(9,354,247)**	**(9,354,247)**	**-**	**-**	**-**	**-**	**-**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

36.3.3 Company's residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
Company							
31 December 2014							
Non-derivative assets:							
Cash and cash equivalents	14,563	14,563	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	226,476	226,476	-	-	-	-	-
Financial investments	11,997,115	11,997,115	-	-	-	-	-
Other assets	10,000	10,000					
Amount due from related party	2,716,486	2,716,486					
	14,964,642	**14,964,642**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	3,019,352	3,019,352	-	-	-	-	-
Loans and advances	7,154,213	7,154,213	-	-	-	-	-
Other liabilities	2,634,816	2,634,816	-	-	-	-	-
Amount due to related parties	13,274,953	13,274,953					
	26,083,333	26,083,333	-	-	-	-	-
Gap (assets - liabilities)	**(11,118,692)**	**(11,118,692)**					
31 December 2013							
Non-derivative assets:							
Cash and cash equivalents	46,507	46,507	-	-	-	-	-
Loans and advances	1,707,132	1,707,132	-	-	-	-	-
Trade and other receivables	231,278	231,278	-	-	-	-	-
Financial investments	14,523,526	14,523,526	-	-	-	-	-
Other assets	318	318					
Amount due from related parties	553,573	553,573					
	17,062,334	**17,062,334**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,268,559	1,268,559	-	-	-	-	-
Loans and advances	13,531,837	13,531,837	-	-	-	-	-
Other liabilities	1,294,072	1,294,072	-	-	-	-	-
Amount due to related parties	10,903,769	10,903,769	-	-	-	-	-
	26,998,237	26,998,237	-	-	-	-	-
Gap (assets - liabilities)	**(9,935,903)**	**(9,935,903)**	**-**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

36.4 Valuation of financial instruments

36.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

Level 2:
Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.
The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group	**Note**	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
31 December 2014					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	3,359,533	-	-	3,359,533
Unquoted available for sale investments	15.2.2	-	-	12,679,099	12,679,099
		3,359,533	**-**	**12,679,099**	**16,038,632**
31 December 2013					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	5,723,196	-	-	5,723,196
Unquoted available for sale investments	15.2.2	-	-	12,939,214	12,939,214
		5,723,196	-	12,939,214	18,662,410
Company					
31 December 2014					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	3,179,544	-	-	3,179,544
Unquoted available for sale investments	15.2.2	-	-	7,055,270	7,055,270
		3,179,544	**-**	**7,055,270**	**10,234,814**
31 December 2013					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	6,627,564	-	-	6,627,564
Unquoted available for sale investments	15.2.2	-	-	5,970,913	5,970,913
		6,627,564	**-**	**5,970,913**	**12,598,477**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

36.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

	Held for trading	Available for sale	Cash & Cash equivalents	Loans and receivable	Total Carrying amount	Fair value	Amortised Cost
Group	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
31 December 2014							
Assets							
Cash and cash equivalents	-	-	134,166	-	134,166	134,166	268,332
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	557,020	557,020	-	557,020
Financial investments	1,779,066	12,818,239	-	-	14,597,305	14,597,305	-
	1,779,066	**12,818,239**	**134,166**	**557,020**	**15,288,491**	**14,731,471**	**825,352**
Liabilities							
Deposit liabilities	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	7,154,213	-	7,154,213
Other liabilities	-	-	-	-	3,516,827	-	3,516,827
	-	**-**	**-**	**-**	**10,671,040**	**-**	**10,671,040**
31 December 2013							
Assets							
Cash and cash equivalents	-	-	526,577	-	526,577	526,577	-
Loans and advances	-	-	-	1,707,132	1,707,132	-	1,707,132
Trade and other receivables	-	-	-	370,149	370,149	-	740,298
Financial investments	2,136,841	15,442,017	-	-	17,578,858	17,578,858	-
	2,136,841	**15,442,017**	**526,577**	**2,077,281**	**20,182,716**	**18,105,435**	**2,447,430**
Liabilities							
Deposit liabilities	-	-	-	-	13,973,027	-	13,973,027
Loans and advances	-	-	-	-	13,678,958	-	13,678,958
Other liabilities	-	-	-	-	1,884,978	-	1,884,978
	-	**-**	**-**	**-**	**29,536,963**	**-**	**29,536,963**
Company							
31 December 2014							
Assets							
Cash and cash equivalents	-	-	14,563	-	14,563	14,563	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	226,476	226,476	-	226,476
Financial investments	1,762,301	10,234,814	-	-	11,997,115	11,997,115	-
	1,762,301	**10,234,814**	**14,563**	**226,476**	**12,238,155**	**12,011,679**	**226,476**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

	Held for trading N'000	Available for sale N'000	Cash & Cash equivalents N'000	Loans and receivable N'000	Total Carrying amount N'000	Fair value N'000	Amortised Cost N'000
Liabilities							
Deposit liabilities	-	-	-	-	3,019,352	-	3,019,352
Loans and advances	-	-	-	-	7,154,213	-	7,154,213
Other liabilities	-	-	-	-	2,634,816	-	2,634,816
Amounts due to related parties	-	-	-	-	13,274,953	-	13,274,953
	-	-	-	-	12,808,380	-	12,808,380
31 December 2013							
Assets							
Cash and cash equivalents	-	-	46,507	-	46,507	46,507	-
Loans and advances	-	-	-	1,707,132	1,707,132	-	1,707,132
Trade and other receivables	-	-	-	231,278	231,278	-	462,556
Financial investments	1,925,049	12,598,477	-	-	14,523,526	14,523,526	-
	1,925,049	**12,598,477**	**46,507**	**1,938,410**	**16,508,443**	**14,570,033**	**2,169,688**
Liabilities							
Deposit liabilities	-	-	-	-	1,268,559	-	1,268,559
Loans and advances	-	-	-	-	13,531,837	-	13,531,837
Other liabilities	-	-	-	-	1,294,072	-	1,294,072
Amounts due to related parties	-	-	-	-	10,903,769	-	10,903,769
	-	**-**		**-**	**16,094,468**	**-**	**16,094,468**

36.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2014 *(Cont'd)*

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

36.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

36.7.1 Capital allocation

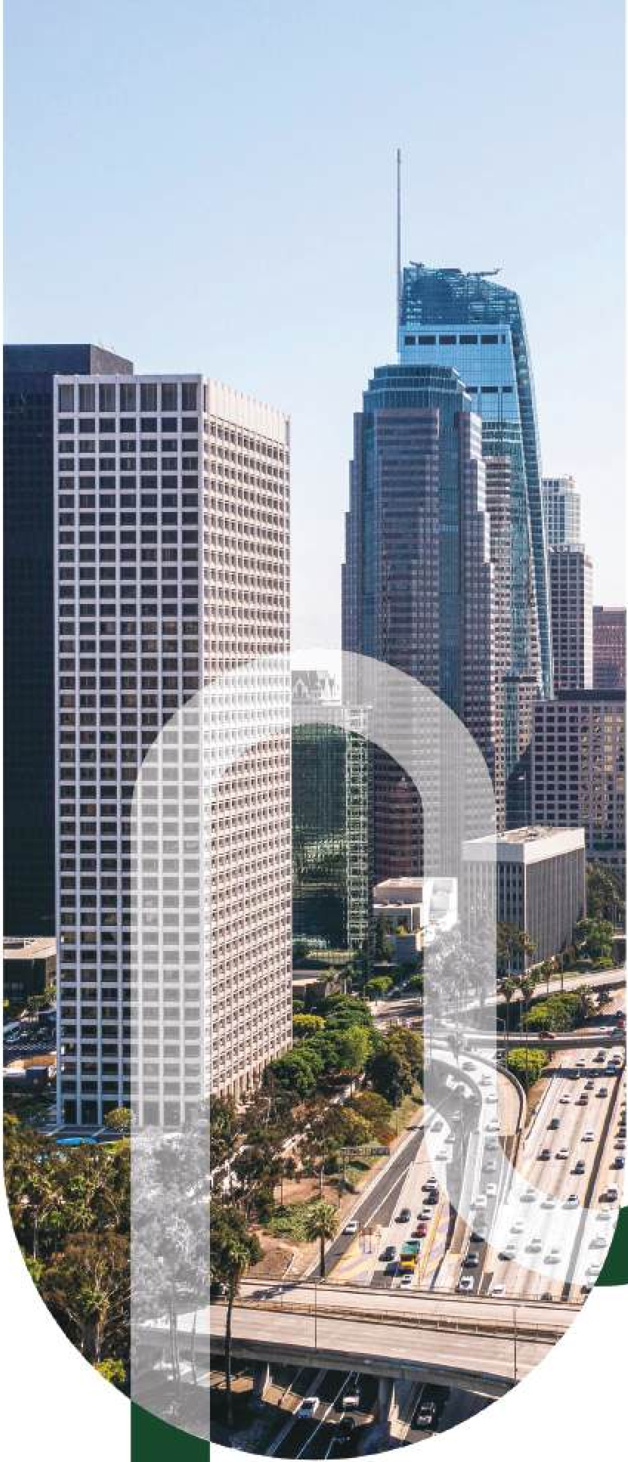
The allocation of capital between specific operations and activities is, to a large extent driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory 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 maximisation 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 is also 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.

37. Events after the reporting period and going concern

The Company's operations were subsequently impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC to ensure compliance in all areas of infringement and release of the licenses of the subsidiaries. Therefore, the Directors have applied the going concern basis in the preparation of these financial statements.

Apart from the above, the Directors have assessed that are there were no other significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.



2015
Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 10.20 a.m. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2015 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join.** The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

Report of the Independent Auditors to the members of BGL Plc - 2015

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja
E-mail: info@ahmedzakari.com Url: www.ahmedzakari.com

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2015

		Group		Company	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	Note	N'000	N'000	N'000	N'000
Revenue					
Fees, trading and asset management activities	7.	1,603,672	240,122	948,663	129,610
Other income	8.	1,953,017	4,181,941	1,911,358	3,811,087
Gross revenue		3,556,689	4,422,063	2,860,021	3,940,697
Operating expenses					
Net interest expenses	9.	711,782	2,392,493	711,694	2,392,097
Depreciation		23,072	24,477	21,845	21,372
Administrative expenses	10.	1,621,846	1,801,493	728,812	1,090,024
Impairment charges	11.	2,869	4,068,311	-	
4,068,311					
Total expenses		2,359,569	8,286,774	1,462,351	7,571,804
Profit/(loss) before tax		1,197,120	(3,864,711)	1,397,670	(3,631,107)
Taxation	27.1	(59,809)	3,726	-	-
Profit/(loss) after tax		**1,137,311**	**(3,860,985)**	**1,397,670**	**(3,631,107)**
Other comprehensive income for the year					
Items that may be transferred subsequently to profit or loss					
Fair value gain on AFS investments	32.1	54,471	17,116	-	-
Items that will not be transferred subsequently to profit or loss:	-	-	-	-	
Total other comprehensive income		54,471	17,116	-	-
Total comprehensive income/(loss) for the year		**1,191,782**	**(3,843,869)**	**1,397,670**	**(3,631,107)**
Per share data					
Earnings/(loss) per share - Kobo		7.58	(25.74)	9.32	(24.21)

The accompanying explanatory notes and the other national disclosures form an integral part of these financi**al statements.**

Consolidated & Separate Statements of Financial Position as at 31 December 2015

	Note	Group		Company	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
		N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	12.	127,948	134,166	11,900	14,563
Loans and receivables	13.	9,431	-	9,431	-
Trade and other receivables	14.	582,388	557,020	253,427	226,476
Financial investments	15.	14,323,962	14,597,305	13,575,314	11,997,115
Other assets	16.	23,419	23,483	10,000	10,000
Prepayments	17.	26,619	63,444	12,282	34,420
Amount due from related parties	18.	3,052	500,000	3,052	500,000
Investment in subsidiaries	19.	-	-	12,070,752	11,450,752
Intangible assets	20.	-	1	-	-
Property and equipment	22.	29,192	51,333	27,459	48,912
Total assets		**15,126,011**	**15,926,752**	**25,973,617**	**24,282,238**
Liabilities and equity					
Liabilities					
Deposit liabilities	23.	15,104,050	14,823,164	1,293,387	3,019,352
Bank loans and overdrafts	24.	4,602,411	7,154,213	4,602,411	7,154,213
Other liabilities	25.	3,800,691	3,516,827	2,367,711	2,634,816
Amount due to related parties	26.	-	-	18,178,814	13,274,953
Tax payable	27.2	252,099	192,392	157,909	157,909
Defined benefit obligation	28.2	636,512	701,792	520,414	585,694
Deferred tax liability	27.3	102	-	-	-
Total liabilities		24,395,865	26,388,388	27,120,646	26,826,937
Equity					
Share capital	29.	7,500,000	7,500,000	7,500,000	7,500,000
Share premium	30.	36,173,548	36,173,548	36,173,548	36,173,548
Retained earnings	31.	(50,388,964)	(51,526,275)	(42,373,178)	(43,770,848)
Available for sale reserve	32.1	(3,148,806)	(3,203,277)	(2,892,287)	(2,892,287)
Actuarial reserve	32.2	594,368	594,368	444,888	444,888
Total equity		(9,269,854)	(10,461,636)	(1,147,029)	(2,544,699)
Total liabilities and equity		**15,126,011**	**15,926,752**	**25,973,617**	**24,282,238**

The audited financial statements were approved by the Directors on 17 December 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at 31 December 2015 *(Cont'd)*

Group	**Share capital N'000**	**Share Premium N'000**	**Retained Earnings N'000**	**Available for sale Reserve N'000**	**Actuarial Reserve N'000**	**Total N'000**
At 1 January 2014	7,500,000	36,173,548	(47,955,079)	(3,220,393)	594,368	(6,907,556)
Adjustments	-	-	289,789	-	-	289,789
At 1 January 2014 restated	7,500,000	36,173,548	(47,665,290)	(3,220,393)	594,368	(6,617,767)
Comprehensive income for the year:						
Loss for the year	-	-	(3,860,985)	-	-	(3,860,985)
Other comprehensive income for the year	-	-	-	17,116	-	17,116
Total comprehensive loss for the year	-	-	(3,860,985)	17,116	-	(3,843,869)
At 31 December 2014	**7,500,000**	**36,173,548**	**(51,526,275)**	**(3,203,277)**	**594,368**	**(10,461,636)**
At 1 January 2015	7,500,000	36,173,548	(51,526,275)	(3,203,277)	594,368	(10,461,636
Comprehensive income for the year:						
Profit for the year	-	-	1,137,311	-	-	1,137,311
Other comprehensive income for the year	-	-	-	54,471	-	54,471
Total comprehensive income for the year	-	-	1,137,311	54,471	-	1,191,782
At 31 December 2015	**7,500,000**	**36,173,548**	**(50,388,964)**	**(3,148,806)**	**594,368**	**(9,269,854)**

Company						
At 1 January 2014	7,500,000	36,173,548	(40,139,741)	(2,892,287)	444,888	1,086,408
Comprehensive income for the year:						
Loss for the year	-	-	(3,631,107)	-	-	(3,631,107)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(3,631,107)	-	-	(3,631,107)
At 31 December 2014	**7,500,000**	**36,173,548**	**(43,770,848)**	**(2,892,287)**	**444,888**	**(2,544,699)**
At 1 January 2015	7,500,000	36,173,548	(43,770,848)	(2,892,287)	444,888	(2,544,699)
Comprehensive income for the year:						
Profit for the year	-	-	1,397,670	-	-	1,397,670
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,397,670	-	-	1,397,670
At 31 December 2015	**7,500,000**	**36,173,548**	**(42,373,178)**	**(2,892,287)**	**444,888**	**(1,147,029)**

Consolidated & Separate Statements of Financial Position as at 31 December 2015 *(Cont'd)*

		Group		Company	
	Note	31-Dec-15 N'000	31-Dec-14 N'000	31-Dec-15 N'000	31-Dec-14 N'000
Cash flows from operating activities					
Profit/(loss) before tax		1,197,120	(3,864,711)	1,397,670	(3,631,107)
Adjustments for non cash items:					
Depreciation	22.	23,072	24,477	21,845	21,372
Prior year's adjustments	31.	-	289,789	-	-
Impairment charge/(reversal) on cash and cash equivalents	12.1	-	(3,681)	-	-
Impairment charge/(reversal) on loans and advances	13.1	(9,431)	(156,495)	(9,431)	(156,495)
Impairment charge/(reversal) on trade and other receivables	13.1	-	2,173,915	-	2,216,486
Profit on disposal of property plant and equipment	8.	(7,118)	(5,383)	-	(4,675)
Interest expense	9.	711,782	2,392,493	711,694	2,392,097
Dividend income	8.	(102,362)	(222,670)	(8,895)	(175,017)
Cash flows before working capital changes		1,813,063	627,733	2,112,883	662,663
Changes in working capital:					
(Increase)Decrease in loans and advances	13.	-	1,863,627	-	1,863,627
(Increase)/decrease in trade and other receivables	14.	(25,368)	(144,299)	(26,950)	4,802
(Increase)/decrease in other assets	16.	64	(1,968)	-	(9,682)
Decrease in prepayments	17.	36,826	263,390	22,138	240,104
Increase in amount due from related party	18.	496,948	(2,452,702)	(3,052)	(2,162,913)
Increase in deposit liabilities	23.	280,885	850,137	(1,725,964)	1,750,793
Increase/(decrease) in other liabilites	25.	283,865	1,631,847	(267,105)	1,340,744
Increase/(decrease) in amount due to related party	26.	-	-	4,903,861	2,371,184
		2,886,283	2,637,766	5,015,810	6,061,322
Tax paid	27.2	-	(1,000)	-	-
Gratuity paid	28.2	(65,280)	-	(65,280)	-
Net cash provided by operating activities		2,821,003	2,636,766	4,950,529	6,061,322
Cash flows from investing activities					
Changes in financial assets	15.	273,343	2,981,516	(1,578,199)	2,526,411
Fair value changes in AFS investments	32.1	54,471	17,116		
Purchase of property, plant and equipment	22.	(1,141)	(31,686)	(392)	(29,648)
Proceeds of property, plant and machinery disposed		7,328	5,383	-	4,675
Additional investment in subsidiary	19.	-	-	(120,000)	-
Dividend received	8.	102,362	222,670	8,895	175,017
Investment property transferred to holding company	21.	-	2,689,381	-	-
Net cash provided/(used) by investment activities		436,363	5,884,380	(1,689,696)	2,676,455
Cash flows from financing activities					
Interest paid	9.	(711,782)	(2,392,493)	(711,694)	(2,392,097)
Borrowings repaid	24.2	(2,551,802)	(6,524,745)	(2,551,802)	(6,377,624)
Net cash used by financing activities		(3,263,584)	(8,917,238)	(3,263,496)	(8,769,721)
Net increase in cash and cash equivalents		(6,218)	(396,092)	(2,663)	(31,944)
Cash and cash equivalents at the beginning of the year	12.	134,166	530,258	14,563	46,507
Cash and cash equivalents at the end of the year	12.	127,948	134,166	11,900	14,563

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange.

The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission.

1.2 Corporate office

The registered address of the company is located at 12A, Catholic Mission Street, Lagos Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

Pronouncement	Nature of change	effective period of implementation
IFRS 9 Financial Instruments	IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. IFRS 9 replaces IAS 39.	1 January 2018
IFRS 10 Consolidated financial statements Applying consolidation exception	The amendments clarfies the exemption from preparing consolidated financial statements for enties that meet the defination of an investment entity.	1 January 2016
IFRS 16 Leases	IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.	1 January 2019

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
7.	**Revenue**	**N'000**	**N'000**	**N'000**	**N'000**
	Fees, trading and asset management activities				
	Advisory fees	576,096	123,785	-	123,785
	Asset management income	77,822	80,168	-	-
	Income from trading securities	949,754	36,169	948,663	5,825
		1,603,672	**240,122**	**948,663**	**129,610**
8.	**Other income**				
	Dividend Income	102,362	222,670	8,895	175,017
	Brokerage income	263,517	257,580	26,447	-
	Interest Income	31,201	22,930	4,723	16,544
	Rent Income	22,795	82,496	21,167	79,000
	Sundry income	120,079	78,528	111,379	50,000
	Profit on disposal of property, plant and equipment	7,118	5,383	-	4,675
	Net change in fair value of financial assets	(332,802)	(18,655)	-	-
	Foreign exhange gain	1,301,458	1,230	1,301,458	1,230
	Bad debts recovered	437,289	3,529,779	437,289	3,484,621
		1,953,017	**4,181,941**	**1,911,358**	**3,811,087**
9.	**Interest expenses**				
	Bank interest	129,613	617,601	129,613	617,601
	Others	582,169	1,774,892	582,081	1,774,496
		711,782	**2,392,493**	**711,694**	**2,392,097**
10.	**Administrative expenses**				
	Directors' remuneration	52,406	52,406	52,406	52,406
	Employee cost	321,355	405,226	84,469	194,088
	Repairs and maintenance	71,858	151,437	44,704	86,987
	Bank charges	2,015	4,206	2,015	4,206
	Fuel	13,520	31,158	13,520	31,158
	Electricity	3,145	8,122	3,145	8,122
	Rents	68,204	85,269	28,975	54,308
	Transport, travelling and hotel accomodation	474,870	561,914	189,404	298,027
	Utilities	9,181	20,776	9,181	20,776
	Business development	44,270	41,232	44,270	41,232
	Dues and subscriptions	15,476	26,038	3,739	26,038
	Statt welfare	124,164	161,998	124,164	161,998
	Professional charges	273,960	63,322	110,919	60,303
	Audit fees	7,000	8,000	1,000	1,000
	Security expenses	5,552	10,117	5,552	10,117
	Advertisement	6,963	13,657	6,963	13,657
	Printing and stationery	5,098	9,748	2,293	9,748
	Office expenses	122,543	126,721	2,093	15,853
	Loss on disposal of investments	266	20,146	-	-
		1,621,846	**1,801,493**	**728,812**	**1,090,024**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
		N'000	N'000	N'000	N'000
10.1	**Employee cost**				
	Salaries and allowances	208,083	261,434	37,348	106,797
	Pension contribution	44,681	42,890	15,503	20,355
	Medicals	44,814	64,014	17,222	33,095
	Training	23,777	25,439	14,396	22,392
	Gratuity	-	11,449	-	11,449
		321,355	405,226	84,469	194,088
10.2	**Profit/(loss) before tax is arrived at after charging the following:**				
	Directors' remuneration	52,406	52,406	52,406	52,406
	Depreciation	23,072	24,477	21,845	21,372
	Audit fees	7,000	8,000	1,000	1,000
	Employee cost	321,355	405,226	84,469	194,088
11.	**Impairment charges/(write back)**				
	Loans and advances	-	1,562,035	-	1,562,035
	Trade and other receivables	2,869	-	-	-
	Amount due from related parties	-	2,506,276	-	2,506,276
		2,869	4,068,311	-	4,068,311
12.	**Cash and cash equivalents**				
	Cash in hand	537	597	310	370
	Bank balances	126,448	131,625	10,627	12,246
	Placement with Nigerian banks	963	1,944	963	1,947
		127,948	134,166	11,900	14,563
	Allowance for doubtful bank balance	-	-	-	-
	Total cash and cash equivalents	127,948	134,166	11,900	14,563

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances comprise cash and bank deposits. The carrying amount of these assets is approximately equal to their fair value.

12.1	**Impairment allowance on placements**				
	As at 1 January	-	(3,681)	-	-
	Reversal	-	3,681	-	-
	As at 31 December	-	-	-	-
13.	**Loans and advances**				
	Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
	Impairment allowance(13.1)	(3,844,435)	(3,853,866)	(3,844,435)	(3,853,866)
		9,431	-	9,431	-

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
13.1	**Impairment allowance/(reversal)**	**N'000**	**N'000**	**N'000**	**N'000**
	At 1 January	3,853,866	4,010,361	3,853,866	4,010,361
	Reversal during the year	(9,431)	(1,718,530)	(9,431)	(1,718,530)
	Additions during the year	-		1,562,035	
	1,562,035				
	At 31 December	3,844,435	3,853,866	3,844,435	3,853,866
14.	**Trade and other receivables**				
	Trade debtors	911,253	913,031	151,495	151,495
	Staff loans	42,782	44,027	34,053	35,493
	Staff mortgage loans	263,599	235,208	263,599	235,208
		1,217,634	1,192,266	449,147	422,196
	Impairment allowance on trade and other receivables	(635,246)	(635,246)	(195,720)	(195,720)
		582,388	557,020	253,427	226,476
14.1	**Impairment allowance on trade and other receivables**				
	At 1 January	635,246	677,818	195,720	195,720
	Impairment charge during the year	-	2,586	-	-
	Reversal during the year	-	(45,158)	-	-
	At 31 December	635,246	635,246	195,720	195,720
15.	**Financial investments**				
15.1	*Financial investments comprise:*				
	Available for sale investments (AFS)	14,323,962	12,818,239	13,575,314	10,234,814
	Fair value through profit/loss	-	1,779,066	-	1,762,301
		14,323,962	**14,597,305**	**13,575,314**	**11,997,115**
15.2	**AFS investments comprise**				
15.2.1	*Quoted equity Investment*				
	Honeywell Flour Mills	3,179,544	3,179,544	3,179,544	3,179,544
	Afromedia Plc	179,989	179,989	-	-
	DAAR Communications Plc	217,211	-	-	-
		3,576,744	3,359,533	3,179,544	3,179,544
	Fair value changes in AFS financial assets	(146,087)	(3,220,393)	-	-
		3,430,657	139,140	3,179,544	3,179,544
15.2.2	*Unqoted Investment*				
	Central Securities Clearing System Plc	90,014	35,743	-	-
	Peak Petroleum Limted	3,340,500	2,039,720	3,340,500	-
	FCMB	3,976,644	3,976,644	3,976,644	3,976,644
	Schartz Resources Limited	5,920,913	5,920,913	5,920,913	5,920,913
	Mutual Funds	72,873	72,873	-	-
	Joint Komputer Kompany Limited	545,280	545,280	-	-
	National Association of Securities	37,926	37,926	-	-
	Aquila Capital Limited	50,000	50,000	50,000	50,000
	Wingsong M House Palm Oil Investment	332,802	-	-	-
		14,366,952	12,679,099	13,288,057	9,947,557
	Fair value changes in AFS financial assets	(3,473,647)	-	(2,892,287)	(2,892,287)
		10,893,305	12,679,099	10,395,770	7,055,270
	Carrying amount	**14,323,962**	**12,818,239**	**13,575,314**	**10,234,814**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

15.2.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

15.2.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

		Group		Company	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
16.	**Other assets**	**N'000**	**N'000**	**N'000**	**N'000**
	Sundry receivables	23,419	23,483	10,000	10,000
		23,419	23,483	10,000	10,000
17.	**Prepayments**				
	Rent	26,155	61,837	11,818	32,813
	Insurance	-	157	-	157
	Staff housing	464	1,450	464	1,450
		26,619	63,444	12,282	34,420
18.	**Amount due from related party**				
	BGL Private Equity	219,538	216,486	219,538	216,486
	BGL Capital Limited	-	500,000	-	500,000
	Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
		2,219,538	2,716,486	2,219,538	2,716,486
	Impairment allowance	(2,216,486)	(2,216,486)	(2,216,486)	(2,216,486)
		3,052	**500,000**	**3,052**	**500,000**
19.	Investment in subsidiaries				
	BGL Securities Limited	-	-	7,492,212	7,372,212
	BGL Asset Management Limited	-	-	4,078,540	4,078,540
	BGL Capital Limited	-	-	500,000	-
		-	**-**	**12,070,752**	**11,450,752**

Investment in subsidiaries are carried at cost

BGL Capital Limited is yet to commence operations. The carrying amount of the investment represents share capital and other preoperational expenses paid and incurred on the Company respectively.

19.1 Subsidiary undertakings

Subsidiary	**Location**	**Interest %**	**Principal activities**
BGL Securities Limited	Nigeria	100.00	Stock broking activities
BGL Asset Management Limited	Nigeria	100.00	Asset management services
BGL Capital Limited	Nigeria	100.00	Investment banking & advisory

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

19.2 Summary of operating results and financial position

	BGL Securities Limited	BGL Asset Management Limited	BGL Capital Limited
31 December 2015	**N'000**	**N'000**	**N'000**
Gross revenue	353,406	95,075	580,901
Profit/(loss) after tax	(12,916)	(29,797)	(217,896)
Total assets	4,872,146	14,271,713	491,788
Total liabilities	4,449,905	10,802,048	209,684
Total equity	422,241	3,469,665	282,104
31 December 2014			
Gross revenue	326,199	154,772	-
Profit/(loss) after tax	(185,268)	(52,186)	-
Total assets	2,709,347	13,881,218	-
Total liabilities	2,448,661	10,382,004	-
Total equity	260,686	3,499,214	-

	Group		Company	
	31-Dec-15	**31-Dec-14**	**31-Dec-15**	**31-Dec-14**
20. Intangible assets	**N'000**	**N'000**	**N'000**	**N'000**
Cost				
At 1 January	1,800	28,950	-	27,150
Disposals	(1,800)	(27,150)	-	(27,150)
At 31 December	-	1,800	-	-
Amortisation				
At 1 January	1,799	28,949	-	27,150
Eliminated on disposal	(1,799)	(27,150)	-	(27,150)
At 31 December	-	1,799	-	-
Carrying amount				
At 31 December	-	1	-	-
21. Investment property				
Cost/valuation				
At 1 January	-	2,724,505	-	-
Transfers to BGL Plc	-	(2,724,505)	-	-
Additions	-	-	-	-
At 31 December	-	-	-	-
Depreciation				
At 1 January	-	35,124	-	-
Transfers to BGL Plc			-	
(35,124)	-	-		
Charge for the year	-	-	-	-
At 31 December	-	-	-	-
Carrying amount			-	22.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

22. Property, plant and equipment

22.1 Group

	Leasehold improvement N'000	Plant & equipment N'000	Furniture & Fittings N'000	Computer equipment N'000	Motor Vehicle N'000	Total N'000
Cost or Valuation						
At 1 January 2014	64,429	49,582	399,907	413,413	140,315	1,067,646
Adjustments	-	-	(33,302)	22,800	-	(10,502)
Additions	-	23,378	3,664	4,644	-	31,686
Disposals	-	(6,930)	(218)	-	-	(7,148)
At 31 December 2014	64,429	66,030	370,051	440,857	140,315	1,081,682
At 1 January 2015	64,429	66,030	370,051	440,857	140,315	1,081,682
Additions	-	683	65	393	-	1,141
Disposals	-	(20,158)	(16,719)	(6,106)	(26,714)	(69,697)
At 31 December 2015	64,429	46,555	353,397	435,144	113,601	1,013,126
Depreciation						
At 1 January 2014	64,300	49,281	387,343	398,585	124,012	1,023,521
Adjustments	-	-	(29,493)	18,991	-	(10,502)
Charge for the year	125	3,191	3,896	8,868	8,397	24,477
Eliminated on disposals	-	(6,930)	(218)	-	-	(7,148)
At 31 December 2014	64,425	45,542	361,528	426,444	132,409	1,030,348
At 1 January 2015	64,425	45,542	361,528	426,444	132,409	1,030,348
Charge for the year	-	6,080	3,128	8,061	5,803	23,072
Eliminated on disposals	-	(20,103)	(16,719)	(5,950)	(26,714)	(69,486)
At 31 December 2015	64,425	31,519	347,937	428,555	111,498	983,934
Carrying amount						
At 31 December 2014	**4**	**20,488**	**8,524**	**14,412**	**7,906**	**51,333**
At 31 December 2015	**4**	**15,036**	**5,460**	**6,589**	**2,103**	**29,192**

22. Property, plant and equipment

22.2 Company

Cost						
At 1 January 2014	17,842	29,494	306,437	288,875	113,601	756,249
Adjustments	-	-	(33,302)	22,800	-	(10,502)
Additions	-	23,308	3,382	2,958	-	29,648
Disposals	-	(6,930)	-	-	-	(6,930)
At 31 December 2014	17,842	45,872	276,517	314,633	113,601	768,465
At 1 January 2015	17,842	45,872	276,517	314,633	113,601	768,465
Additions	-	-	-	392	-	392
At 31 December 2015	17,842	45,872	276,517	315,025	113,601	768,857

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

	Leasehold improvement N'000	Plant & equipment N'000	Furniture & Fittings N'000	Computer equipment N'000	Motor Vehicle N'000	Total N'000
Depreciation						
At 1 January 2014	17,839	29,494	295,367	274,940	97,971	715,611
Adjustments	-	-	(29,493)	18,991	-	(10,502)
Charge for the year	-	2,914	2,804	7,932	7,724	21,374
Eliminated on disposal	-	(6,930)	-	-	-	(6,930)
At 31 December 2014	17,839	25,478	268,678	301,863	105,695	719,553
At 1 January 2015	17,839	25,478	268,678	301,863	105,695	719,553
Charge for the year	-	5,827	2,888	7,327	5,803	21,845
At 31 December 2015	17,839	31,305	271,566	309,190	111,498	741,398
Carrying amount						
At 31 December 2014	3	20,394	7,839	12,770	7,906	48,912
At 31 December 2015	3	14,567	4,951	5,835	2,103	27,459

		Group		Company	
		31-Dec-15 N'000	31-Dec-14 N'000	31-Dec-15 N'000	31-Dec-14 N'000
23.	Deposit liabilities	**15,104,050**	**14,823,164**	**1,293,387**	**3,019,352**
24.	**Bank loans and overdrafts**				
24.1	**Composition**				
	Bank overdrafts	1,602,411	4,154,213	1,602,411	4,154,213
	Term loans	3,000,000	3,000,000	3,000,000	3,000,000
		4,602,411	**7,154,213**	**4,602,411**	**7,154,213**
24.2	**Movement**				
	At 1 January	7,154,213	13,531,837	7,154,213	13,531,837
	Additions	-	-	-	1,015
	Repayments	(2,551,802)	(6,378,639)	(2,551,802)	(6,378,639)
	At 31 December	**4,602,411**	**7,153,198**	**4,602,411**	**7,154,213**

The outstanding term loan relates to loan liability to Honeywell Plc which have been restrcuted a BGL Notes. Company obtained facililties from several banks to finance its stock trading activities. Included in bank overdrafts are overdrawn amounts of N2.456 billion, N1.287 billion and N458.7 million from Zenith Bank Plc, First Bank of Nigeria Plc and Ecobank Plc respectively. There were significant repayments of the overdrafts during the year.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

		Group		Company	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
25.	**Other liabilities**	**N'000**	**N'000**	**N'000**	**N'000**
	Trade creditors	718,293	357,812	-	-
	Staff Mortgage	502,546	531,698	502,546	531,698
	Dividend payable (Note 25.1)	5,887	5,887	4,813	4,813
	Short term employee benefit obligation	412,427	394,588	304,256	313,979
	Other taxes payable	333,767	285,803	268,523	255,504
	Interest payable	585,213	1,054,510	585,213	1,054,510
	Other sundry creditors	569,795	418,042	345,681	237,733
	Contract stamp payable	187,641	151,643	-	-
	Accruals	485,122	316,844	356,679	236,579
		3,800,691	**3,516,827**	**2,367,711**	**2,634,816**
25.1	**Dividend payable**				
	At 1 January	5,887	5,887	4,813	4,813
	At 31 December	5,887	5,887	4,813	4,813
26.	**Amount due to related parties**				
	Due to subsidiaries	-	-	18,178,814	13,274,953
		-	**-**	**18,178,814**	**13,274,953**
27.	**Taxation**				
27.1	**Tax expense**				
	Company income tax	55,973	3,851	-	-
	Education tax	3,734	-	-	-
	Prior year's tax overprovision	-	(18,113)	-	-
		59,707	(14,262)	-	-
	Deferred tax				
	Deferred tax expense/(credit)	102	10,536	-	-
	Total income tax expense	**59,809**	**(3,726)**	**-**	**-**
27.2	**Tax payable**				
	At 1 January	192,392	189,541	157,909	157,909
	Charge for the year	59,707	3,851	-	-
		252,099	193,392	157,909	157,909
	Paid during the year	-	(1,000)	-	-
	At 31 December	**252,099**	**192,392**	**157,909**	**157,909**

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

27.3	**Deferred tax**				
	At 1 January	-	(10,536)	-	-
	Charge/(credit) for the year	102	10,536	-	-
	At 31 December	102	-	-	-

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

28. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

		Group		Company	
		31-Dec-15	**31-Dec-14**	**31-Dec-15**	**31-Dec-14**
		N'000	**N'000**	**N'000**	**N'000**
28.1	Present value of unfunded defined benefit obligations	636,512	701,792	520,414	585,694
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	636,512	701,792	520,414	585,694
28.2	Movement in the present value of defined benefit obligation is as follows:				
	At 1 January	701,792	720,608	585,694	585,694
	Benefits paid	(65,280)	(18,816)	(65,280)	-
	At 31 December	636,512	701,792	520,414	585,694
29.	**Share capital**				
	Authorised,				
	15,000,000,000 ordinary shares of 50 kobo each				
	(2013: 15 billion ordinary shares	7,500,000	7,500,000	7,500,000	7,500,000
	Issued and fully paid				
	15,000,000,000 ordinary shares of 50 kobo each	7,500,000	7,500,000	7,500,000	7,500,000
30.	**Share premium**	36,173,548	36,173,548	36,173,548	36,173,548
31.	**Retained earnings**				
	At 1 January	(51,526,275)	(47,955,079)	(43,770,848)	(40,139,741)
	Adjustments	-	289,789	-	-
	At 1 January restated	(51,526,275)	(47,665,290)	(43,770,848)	(40,139,741)
	Profit/(loss) for the year	1,137,311	(3,860,985)	1,397,670	(3,631,107)
	At 31 December	(50,388,964)	(51,526,275)	(42,373,178)	(43,770,848)
32.	**Reserves**				
32.1	**Available for sale reserves**				
	At 1 January	(3,203,277)	(3,220,393)	(2,892,287)	(2,892,287)
	Fair value gain on AFS investments	54,471	17,116	-	-
	At 31 December	(3,148,806)	(3,203,277)	(2,892,287)	(2,892,287)
32.2	**Actuarial reserve**				
	At 1 January	594,368	594,368	444,888	444,888
	At 31 December	**594,368**	**594,368**	**444,888**	**444,888**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

		Group		Company	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
		N'000	N'000	N'000	N'000
33.	**Directors and employees**				
33.1	**Chairman and Directors' emoluments**				
	Emoluments	-	-	-	-
	Other Directors	-	-	-	-
		-	-	-	-

33.2 The number of employees whose emoluments fall within the following ranges were:

		Group		Company	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
		Number	Number	Number	Number
N	N				
60,000	- 9 99,999	-	-	-	-
1,000,000	- 1,999,999	-	-	-	-
2,000,000	- 2,999,999	-	-	-	-
3,000,000	- 3,999,999	-	-	-	-
4,000,000	- 4,999,999	-	-	-	-
5,000,000	- 5,999,999	-	-	-	-
6,000,000	- 6,999,999	-	-	-	-
		-	-	-	-

33.3	**Average number of persons employed during the year**				
	Managerial	-	-	-	-
	Non-managerial	-	-	-	-
		-	-	-	-

		Group		Company	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
		N'000	N'000	N'000	N'000
33.4	Staff costs excluding Directors relating to the above:				
	Salaries and allowances	208,083	261,434	37,348	106,797
	Staff welfare expenses	113,272	132,343	47,120	75,842
		321,355	**393,777**	**84,469**	**182,639**
33.	**Directors and employees**				
33.1	**Chairman and Directors' emoluments**				
	Emoluments	-	-	-	-
	Other Directors	-	-	-	-
		-	-	-	-

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

33.2 The number of employees whose emoluments fall within the following ranges were:

			Group		Company	
			31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
			Number	Number	Number	Number
N		N				
60,000	-	999,999	-	-	-	-
1,000,000	-	1,999,999	-	-	-	-
2,000,000	-	2,999,999	-	-	-	-
3,000,000	-	3,999,999	-	-	-	-
4,000,000	-	4,999,999	-	-	-	-
5,000,000	-	5,999,999	-	-	-	-
6,000,000	-	6,999,999	-	-	-	-
			-	-	-	-
	-					

33.3	Average number of persons employed during the year				
	Managerial	-	-	-	-
	Non-managerial	-	-	-	-
		-	-	-	-

		Group		Company	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
		N'000	N'000	N'000	N'000
33.4	Staff costs excluding Directors relating to the above:				
	Salaries and allowances	208,083	261,434	37,348	106,797
	Staff welfare expenses	113,272	132,343	47,120	75,842
		321,355	393,777	84,469	182,639

34. Related party disclosures

34.1 Related party relationships

Entity	Nature of relationships
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related party
Lexcap Partners Limited	Related party

34.1.1 Group

Balances and transactions with related parties	**Nature of transaction**	**Amount of transaction N'000**	**Amount due from related party N'000**	**Amount due to related party N'000**
Entity				
31 December 2015	Deposit for equity investment			
BGL Private Equity	Reimbursable expenses	3,052	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		3,052	**2,219,538**	**-**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

			Amount of transaction	Amount due from related party	Amount due to related party
	31 December 2014		N'000	N'000	N'000
	BGL Capital Limited	Deposit for equity investment	236,216	500,000	-
	BGL Private Equity	Reimbursable expenses	216,486	216,486	-
	Lexcap Partners Limited	Debt offset	2,000,000	2,000,000	-
			2,452,702	**2,716,486**	**-**
34.1.2	**Company**				
	Entity				
	31 December 2015				
	BGL Private Equity	Reimbursable expenses	3,052	219,538	-
	Lexcap Partners Limited	Debt offset	-	2,000,000	-
	BGL Asset Management Limited	Reimbursable expenses	2,444,432	-	13,977,456
	BGL Capital Limited	Reimbursable expenses	228,050	-	239,253
	BGL Securities Limited	Reimbursable expenses	2,231,378	-	3,962,105
			4,906,912	**2,219,538**	**18,178,814**
	31 December 2014				
	BGL Capital Limited	Deposit for equity investment	236,216	500,000	-
	BGL Private Equity	Expenses paid on subsidiary's behalf	216,486	216,486	-
	Lexcap Partners Limited	Debt offset	2,000,000	2,000,000	-
	BGL Asset Management Limited	Reimbursable expenses	-	11,533,024	
	BGL Capital Limited	Reimbursable expenses	-	11,202	
	BGL Securities Limited	Reimbursable expenses	-	1,730,727	
			2,452,702	**2,716,486**	**13,274,953**

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 18 and 26 respectively of the financial statements.

34.1.3 Remuneration of key management personnel

The Directors comprise the key management personnel of the Group. Remuneration paid to the Directors is shown below:

	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	N'000	N'000	N'000	N'000
Short term benefits	52,406	52,406	52,406	52,406
	52,406	52,406	52,406	52,406

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

35. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

36. Financial risk management

36.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Operational risks

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruptionand cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

36.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

36.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

i Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.

ii Companies that have capacity to add substantially to industrial output.

36.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies.

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk.

e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.

f Appoint credit officers and delegate approval authorities to individuals and committees.

The Group also as an Executive Management Committee charged with the responsibility of:

a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c Recommending to the Board Credit and Investment Committee those projects above its limits.

Financial assets past due but not individually impaired

	Group		Company	
	31-Dec-15 Loans & advances N'000	**31-Dec-14 Loans & qdvances N'000**	**31-Dec-15 Loans & advances N'000**	**31-Dec-14 Loans & advances N'000**
Past due by more than one year	9,431	-	9,431	-
	9,431	**-**	**9,431**	**-**
Financial assets individually impaired				
Gross amount	3,853,866	3,853,866	3,853,866	3,853,866
Allowance for impairment	(3,844,435)	(3,853,866)	(3,844,435)	(3,853,866)
	9,431	**-**	**9,431**	**-**

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

36.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

36.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

36.3.2 Group residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
Group							
31 December 2015							
Non-derivative assets:							
Cash and cash equivalents	127,948	127,948	-	-	-	-	-
Loans and advances	9,431	9,431	-	-	-	-	-
Trade and other receivables	582,388	582,388	-	-	-	-	-
Financial investments	14,323,962	14,323,962	-	-	-	-	-
Other assets	23,419	23,419	-	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	-	-	-	-	-
	17,286,686	**17,286,686**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	15,104,050	15,104,050	-	-	-	-	-
Loans and advances	4,602,411	4,602,411	-	-	-	-	-
Other liabilities	3,800,691	3,800,691	-	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	23,507,152	23,507,152	-	-	-	-	-
Gap (assets - liabilities)	**(6,220,466)**	**(6,220,466)**	**-**	**-**	**-**	**-**	**-**
31 December 2014							
Non-derivative assets:							
Cash and cash equivalents	134,166	134,166	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	557,020	557,020	-	-	-	-	-
Financial investments	14,597,305	14,597,305	-	-	-	-	-
Other assets	23,483	23,483	-	-	-	-	-
Amount due from related parties	2,716,486	2,716,486	-	-	-	-	-
	18,028,460	**18,028,460**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	14,823,164	14,823,164	-	-	-	-	-
Loans and advances	7,154,213	7,154,213	-	-	-	-	-
Other liabilities	3,510,940	3,510,940	-	-	-	-	-
Amount due to related parties	5,887	5,887	-	-	-	-	-
	25,494,204	25,494,204	-	-	-	-	-
Gap (assets - liabilities)	**(7,465,744)**	**(7,465,744)**	**-**	**-**	**-**	**-**	**-**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

Company	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
31 December 2015							
Non-derivative assets:							
Cash and cash equivalents	11,900	11,900	-	-	-	-	-
Loans and advances	9,431	9,431	-	-	-	-	-
Trade and other receivables	253,427	253,427	-	-	-	-	-
Financial investments	13,575,314	13,575,314	-	-	-	-	-
Other assets	10,000	10,000	-	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	-	-	-	-	-
	16,079,609	**16,079,609**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	-	-	-	-	-
Loans and advances	4,602,411	4,602,411	-	-	-	-	-
Other liabilities	2,367,711	2,367,711	-	-	-	-	-
Amount due to related parties	18,178,814	18,178,814	-	-	-	-	-
	26,442,323	26,442,323	-	-	-	-	-
Gap (assets - liabilities)	**(11,118,692)**	**(11,118,692)**	**-**	**-**	**-**	**-**	**-**
31 December 2014							
Non-derivative assets:							
Cash and cash equivalents	14,563	14,563	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	226,476	226,476	-	-	-	-	-
Financial investments	11,997,115	11,997,115	-	-	-	-	-
Other assets	10,000	10,000	-	-	-	-	-
Amount due from related parties	2,716,486	2,716,486	-	-	-	-	-
	14,964,642	**14,964,642**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	3,019,352	3,019,352	-	-	-	-	-
Loans and advances	7,154,213	7,154,213	-	-	-	-	-
Other liabilities	2,634,816	2,634,816	-	-	-	-	-
Amount due to related parties	13,274,953	13,274,953	-	-	-	-	-
	26,083,333	26,083,333	-	-	-	-	-
Gap (assets - liabilities)	**(11,118,692)**	**(11,118,692)**	**-**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

36.4 Valuation of financial instruments

36.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

Level 2:
Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indrectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.

- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group	**Note**	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
31 December 2015					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	3,430,657	-	-	3,430,657
Unquoted available for sale investments	15.2.2	-	-	10,893,305	10,893,305
		3,430,657	-	10,893,305	14,323,962
31 December 2014					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	139,140	-	-	139,140
Unquoted available for sale investments	15.2.2	-	-	12,679,099	12,679,099
		139,140	-	12,679,099	12,818,239
Company					
31 December 2015					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	3,179,544	-	-	3,179,544
Unquoted available for sale investments	15.2.2	-	-	10,395,770	10,395,770
		3,179,544	-	10,395,770	13,575,314

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

Group	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
31 December 2014					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	3,179,544	-	-	3,179,544
Unquoted available for sale investments	15.2.2	-	-	7,055,270	7,055,270
		3,179,544	**-**	**7,055,270**	**10,234,814**

36.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities.

Group	Held for trading N'000	Available for sale N'000	Cash & Cash equivalents N'000	Loans and receivable N'000	Total Carrying amount N'000	Fair value N'000	Amortised Cost N'000
31 December 2015							
Assets							
Cash and cash equivalents	-	-	127,948	-	127,948	127,948	255,897
Loans and advances	-	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	-	582,388	582,388	-	582,388
Financial investments	-	14,323,962	-	-	14,323,962	14,323,962	-
	-	**14,323,962**	**127,948**	**591,819**	**15,043,730**	**14,451,910**	**847,716**
Liabilities							
Deposit liabilities	-	-	-	-	15,104,050	-	15,104,050
Loans and advances	-	-	-	-	4,602,411	-	4,602,411
Other liabilities	-	-	-	-	3,800,691	-	3,800,691
Amounts due to related parties					-		
	-	**-**	**-**	**-**	**23,507,152**	**-**	**23,507,152**
31 December 2014							
Assets							
Cash and cash equivalents	-	-	134,166	-	134,166	134,166	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	557,020	557,020	-	1,114,040
Financial investments	1,779,066	12,818,239	-	-	14,597,305	14,597,305	-
	1,779,066	**12,818,239**	**134,166**	**557,020**	**15,288,491**	**14,731,471**	**1,114,040**
Liabilities							
Deposit liabilities	-	-	-	-	14,823,164	-	14,823,164
Loans and advances	-	-	-	-	7,154,213	-	7,154,213
Other liabilities	-	-	-	-	3,516,827	-	3,516,827
Amounts due to related parties	-	-	-	-	-	-	-
	-	-		-	25,494,204	-	25,494,204

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

	Held for trading N'000	Available for sale N'000	Cash & Cash equivalents N'000	Loans and receivable N'000	Total Carrying amount N'000	Fair value N'000	Amortised Cost N'000
Company							
31 December 2015							
Assets							
Cash and cash equivalents	-	-	11,900	-	11,900	11,900	-
Loans and advances	-	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	-	253,427	253,427	-	253,427
Financial investments	-	13,575,314	-	-	13,575,314	13,575,314	-
	-	**13,575,314**	**11,900**	**262,857**	**13,850,071**	**13,587,214**	**262,857**
Liabilities							
Deposit liabilities	-	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	-	4,602,411	-	4,602,411
Other liabilities	-	-	-	-	2,367,711	-	2,367,711
Amounts due to related parties	-	-	-	-	18,178,814	-	18,178,814
	-	-	-	-	8,263,509	-	8,263,509
31 December 2014							
Assets							
Cash and cash equivalents	-	-	14,563	-	14,563	14,563	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	226,476	226,476	-	226,476
Financial investments	1,762,301	10,234,814	-	-	11,997,115	11,997,115	-
	1,762,301	**10,234,814**	**14,563**	**226,476**	**12,238,155**	**12,011,679**	**226,476**
Liabilities							
Deposit liabilities	-	-	-	-	3,019,352	-	3,019,352
Loans and advances	-	-	-	-	7,154,213	-	7,154,213
Other liabilities	-	-	-	-	2,634,816	-	2,634,816
Amounts due to related parties	-	-	-	-	13,274,953	-	13,274,953
	-	**-**	**-**	**-**	**12,808,380**	**-**	**12,808,380**

36.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

36.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and r main a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

36.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2015 *(Cont'd)*

Although maximisation 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 is also 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.

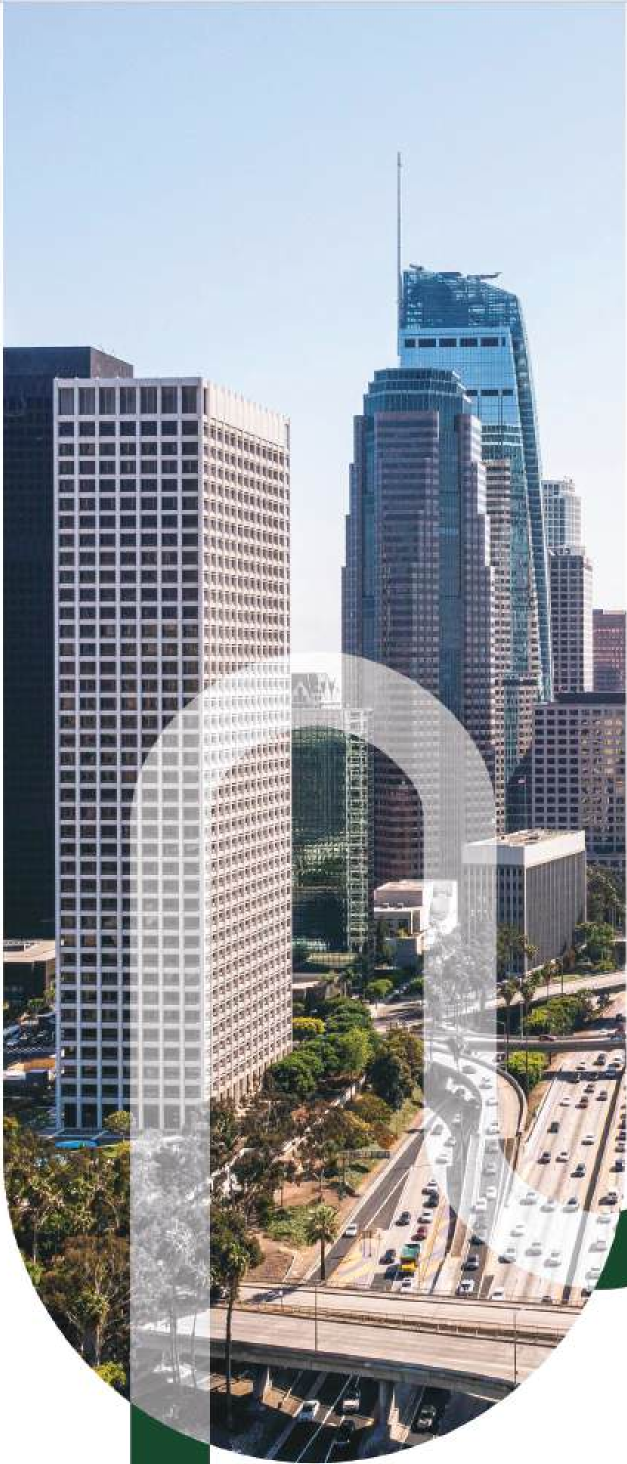
37. Events after the reporting period

The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.

38. Going concern

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC to ensure compliance in all areas of infringement and release of the licenses of the subsidiaries.

Therefore, the Directors have applied the going concern basis in the preparation of these financial statements.



bgl

2016
Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 10.40 a.m. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2016 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

Report of the Independent Auditors to the members of BGL Plc - 2016

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2016 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja
E-mail: info@ahmedzakari.com Url: www.ahmedzakari.com

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters
Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.

- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2016

		Group		Company	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	Note	N'000	N'000	N'000	N'000
Revenue					
Fees, trading and asset management activities	7.	37,682	1,603,672	13,098	948,663
Other income	8.	3,052,979	1,953,017	2,991,806	1,911,358
Gross revenue		3,090,661	3,556,689	3,004,904	2,860,021
Operating expenses					
Net Interest Expenses	9.	46,849	711,782	41,742	711,694
Depreciation	21.	18,546	23,072	17,379	21,845
Administrative expenses	10.	837,120	1,621,846	538,100	728,812
Impairment charges	11.	-	2,869	-	-
Total expenses		902,515	2,359,569	597,221	1,462,351
Profit before tax		2,188,146	1,197,120	2,407,683	1,397,670
Taxation	26.1	10,946	(59,809)	-	-
Profit for the year		2,199,092	1,137,311	2,407,683	1,397,670
Other comprehensive income for the year					
Items that may be transferred subsequently to profit or loss					
Fair value gain on AFS investments	31.1	-	54,471	-	-
Total other comprehensive income		-	54,471	-	-
Total comprehensive income for the year		**2,199,092**	**1,191,782**	**2,407,683**	**1,397,670**
Per share data					
Earnings per share - Kobo		14.66	7.58	16.05	9.32

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at 31 December 2016

		Group		Company	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Assets	**Note**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	12.	17,994	127,948	9,700	11,900
Loans and receivables	13.	9,431	9,431	9,431	9,431
Trade and other receivables	14.	561,358	582,388	232,396	253,427
Financial investments	15.	12,920,953	14,323,962	12,231,876	13,575,314
Other assets	16.	23,623	23,419	10,000	10,000
Prepayments	17.	14,774	26,619	5,497	12,282
Amount due from related parties	18.	3,052	3,052	3,052	3,052
Investment in subsidiaries	19.	-	-	12,070,752	12,070,752
Property, plant and equipment	21.	10,646	29,192	10,080	27,459
Deferred taxation	26.3	10,889	-	-	-
Total assets		**13,572,720**	**15,126,011**	**24,582,784**	**25,973,617**
Liabilities and equity					
Liabilities					
Deposit liabilities	22.	15,086,932	15,104,050	1,293,387	1,293,387
Bank borrowings	23.	593,280	4,602,411	593,280	4,602,411
Other liabilities	24.	4,074,614	3,800,691	2,537,965	2,367,711
Amount due to related parties	25.	-	-	18,219,175	18,178,814
Tax payable	26.2	252,144	252,099	157,909	157,909
Defined benefit obligation	27.2	636,512	636,512	520,414	520,414
Deferred tax liability	26.3	-	102	-	-
Total liabilities		20,643,482	24,395,865	23,322,130	27,120,646
Equity					
Share capital	28.	7,500,000	7,500,000	7,500,000	7,500,000
Share premium	29.	36,173,548	36,173,548	36,173,548	36,173,548
Retained earnings	30.	(48,189,872)	(50,388,964)	(39,965,495)	(42,373,178)
Available for sale reserve	31.1	(3,148,806)	(3,148,806)	(2,892,287)	(2,892,287)
Actuarial reserve	31.2	594,368	594,368	444,888	444,888
Total equity		(7,070,762)	(9,269,854)	1,260,654	(1,147,029)
Total liabilities and equity		**13,572,720**	**15,126,011**	**24,582,784**	**25,973,617**

The audited financial statements were approved by the Directors on 17 December 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Changes in Equity for the year ended 31 December 2016

Group	Share capital N'000	Share Premium N'000	Retained Earnings N'000	Available for sale Reserve N'000	Actuarial Reserve N'000	Total N'000
At 1 January 2015	7,500,000	36,173,548	(51,526,275)	(3,203,277)	594,368	(10,461,636)
Comprehensive income for the year:						
Profit for the year	-	-	1,137,311	-	-	1,137,311
Other comprehensive income for the year	-	-	-	54,471	-	54,471
Total comprehensive income for the year	-	-	1,137,311	54,471	-	1,191,782
At 31 December 2015	**7,500,000**	**36,173,548**	**(50,388,964)**	**(3,148,806)**	**594,368**	**(9,269,854)**
At 1 January 2016	7,500,000	36,173,548	(50,388,964)	(3,148,806)	594,368	(9,269,854)
Comprehensive income for the year:						
Profit for the year	-	-	2,199,092	-	-	2,199,092
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,199,092	-	-	2,199,092
At 31 December 2016	**7,500,000**	**36,173,548**	**(48,189,872)**	**(3,148,806)**	**594,368**	**(7,070,762)**
Company						
At 1 January 2015	7,500,000	36,173,548	(43,770,848)	(2,892,287)	444,888	(2,544,699)
Comprehensive income for the year:						
Profit for the year	-	-	1,397,670	-	-	1,397,670
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,397,670	-	-	1,397,670
At 31 December 2015	**7,500,000**	**36,173,548**	**(42,373,178)**	**(2,892,287)**	**444,888**	**(1,147,029)**
At 1 January 2016	7,500,000	36,173,548	(42,373,178)	(2,892,287)	444,888	(1,147,029)
Comprehensive income for the year:						
Profit for the year	-	-	2,407,683	-	-	2,407,683
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,407,683	-	-	2,407,683
At 31 December 2016	**7,500,000**	**36,173,548**	**(39,965,495)**	**(2,892,287)**	**444,888**	**1,260,654**

Consolidated & Separate Statements of Cash Flows for the year ended 31 December 2016

	Notes	Group 31-Dec-16 N'000	Group 31-Dec-15 N'000	Company 31-Dec-16 N'000	Company 31-Dec-15 N'000
Cash flows from operating activities					
Profit before tax		2,188,146	1,197,120	2,407,683	1,397,670
Adjustments for non cash items:					
Depreciation	21.	18,546	23,072	17,379	21,845
Impairment charge/(reversal) on loans and advances	13.1	-	(9,431)	-	(9,431)
Profit on disposal of property plant and equipment	8.	-	(7,118)	-	-
Interest expense	9.	46,849	711,782	41,742	711,694
Dividend income	8.	(92,656)	(102,362)	(41,475)	(8,895)
Cash flows before working capital changes		2,160,885	1,813,063	2,425,329	2,112,883
Changes in working capital:					
(Increase)/decrease in trade and other receivables	14.	21,031	(25,368)	21,031	(26,950)
(Increase)/decrease in other assets	16.	(204)	64	-	-
Decrease in prepayments	17.	11,844	36,826	6,785	22,138
Increase in amount due from related party	18.	-	496,948	-	(3,052)
Increase in deposit liabilities	22.	(17,118)	280,885	-	(1,725,964)
Increase/(decrease) in other liabilites	24.	273,921	283,865	170,254	(267,105)
Increase/(decrease) in amount due to related party	25.	-	-	40,361	4,903,861
		2,450,359	2,886,283	2,663,760	5,015,810
Tax paid	26.2	-	-	-	-
Gratuity paid	27.2	-	(65,280)	-	(65,280)
Net cash provided by operating activities		2,450,359	2,821,003	2,663,760	4,950,529
Cash flows from Investing activities					
Changes in financial assets	15.	1,403,010	273,343	1,343,438	(1,578,199)
Fair value changes in AFS investments	31.1		54,471		
Purchase of property, plant and equipment	21.1	-	(1,141)	-	(392)
Proceeds of property, plant and machinery disposed		-	7,328	-	-
Additional investment in subsidiary	19.	-	-	-	(120,000)
Dividend received	8.	92,656	102,362	41,475	8,895
Net cash provided/(used) by investing activities		1,495,666	436,363	1,384,913	(1,689,696)
Cash flows from financing activities					
Interest paid	9.	(46,849)	(711,782)	(41,742)	(711,694)
Borrowings repaid	23.2	(4,009,130)	(2,551,802)	(4,009,131)	(2,551,802)
Net cash used by financing activities		(4,055,979)	(3,263,584)	(4,050,873)	(3,263,496)
Net increase in cash and cash equivalents		(109,954)	(6,218)	(2,200)	(2,663)
Cash and cash equivalents at the beginning of the year	12.	127,948	134,166	11,900	14,563
Cash and cash equivalents at the end of the year	**12.**	**17,994**	**127,948**	**9,700**	**11,900**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange.

The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission.

1.2 Corporate office

The registered address of the company is located at 12A, Catholic Mission Street, Lagos Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

Pronouncement	Nature of change	effective period of implementation
IFRS 9 Financial Instruments	IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. IFRS 9 replaces IAS 39.	1 January 2018
IFRS 10 Consolidated financial statements Applying consolidation exception	The amendments clarfies the exemption from preparing consolidated financial statements for enties that meet the defination of an investment entity.	1 January 2016
IFRS 16 Leases	IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.	1 January 2019

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.1 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.6.2 Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised."

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

6.6.3 Current and deferred taxes for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	**Useful life**
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.11.1 Financial Asset

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

6.11.1.2 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

For financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; of
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.
- For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

- For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.
- For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.
- The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.
- For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

6.11.1.3 Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

6.11.2 Financial liabilities and equity instruments

6.11.2.1 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

6.11.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.12 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Company discloses transactions with related parties which includes the:

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

		Group		Company	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
		N'000	N'000	N'000	N'000
7.	Revenue				
	Fees, trading and asset management activities				
	Advisory fees	13,098	576,096	13,098	-
	Asset management income	-	77,822	-	-
	Income from trading securities	24,584	949,754	-	948,663
		37,682	**1,603,672**	**13,098**	**948,663**
8.	**Other income**				
	Dividend Income	92,656	102,362	41,475	8,895
	Brokerage income	1,912	263,517	1,204	26,447
	Interest Income	26	31,201	13	4,723
	Rent Income	4,670	22,795	-	21,167
	Sundry income	1,113,132	120,079	1,112,271	111,379
	Profit on disposal of property, plant and equipment	3,740	7,118	-	
	Net change in fair value of financial assets	-	(332,802)	-	-
	Foreign exhange gain	1,836,843	1,301,458	1,836,843	1,301,458
	Bad debts recovered	-	437,289	-	437,289
		3,052,979	**1,953,017**	**2,991,806**	**1,911,358**
9.	**Interest expenses**				
	Bank interest	41,742	129,613	41,742	129,613
	Others	5,107	582,169	-	582,081
		46,849	**711,782**	**41,742**	**711,694**
10.	**Administrative expenses**				
	Directors' remuneration	-	52,406	-	
	52,406				
	Employee cost	159,918	321,355	66,863	84,469
	Repairs and maintenance	48,660	71,858	23,676	44,704
	Bank charges	1,937	2,015	1,937	2,015
	Fuel	4,067	13,520	4,067	13,520
	Electricity	1,042	3,145	1,042	3,145
	Rents	44,620	68,204	17,860	28,975
	Transport, travelling and hotel accomodation	147,677	474,870	81,387	189,404
	Utilities	2,614	9,181	2,614	9,181
	Business development	23,610	44,270	23,610	44,270
	Dues and subscriptions	1,446	15,476	1,446	3,739
	Staff welfare	79,128	124,164	79,128	124,164
	Professional charges	67,996	273,960	50,340	110,919
	Audit fees	5,000	7,000	1,000	1,000
	Security expenses	1,669	5,552	1,669	5,552
	Advertisement	968	6,963	968	6,963
	Printing and stationery	1,082	5,098	819	2,293
	Office expenses	62,171	122,543	130	2,093
	Loss on disposal of stocks	183,515	266	179,544	-
		837,120	**1,621,846**	**538,100**	**728,812**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

		Group		Company	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
		N'000	N'000	N'000	N'000
10.1	**Employee cost**				
	Salaries and allowances	126,251	208,083	48,188	37,348
	Pension contribution	21,445	44,681	8,678	15,503
	Medicals	2,367	44,814	142	17,222
	Training	9,855	23,777	9,855	14,396
		159,918	321,355	66,863	84,469
10.2	**Profit/(loss) before tax is arrived at after charging the following:**				
	Directors' remuneration	-	52,406	-	52,406
	Depreciation	18,546	23,072	17,379	21,845
	Audit fees	5,000	7,000	1,000	1,000
	Employee cost	159,918	321,355	66,863	84,469
11.	**Impairment charges**				
	Trade and other receivables	-	2,869	-	-
		-	2,869	-	-
12.	**Cash and cash equivalents**				
	Cash in hand	978	537	247	310
	Bank balances	16,622	126,448	9,059	10,627
	Placement with Nigerian banks	394	963	394	963
		17,994	127,948	9,700	11,900
	Allowance for doubtful bank balance	-	-	-	-
	Total cash and cash equivalents	**17,994**	**127,948**	**9,700**	**11,900**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original m aturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances comprise cash and bank deposits. The carrying amount of these assets is approximately equal to their fair value.

		Group		Company	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
		N'000	N'000	N'000	N'000
13.	**Loans and advances**				
	Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
	Impairment allowance(13.1)	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,434)
		9,431	9,431	9,431	9,431
13.1	**Impairment allowance**				
	At 1 January	3,844,435	3,853,866	3,844,435	3,853,866
	Reversal during the year	-	(9,431)	-	(9,431)
	At 31 December	3,844,435	3,844,435	3,844,435	3,844,435

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

		Group		Company	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
		N'000	N'000	N'000	N'000
14.	**Trade and other receivables**				
	Trade debtors	911,253	911,253	151,495	151,495
	Staff loans	43,043	42,782	34,313	34,053
	Staff mortgage loans	242,308	263,599	242,308	263,599
		1,196,604	1,217,634	428,116	449,147
	Impairment allowance on trade and other receivables	(635,246)	(635,246)	(195,720)	(195,720)
		561,358	**582,388**	**232,396**	**253,427**
14.1	**Impairment allowance on trade and other receivables**				
	At 1 January	635,246	635,246	195,720	195,720
	At 31 December	635,246	635,246	195,720	195,720
15.	**Financial investments**				
15.1	**Financial investments comprise:**				
	Available for sale investments (AFS)	12,920,953	14,323,962	12,231,876	13,575,314
		12,920,953	14,323,962	12,231,876	13,575,314
15.2	**AFS investments comprise**				
15.2.1	*Quoted equity Investment*				
	Honeywell Flour Mills	-	3,179,544	-	3,179,544
	Afromedia Plc	179,989	179,989	-	-
	DAAR Communications Plc	217,211	217,211	-	-
		397,200	3,576,744	-	3,179,544
	Fair value change in AFS financial assets	(146,087)	(146,087)	-	-
		251,113	3,430,657	-	3,179,544
15.2.2	**Unqoted Investment**				
	Central Securities Clearing System Plc	30,443	90,014	-	-
	Peak Petroleum Limted	5,176,500	3,340,500	5,176,500	3,340,500
	FCMB	3,976,644	3,976,644	3,976,644	3,976,644
	Schartz Resources Limited	5,921,019	5,920,913	5,921,019	5,920,913
	Mutual Funds	72,873	72,873	-	-
	Joint Komputer Kompany Limited	545,280	545,280	-	-
	National Association of Securities	37,926	37,926	-	-
	Aquila Capital Limited	50,000	50,000	50,000	50,000
	Wingsong M House Palm Oil Investment	332,802	332,802	-	-
		16,143,487	14,366,952	15,124,163	13,288,057
	Fair value change in AFS financial assets	(3,473,647)	(3,473,647)	(2,892,287)	(2,892,287)
		12,669,840	10,893,305	12,231,876	10,395,770
	Carrying amount	**12,920,953**	**14,323,962**	**12,231,876**	**13,575,314**

15.2.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

15.2.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

		Group		Company	
		31-Dec-16 N'000	31-Dec-15 N'000	31-Dec-16 N'000	31-Dec-15 N'000
16.	**Other assets**				
	Sundry receivables	23,623	23,419	10,000	10,000
		23,623	23,419	10,000	10,000
17.	**Prepayments**				
	Rent	14,310	26,155	5,033	11,818
	Staff housing	464	464	464	464
		14,774	26,619	5,497	12,282
18.	**Amount due from related party**				
	BGL Private Equity	219,538	219,538	219,538	219,538
	Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
		2,219,538	2,219,538	2,219,538	2,219,538
	Impairment allowance	(2,216,486)	(2,216,486)	(2,216,486)	(2,216,486)
		3,052	**3,052**	**3,052**	**3,052**
19.	**Investment in subsidiaries**				
	BGL Securities Limited	-	-	7,492,212	7,492,212
	BGL Asset Management Limited	-	-	4,078,540	4,078,540
	BGL Capital Limited	-	-	500,000	500,000
		-	-	12,070,752	12,070,752

Investment in subsidiaries are carried at cost

19.1 Subsidiary undertakings

Subsidiary	Location	Interest %	Principal activities
BGL Securities Limited	Nigeria	100.00	Stock broking activities
BGL Asset Management Limited	Nigeria	100.00	Asset management services
BGL Capital Limited	Nigeria	100.00	Investment banking & advisory

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

19.2 Summary of operating results and financial position

	BGL Securities Limited N'000	BGL Management Limited N'000	BGL Capital Limited N'000
31 December 2016			
Gross revenue	63,322	22,422	-
Profit/(loss) after tax	(130,291)	(51,776)	(26,522)
Total assets	4,891,234	14,194,744	425,678
Total liabilities	4,599,284	10,776,855	170,096
Total equity	291,950	3,417,889	255,582
31 December 2015			
Gross revenue	353,406	95,075	580,901
Profit/(loss) after tax	(12,916)	(29,797)	(217,896)
Total assets	4,872,146	14,271,713	491,788
Total liabilities	4,449,905	10,802,048	209,684
Total equity	422,241	3,469,665	282,104

	Group		Company	
	31-Dec-16 N'000	31-Dec-15 N'000	31-Dec-16 N'000	31-Dec-15 N'000
20. Intangible assets				
Cost				
At 1 January	-	1,800	-	-
Disposal	-	(1,800)	-	-
At 31 December	-	-	-	-
Amortisation				
At 1 January	-	1,799	-	-
Disposal	-	(1,799)	-	-
At 31 December	-	-	-	-
Carrying amount				
At 31 December	-	-	-	-

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

21. Property, plant and equipment

21.1 Group

	Leasehold improvement	Plant and equipment	Furniture and Fittings	Computer equipment	Motor Vehicle	Total
Cost	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January 2015	64,429	66,030	370,051	440,857	140,315	1,081,682
Additions	-	683	65	393	-	1,141
Disposals	-	(20,158)	(16,719)	(6,106)	(26,714)	(69,697)
At 31 December 2015	64,429	46,555	353,397	435,144	113,601	1,013,126
At 1 January 2016	64,429	46,555	353,397	435,144	113,601	1,013,126
At 31 December 2016	64,429	46,555	353,397	435,144	113,601	1,013,126
Depreciation						
At 1 January 2015	64,425	45,542	361,528	426,444	132,409	1,030,348
Charge for the year	-	6,080	3,128	8,061	5,803	23,072
Eliminated on disposals	-	(20,103)	(16,719)	(5,950)	(26,714)	(69,486)
At 31 December 2015	64,425	31,519	347,937	428,555	111,498	983,934
At 1 January 2016	64,425	31,519	347,937	428,555	111,498	983,934
Charge for the year	-	6,484	3,490	6,469	2,103	18,546
Eliminated on disposals	-	-	-	-	-	-
At 31 December 2016	64,425	38,003	351,427	435,024	113,601	1,002,480
Carrying amount						
At 31 December 2015	**4**	**15,036**	**5,461**	**6,589**	**2,103**	**29,192**
At 31 December 2016	**4**	**8,552**	**1,970**	**120**	**-**	**10,646**

21.2 Company

	Leasehold improvement	Plant and equipment	Furniture and Fittings	Computer equipment	Motor Vehicle	Total
Cost						
At 1 January 2015	17,842	45,872	276,517	314,633	113,601	768,465
Additions	-	-	-	392	-	392
At 31 December 2015	17,842	45,872	276,517	315,025	113,601	768,857
At 1 January 2016	17,842	45,872	276,517	315,025	113,601	768,857
At 31 December 2016	17,842	45,872	276,517	315,025	113,601	768,857
Depreciation						
At 1 January 2015	17,839	25,478	268,678	301,863	105,695	719,553
Charge for the year	-	5,827	2,888	7,327	5,803	21,845
At 31 December 2015	17,839	31,305	271,566	309,190	111,498	741,398
At 1 January 2016	17,839	31,305	271,566	309,190	111,498	741,398
Charge for the year	-	6,313	3,128	5,835	2,103	17,379
Eliminated on disposal	-	-	-	-	-	-
At 31 December 2016	17,839	37,618	274,694	315,025	113,601	758,777
Carrying amount						
At 31 December 2015	3	14,567	4,952	5,835	2,103	27,459
At 31 December 2016	3	8,254	1,823	-	-	10,080

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

		Group		Company	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
		N'000	N'000	N'000	N'000
22.	**Deposit liabilities**	15,086,932	15,104,050	1,293,387	1,293,387
23.	**Bank borrowings**				
23.1	**Composition**				
	Bank overdrafts	593,280	1,602,411	593,280	1,602,411
	Term loans	-	3,000,000	-	3,000,000
		593,280	4,602,411	593,280	4,602,411
23.2	**Movement**				
	At 1 January	4,602,411	7,154,213	4,602,411	7,154,213
	Repayments	(4,009,130)	(2,551,802)	(4,009,130)	(2,551,802)
	At 31 December	593,280	4,602,411	593,280	4,602,411

The Company obtained facililties from several banks to finance its stock trading activities. Included in the term loan above are: N3.15 billion from Diamond Bank Plc, secured by shares which was to be fully repaid in the year 2011, but still outstanding and N3 billion from Honeywell Plc structured as BGL notes, which was to be fully repaid in the year 2013. The Diamond Bank Loan was subsequently transferred to the Asset Management Corporation of Nigeria (AMCON). Included in bank overdrafts are overdrawn amounts of N2.456 billion, N1.287 billion and N458.7 million from Zenith Bank Plc, First Bank of Nigeria Plc and Ecobank Plc respectively, which were significantly repaid during the year. The carrying amount of bank overdrafts comprise an outstanding balance of N500 million to First Bank Plc and overdrawn account of N93.2 million with United Bank for Africa Plc.

		Group		Company	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
		N'000	N'000	N'000	N'000
24.	**Other liabilities**				
	Trade creditors	801,676	718,293	-	-
	Staff Mortgage	489,399	502,546	489,399	502,546
	Dividend payable (Note 24.1)	5,887	5,887	4,813	4,813
	Short term employee benefit obligation	445,615	412,427	318,114	304,256
	Other taxes payable	346,928	333,767	276,637	268,522
	Interest payable	585,213	585,213	585,213	585,213
	Other sundry creditors	406,136	569,795	356,136	345,681
	Contract stamp payable	187,641	187,641	-	-
	Accruals	806,119	485,122	507,653	356,679
		4,074,614	**3,800,691**	**2,537,965**	**2,367,711**
24.1	**Dividend payable**				
	At 1 January	5,887	5,887	4,813	4,813
	At 31 December	5,887	5,887	4,813	4,813
25.	**Amount due to related parties**				
	Due to subsidiaries	-	-	18,219,175	18,178,814
		-	**-**	**18,219,175**	**18,178,814**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

		Group 31-Dec-16 N'000	31-Dec-15 N'000	Company 31-Dec-16 N'000	31-Dec-15 N'000
26.	**Taxation**				
26.1	**Tax expense**				
	Company income tax	45	55,973	-	-
	Education tax	-	3,734	-	-
		45	59,707	-	-
	Deferred tax				
	Deferred tax charge/(credit)	(10,991)	102	-	-
	Total income tax expense	**(10,946)**	**59,809**	**-**	**-**
26.2	**Tax payable**				
	At 1 January	252,099	192,392	157,909	157,909
	Charge for the year	45	59,707	-	-
		252,144	252,099	157,909	157,909
	Paid during the year	-	-	-	-
	At 31 December	**252,144**	**252,099**	**157,909**	**157,909**

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

26.3	**Deferred tax**				
	At 1 January	102	-	-	-
	Charge/(credit) for the year	(10,991)	102	-	-
	At 31 December	**(10,889)**	**102**	**-**	**-**

27. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

27.1	Present value of unfunded defined benefit obligations	636,512	636,512	520,414	520,414
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	**636,512**	**636,512**	**520,414**	**520,414**
27.2	Movement in the present value of defined benefit obligation is as follows:				
	At 1 January	636,512	701,792	520,414	585,694
	Benefits paid	-	(65,280)	-	(65,280)
		636,512	**636,512**	**520,414**	**520,414**
28.	**Share capital**				
	Authorised,				
	15,000,000,000 ordinary shares of 50 kobo each				
	(2015: 15 billion ordinary shares	7,500,000	7,500,000	7,500,000	7,500,000
	Issued and fully paid				
	15,000,000,000 ordinary shares of 50 kobo each	7,500,000	7,500,000	7,500,000	7,500,000

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

		Group		Company	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
		N'000	N'000	N'000	N'000
29.	**Share premium**	**36,173,548**	**36,173,548**	**36,173,548**	**36,173,548**
30.	**Retained earnings**				
	At 1 January	(50,388,964)	(51,526,275)	(42,373,178)	(43,770,848)
	Profit for the year	2,199,092	1,137,311	2,407,683	1,397,670
	At 31 December	(48,189,872)	(50,388,964)	(39,965,495)	(42,373,178)
31.	**Reserves**				
31.1	**Available for sale reserves**				
	At 1 January	(3,148,806)	(3,203,277)	(2,892,287)	(2,892,287)
	Fair value gain on AFS investments	-	54,471	-	-
	At 31 December	(3,148,806)	(3,148,806)	(2,892,287)	(2,892,287)
31.2	**Actuarial reserve**				
	At 1 January	594,368	594,368	444,888	444,888
	At 31 December	594,368	594,368	444,888	444,888
32.	**Directors and employees**				
32.1	**Chairman and Directors' emoluments**				
	Emoluments	-	-	-	-
	Other Directors	-	-	-	-
		-	-	-	-

No allowances were accrued for the Directors during the year (31 December 2015: Nil).

				Number	Number	Number	Number
32.2	The number of employees whose emoluments fall within the following ranges were:						
	N		N				
	60,000	-	999,999	8	8	3	3
	1,000,000	-	1,999,999	1	1	1	1
	2,000,000	-	2,999,999	-	-	-	-
	3,000,000	-	3,999,999	-	-	-	-
	4,000,000	-	4,999,999	-	-	-	-
	5,000,000	-	5,999,999	-	-	-	-
	6,000,000	-	6,999,999	-	-	-	-
		-		9	9	4	4

32.3	Average number of persons employed during the year:				
	Managerial	1	1	1	1
	Non-managerial	8	8	3	3
		9	9	4	4
		N'000	**N'000**	**N'000**	**N'000**
32.4	Staff costs excluding Directors relating to the above:				
	Salaries and allowances	126,251	208,083	48,188	37,348
	Staff welfare expenses	33,667	113,272	18,674	47,120
		159,918	**321,355**	**66,862**	**84,469**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

33. Related party disclosures

33.1 Related party relationships

Entity	Nature of relationships
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related party
Lexcap Partners Limited	Related party

33.1.1 Group

		Amount of transaction N'000	Amount due from related party N'000	Amount due to related party N'000
Entity				
31 December 2016				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	**2,219,538**	**-**
31 December 2015				
BGL Private Equity Limited	Reimbursable expenses	3,052	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		3,052	**2,219,538**	**-**

33.1.2 Company

		Amount of transaction N'000	Amount due from related party N'000	Amount due to related party N'000
Entity				
31 December 2016				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	(73,733)	-	13,903,722
BGL Capital Limited	Reimbursable expenses	(74,361)	-	164,892
BGL Securities Limited	Reimbursable expenses	188,456	-	4,150,561
		40,362	**2,219,538**	**18,219,175**
31 December 2015				
BGL Private Equity	Expenses paid on subsidiary's behalf	3,052	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	2,444,432	-	13,977,456
BGL Capital Limited	Reimbursable expenses	228,050	-	239,253
BGL Securities Limited	Reimbursable expenses	2,231,378	-	3,962,105
		4,906,912	**2,219,538**	**18,178,814**

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 18 and 25 respectively of the financial statements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

33.1.3 Remuneration of key management personnel

The Directors comprise the key management personnel of the Group. Remuneration paid to the Directors is shown below:

	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	N'000	N'000	N'000	N'000
Short term benefits	-	52,406	-	52,406
	-	**52,406**	**-**	**52,406**

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

34 Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

35. Financial risk management

35.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Operational risks

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruptionand cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

35.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

35.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

i Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.

ii Companies that have capacity to add substantially to industrial output.

35.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.
b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures
c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.
d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk.
e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.
f Appoint credit officers and delegate approval authorities to individuals and committees.

The Group also as an Executive Management Committee charged with the responsibility of:
a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c Recommending to the Board Credit and Investment Committee those projects above its limits.

Financial assets past due but not individually impaired

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	Loans & advances	Loans & advances	Loans & advances	Loans & advances
	N'000	N'000	N'000	N'000
Past due by more than one year	9,431	9,431	9,431	9,431
	9,431	**9,431**	**9,431**	**9,431**

Financial assets individually impaired

Gross amount	3,853,866	3,853,866	3,853,866	3,853,866
Allowance for impairment	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,434)
	9,431	**9,431**	**9,431**	**9,431**

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

35.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

35.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

35.3.2 Group residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
Group							
31 December 2016							
Non-derivative assets:							
Cash and cash equivalents	17,994	17,994	-	-	-	-	-
Loans and advances	9,431	9,431	-	-	-	-	-
Trade and other receivables	561,358	561,358	-	-	-	-	-
Financial investments	12,920,953	12,920,953	-	-	-	-	-
Other assets	10,000	10,000	-	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	-	-	-	-	-
	15,739,273	15,739,273	-	-	-	-	-
Non-derivative liabilities:							
Deposit liabilities	15,086,932	15,086,932	-	-	-	-	-
Loans and advances	593,280	593,280	-	-	-	-	-
Other liabilities	4,074,614	4,074,614	-	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	19,754,826	19,754,826	-	-	-	-	-
Gap (assets - liabilities)	**(4,015,552)**	**(4,015,552)**	**-**	**-**	**-**	**-**	**-**
31 December 2015							
Non-derivative assets:							
Cash and cash equivalents	127,948	127,948	-	-	-	-	-
Loans and advances	9,431	9,431	-	-	-	-	-
Trade and other receivables	582,388	582,388	-	-	-	-	-
Financial investments	14,323,962	14,323,962	-	-	-	-	-
Other assets	10,000	10,000	-	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	-	-	-	-	-
	17,273,268	**17,273,268**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	15,104,050	15,104,050	-	-	-	-	-
Loans and advances	4,602,411	4,602,411	-	-	-	-	-
Other liabilities	3,800,691	3,800,691	-	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	23,507,152	23,507,152	-	-	-	-	-
Gap (assets - liabilities)	**(6,233,884)**	**(6,233,884)**	**-**	**-**	**-**	**-**	**-**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

35.3.3 Company's residual contractual maturities of financial assets and liabilities

Company 31 December 2016	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
Non-derivative assets:							
Cash and cash equivalents	9,700	9,700	-	-	-	-	-
Loans and advances	9,431	9,431	-	-	-	-	-
Trade and other receivables	232,396	232,396	-	-	-	-	-
Financial investments	12,231,876	12,231,876	-	-	-	-	-
Other assets	10,000	10,000	-	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	-	-	-	-	-
	14,712,940	**14,712,940**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	-	-	-	-	-
Loans and advances	593,280	593,280	-	-	-	-	-
Other liabilities	2,537,965	2,537,965	-	-	-	-	-
Amount due to related parties	18,219,175	18,219,175					
	22,643,807	22,643,807	-	-	-	-	-
Gap (assets - liabilities)	**(7,930,866)**	**(7,930,866)**	**-**	**-**	**-**	**-**	**-**
31 December 2015							
Non-derivative assets:							
Cash and cash equivalents	11,900	11,900	-	-	-	-	-
Loans and advances	9,431	9,431	-	-	-	-	-
Trade and other receivables	253,427	253,427	-	-	-	-	-
Financial investments	13,575,314	13,575,314	-	-	-	-	-
Other assets	10,000	10,000					
Amount due from related parties	2,219,538	2,219,538					
	13,860,071	**13,860,071**	**-**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	-	-	-	-	-
Loans and advances	4,602,411	4,602,411	-	-	-	-	-
Other liabilities	2,367,711	2,367,711	-	-	-	-	-
Amount due to related parties	18,178,814	18,178,814					
	26,442,323	26,442,323	-	-	-	-	-
Gap (assets - liabilities)	**(12,582,251)**	**(12,582,251)**	**-**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

35.4 Valuation of financial instruments

35.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

Level 2:
Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indrectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group		Level 1	Level 2	Level 3	Total
31 December 2016	**Note**	**N'000**	**N'000**	**N'000**	**N'000**
Available for sale financial investments					
Quoted available for sale investments	15.2.1	251,113	-	-	251,113
Unquoted available for sale investments	15.2.2	-	-	12,669,840	12,669,840
		251,113	-	12,669,840	12,920,953
31 December 2015					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	3,430,657	-	-	3,430,657
Unquoted available for sale investments	15.2.2	-	-	10,893,305	10,893,305
		3,430,657	-	10,893,305	14,323,962
Company					
31 December 2016					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	-	-	-	-
Unquoted available for sale investments	15.2.2	-	-	12,231,876	12,231,876
		-	**-**	**12,231,876**	**12,231,876**
31 December 2015					
Available for sale financial investments					
Quoted available for sale investments	15.2.1	3,179,544	-	-	3,179,544
Unquoted available for sale investments	15.2.2	-	-	10,395,770	10,395,770
		3,179,544	**-**	**10,395,770**	**13,575,314**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

35.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

Group 31 December 2016	Available for sale N'000	Cash & Cash equivalents N'000	Loans and receivable N'000	Total Carrying amount N'000	Fair value N'000	Amortised Cost N'000
Assets						
Cash and cash equivalents	-	17,994	-	17,994	17,994	35,988
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	561,358	561,358	-	561,358
Amount due from related parties	-	-	2,219,538	2,219,538	-	2,219,538
Financial investments	12,920,953	-	-	12,920,953	12,920,953	-
	12,920,953	**17,994**	**2,790,327**	**15,729,273**	**12,938,947**	**2,826,315**
Liabilities						
Deposit liabilities	-	-	-	15,086,932	-	15,086,932
Loans and advances	-	-	-	593,280	-	593,280
Other liabilities	-	-	-	4,074,614	-	4,074,614
	-	**-**	**-**	**19,754,826**	**-**	**19,754,826**
31 December 2015						
Assets						
Cash and cash equivalents	-	127,948	-	127,948	127,948	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	582,388	582,388	-	1,164,777
Amount due from related parties	-	-	2,219,538	2,219,538		2,219,538
Financial investments	14,323,962	-	-	14,323,962	14,323,962	-
	14,323,962	**127,948**	**2,811,357**	**17,263,268**	**14,451,910**	**3,393,746**
Liabilities						
Deposit liabilities	-	-	-	15,104,050	-	15,104,050
Loans and advances	-	-	-	4,602,411	-	4,602,411
Other liabilities	-	-	-	3,800,691	-	3,800,691
	-		**-**	**23,507,152**	**-**	**23,507,152**
Company						
31 December 2016						
Assets						
Cash and cash equivalents	-	9,700	-	9,700	9,700	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	232,396	232,396	-	232,396
Amount due from related parties	-	-	2,219,538	2,219,538	-	2,219,538
Financial investments	12,231,876	-	-	12,231,876	12,231,876	-
	12,231,876	**9,700**	**2,461,365**	**14,702,940**	**12,241,576**	**2,461,365**
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	593,280	-	593,280
Other liabilities	-	-	-	2,537,965	-	2,537,965
Amounts due to related parties	-	-	-	18,219,175	-	18,219,175
	-	**-**	**-**	**4,424,633**	**-**	**4,424,633**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

31 December 2015						
Assets						
Cash and cash equivalents	-	11,900	-	11,900	11,900	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	253,427	253,427	-	253,427
Amount due from related parties	-	-	2,219,538	2,219,538	-	2,219,538
Financial investments	13,575,314	-	-	13,575,314	13,575,314	-
	13,575,314	**11,900**	**2,482,396**	**16,069,609**	**13,587,214**	**2,482,396**
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	4,602,411	-	4,602,411
Other liabilities	-	-	-	2,367,711	-	2,367,711
Amounts due to related parties	-	-	-	18,178,814	-	18,178,814
	-	**-**	**-**	**8,263,509**	**-**	**8,263,509**

35.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2016 *(Cont'd)*

35.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

35.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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 maximisation 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 is also 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.

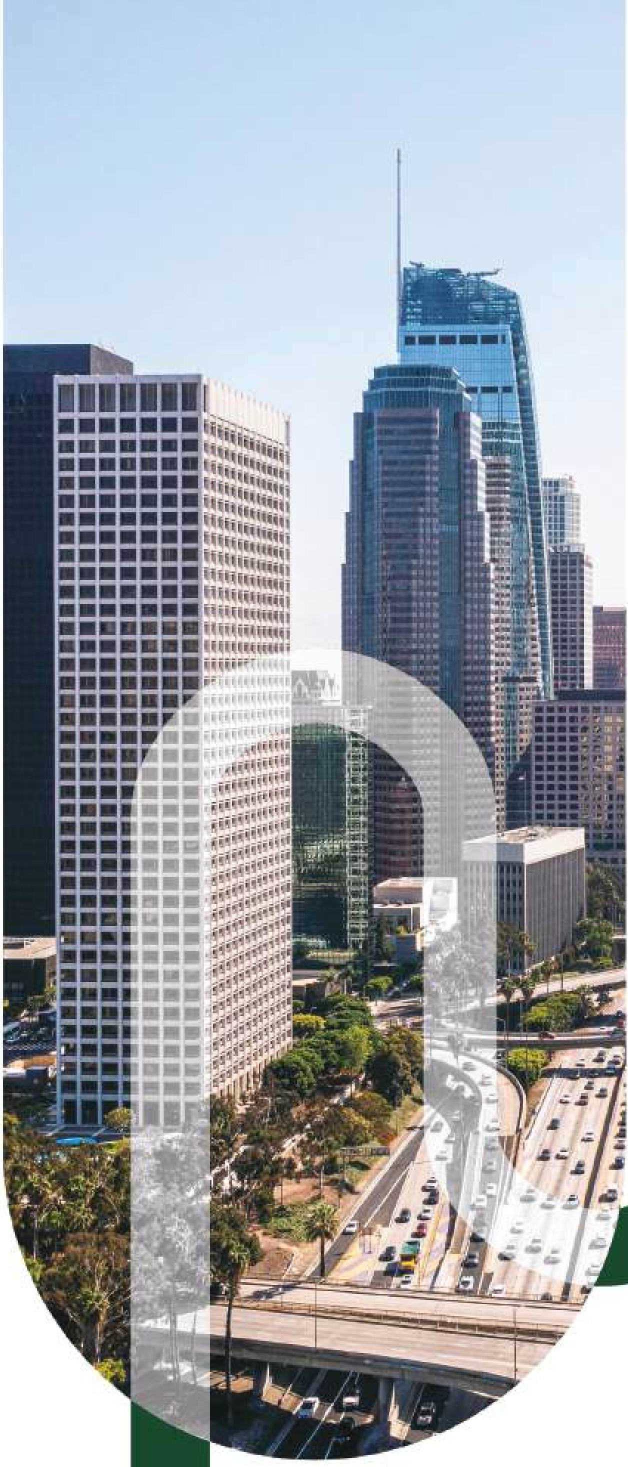
36. Events after the reporting period

The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.

37. Going concern

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC to ensure compliance in all areas of infringement and release of the licenses of the subsidiaries.

Therefore, the Directors have applied the going concern basis in the preparation of these financial statements.



bgl

2017 Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 11.00 a.m. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2017 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

Report of the Independent Auditors to the members of BGL Plc - 2017

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2017 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2017 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja
E-mail: info@ahmedzakari.com Url: www.ahmedzakari.com

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

0148562

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2017

		Group		Company	
		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	Note	N'000	N'000	N'000	N'000
Revenue					
Fees, trading and asset management activities	7.	103	37,682	-	13,098
Other income	8.	171,964	3,052,979	21,985	2,991,806
Gross revenue		**172,067**	**3,090,661**	**21,985**	**3,004,904**
Operating expenses					
Net interest expenses	9.	-	46,849	-	41,742
Depreciation	19.	7,597	18,546	7,164	17,379
Administrative expenses	10.	461,681	837,120	289,776	538,100
Total expenses		**469,278**	**902,515**	**296,940**	**597,221**
Profit/(loss) before tax		(297,211)	2,188,146	(274,955)	2,407,683
Taxation	24.1	-	10,946	-	-
Profit/(loss) for the year		**(297,211)**	**2,199,092**	**(274,955)**	**2,407,683**
Other comprehensive income for the year		-	-	-	-
Total comprehensive income/(loss) for the year		**(297,211)**	**2,199,092**	**(274,955)**	**2,407,683**
Per share data					
Earnings/(loss) per share - Kobo		(1.98)	14.66	(1.83)	16.05

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at 31 December 2017

		Group		Company	
		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	Note	N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	11.	27,886	17,994	19,117	9,700
Loans and receivables	12.	9,431	9,431	9,431	9,431
Trade and other receivables	13.	549,292	561,358	214,979	232,396
Financial investments	14.	12,937,953	12,920,953	12,248,876	12,231,876
Other assets	15.	23,673	23,623	10,050	10,000
Prepayments	16.	10,825	14,774	5,763	5,497
Amount due from related parties	17.	3,052	3,052	3,052	3,052
Investment in subsidiaries	18.	-	-	12,070,752	12,070,752
Property, plant and equipment	19.	3,049	10,646	2,916	10,080
Deferred taxation	24.3	10,889	10,889	-	-
Total assets		**13,576,050**	**13,572,720**	**24,584,936**	**24,582,784**
Liabilities and equity					
Liabilities					
Deposit liabilities	20.	15,089,437	15,086,932	1,293,387	1,293,387
Bank borrowings	21.1	541,253	593,280	541,253	593,280
Other liabilities	22.	4,424,677	4,074,614	2,760,669	2,537,965
Amount due to related parties	23.	-	-	18,325,605	18,219,175
Tax payable	24.2	252,144	252,144	157,909	157,909
Defined benefit obligation	25.2	636,512	636,512	520,414	520,414
Total liabilities		20,944,023	20,643,482	23,599,237	23,322,130
Equity					
Share capital	26.	7,500,000	7,500,000	7,500,000	7,500,000
Share premium	27.	36,173,548	36,173,548	36,173,548	36,173,548
Retained earnings	28.	(48,487,083)	(48,189,872)	(40,240,450)	(39,965,495)
Available for sale reserve	29.1	(3,148,806)	(3,148,806)	(2,892,287)	(2,892,287)
Actuarial reserve	29.2	594,368	594,368	444,888	444,888
Total equity		(7,367,973)	(7,070,762)	985,699	1,260,654
Total liabilities and equity		**13,576,050**	**13,572,720**	**24,584,936**	**24,582,784**

The audited financial statements were approved by the Directors on 17 December 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Changes in Equity for the year ended 31 December 2017

Group	Share capital N'000	Share Premium N'000	Retained Earnings N'000	Available for sale Reserve N'000	Actuarial Reserve N'000	Total N'000
At 1 January 2016	7,500,000	36,173,548	(50,388,964)	(3,148,806)	594,368	(9,269,854)
Comprehensive income for the year:						
Profit for the year	-	-	2,199,092	-	-	2,199,092
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,199,092	-	-	2,199,092
At 31 December 2016	**7,500,000**	**36,173,548**	**(48,189,872)**	**(3,148,806)**	**594,368**	**(7,070,762)**
At 1 January 2017	7,500,000	36,173,548	(48,189,872)	(3,148,806)	594,368	(7,070,762)
Comprehensive income for the year:						
Loss for the year	-	-	(297,211)	-	-	(297,211)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(297,211)	-	-	(297,211)
At 31 December 2017	**7,500,000**	**36,173,548**	**(48,487,083)**	**(3,148,806)**	**594,368**	**(7,367,973)**
Company						
At 1 January 2016	7,500,000	36,173,548	(42,373,178)	(2,892,287)	444,888	(1,147,029)
Comprehensive income for the year:						
Profit for the year	-	-	2,407,683	-	-	2,407,683
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,407,683	-	-	2,407,683
At 31 December 2016						
At 1 January 2017	7,500,000	36,173,548	(39,965,495)	(2,892,287)	444,888	1,260,654
Comprehensive income for the year:						
Loss for the year	-	-	(274,955)	-	-	(274,955)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(274,955)	-	-	(274,955)
At 31 December 2017	**7,500,000**	**36,173,548**	**(40,240,450)**	**(2,892,287)**	**444,888**	**985,699**

Consolidated & Separate Statements of Cash Flows for the year ended 31 December 2017

	Note	Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Company 31-Dec-17 N'000	Company 31-Dec-16 N'000
Cash flows from operating activities					
Profit/(loss) before tax		(297,211)	2,188,146	(274,955)	2,407,683
Adjustments for non cash items:					
Depreciation	19.	7,597	18,546	7,164	17,379
Interest expense	9.	-	46,849	-	41,742
Dividend income	8.	(5,139)	(92,656)	(3,989)	(41,475)
Cash flows before working capital changes		(294,753)	2,160,885	(271,780)	2,425,329
Changes in working capital:					
(Increase)/decrease in trade and other receivables	13.	12,065	21,031	17,417	21,031
(Increase)/decrease in other assets	15.	(50)	(204)	(50)	-
Decrease in prepayments	16.	3,950	11,844	(266)	6,785
Increase in deposit liabilities	20.	2,506	(17,118)	-	-
Increase/(decrease) in other liabilites	22.	350,062	273,921	222,705	170,254
Increase/(decrease) in amount due to related party	23.	-	-	106,429	40,361
		73,780	2,450,359	74,455	2,663,760
Tax paid	24.2	-	-	-	-
Net cash provided by operating activities		73,780	2,450,359	74,455	2,663,760
Cash flows from Investing activities					
Changes in financial assets	14.	(17,000)	1,403,010	(17,000)	1,343,438
Dividend received	8.	5,139	92,656	3,989	41,475
Net cash provided/(used) by investing activities		(11,861)	1,495,666	(13,011)	1,384,913
Cash flows from financing activities					
Interest paid	9.	-	(46,849)	-	(41,742)
Borrowings repaid	21.1	(52,027)	(4,009,130)	(52,027)	(4,009,131)
Net cash used by financing activities		(52,027)	(4,055,979)	(52,027)	(4,050,873)
Net increase in cash and cash equivalents		9,892	(109,954)	9,417	(2,200)
Cash and cash equivalents at the beginning of the year	11.	17,994	127,948	9,700	11,900
Cash and cash equivalents at the end of the year	11.	27,886	17,994	19,117	9,700

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange.

The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission.

1.2 Corporate office

The registered address of the company is located at 12A, Catholic Mission Street, Lagos Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

Pronouncement	Nature of change	effective period of implementation
IAS 23 Investment and Joint Ventures	On 12 October 2017, the IASB published 'Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)' to clarify that an entity applies IFRS 9 'Financial Instruments' to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	1 January 2019
IAS 12- Income Tax	IFRIC 23 'Uncertainty over Income Tax Treatments' was issued by the IASB on 7 June 2017 and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted	1 January 2019
IFRS 9, Financial Instruments	IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. IFRS 9 replaces IAS 39.	1 January 2018
IFRS 16 Leases	IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.	1 January 2019

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

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.

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.1 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.6.2 Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

6.6.3 Current and deferred taxes for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	Useful life
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.11.1 Financial Asset

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

6.11.1.2 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

For financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.
- For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

- For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.
- For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.
- The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.
- For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

6.11.1.3 Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss

On derecognition of a financial asset other than in its entirety (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

6.11.2 Financial liabilities and equity instruments

6.11.2.1 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

6.11.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.12 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Company discloses transactions with related parties which includes the:

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

		Group		Company	
		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
		N'000	N'000	N'000	N'000
7.	**Revenue**				
	Fees, trading and asset management activities				
	Advisory fees	-	13,098	-	13,098
	Income from trading securities	103	24,584	-	-
		103	**37,682**	**-**	**13,098**
8.	**Other income**				
	Dividend Income	5,139	92,656	3,989	41,475
	Brokerage income	145,288	1,912	159	1,204
	Interest Income	737	26	737	13
	Rent Income	3,700	4,670	-	-
	Sundry income	100	1,113,132	100	1,112,271
	Profit on disposal of property, plant and equipment	-	3,740	-	-
	Foreign exhange gain	17,000	1,836,843	17,000	1,836,843
		171,964	**3,052,979**	**21,985**	**2,991,806**
9.	**Interest expenses**				
	Bank interest	-	41,742	-	41,742
	Others	-	5,107	-	-
		-	46,849	-	41,742
10.	**Administrative expenses**				
	Employee cost	168,873	159,918	104,833	66,863
	Repairs and maintenance	20,153	48,660	14,172	23,676
	Bank charges	109	1,937	109	1,937
	Fuel	3,390	4,067	3,390	4,067
	Electricity	502	1,042	502	1,042
	Rents	28,493	44,620	12,498	17,860
	Transport, travelling and hotel accomodation	99,110	147,677	53,647	81,387
	Utilities	250	2,614	250	2,614
	Business development	6,643	23,610	6,645	23,610
	Dues and subscriptions	1,310	1,446	1,310	1,446
	Staff welfare	70,982	79,128	70,982	79,128
	Professional charges	24,796	67,996	18,698	50,340
	Audit fees	4,000	5,000	1,000	1,000
	Security expenses	1,421	1,669	1,421	1,669
	Advertisement	-	968	-	968
	Printing and stationery	288	1,082	263	819
	Office expenses	31,361	62,171	56	130
	Loss on disposal of stocks	-	183,515	-	179,544
		461,681	837,120	289,776	538,100
10.1	**Employee cost**				
	Salaries and allowances	131,783	126,251	79,867	48,188
	Pension contribution	8,109	21,445	6,956	8,678
	Medicals	21,954	2,367	10,983	142
	Training	7,027	9,855	7,027	9,855
		168,873	159,918	104,833	66,863

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

10.2	**Profit/(loss) before tax is arrived at after charging the following:**				
	Depreciation	7,597	18,546	7,164	17,379
	Audit fees	4,000	5,000	1,000	1,000
	Employee cost	168,873	159,918	104,833	66,863
12.	**Loans and advances**				
	Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
	Impairment allowance(12.1)	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,435)
		9,431	**9,431**	**9,431**	**9,431**
12.1	**Impairment allowance**				
	At 1 January	3,844,435	3,844,435	3,844,435	3,844,435
	At 31 December	3,844,435	3,844,435	3,844,435	3,844,435
13.	**Trade and other receivables**				
	Trade debtors	911,253	911,253	151,495	151,495
	Staff loans	48,394	43,043	34,313	34,313
	Staff mortgage loans	224,891	242,308	224,891	242,308
		1,184,538	**1,196,604**	**410,699**	**428,116**
	Impairment allowance on trade and other receivables	(635,246)	(635,246)	(195,720)	(195,720)
		549,292	**561,358**	**214,979**	**232,396**
13.1	**Impairment allowance on trade and other receivables**				
	At 1 January	635,246	635,246	195,720	195,720
	At 31 December	635,246	635,246	195,720	195,720
14.	**Financial investments**				
14.1	**Financial investments comprise:**				
	Available for sale investments (AFS)	12,937,953	12,920,953	12,248,876	12,231,876
		12,937,953	**12,920,953**	**12,248,876**	**12,231,876**
14.2	**AFS investments comprise**				
14.2.1	**Quoted equity Investment**				
	Afromedia Plc	179,989	179,989	-	-
	DAAR Communications Plc	217,211	217,211	-	-
		397,200	397,200	-	-
	Fair value change in AFS financial assets	(146,087)	(146,087)	-	-
		251,113	**251,113**	**-**	**-**
14.2.2	**Unqoted Investment**				
	Cetral Securities Clearing System Plc	30,443	30,443	-	-
	Peak Petroleum Limted	5,193,500	5,176,500	5,193,500	5,176,500
	FCMB	3,976,644	3,976,644	3,976,644	3,976,644
	Schartz Resources Limited	5,921,019	5,921,019	5,921,019	5,921,019
	Mutual Funds	72,873	72,873	-	-
	Joint Komputer Kompany Limited	545,280	545,280	-	-
	National Association of Securities	37,926	37,926	-	-
	Aquila Capital Limited	50,000	50,000	50,000	50,000
	Wingsong M House Palm Oil Investment	332,802	332,802	-	-
		16,160,487	**16,143,487**	**15,141,163**	**15,124,163**
	Fair value change in AFS financial assets	(3,473,647)	(3,473,647)	(2,892,287)	(2,892,287)
		12,686,840	12,669,840	12,248,876	12,231,876
	Carrying amount	**12,937,953**	**12,920,953**	**12,248,876**	**12,231,876**

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

14.2.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

14.2.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

		Group		Company	
		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
		N'000	N'000	N'000	N'000
15.	**Other assets**				
	Sundry receivables	23,673	23,623	10,050	10,000
		23,673	**23,623**	**10,050**	**10,000**
16.	**Prepayments**				
	Rent	10,361	14,310	5,299	5,033
	Staff housing	464	464	464	464
		10,825	**14,774**	**5,763**	**5,497**
17.	**Amount due from related party**				
	BGL Private Equity Limited	219,538	219,538	219,538	219,538
	Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
		2,219,538	2,219,538	2,219,538	2,219,538
	Impairment allowance	(2,216,486)	(2,216,486)	(2,216,486)	(2,216,486)
		3,052	**3,052**	**3,052**	**3,052**
18.	**Investment in subsidiaries**				
	BGL Securities Limited	-	-	7,492,212	7,492,212
	BGL Asset Management Limited	-	-	4,078,540	4,078,540
	BGL Capital Limited	-	-	500,000	500,000
		-	**-**	**12,070,752**	**12,070,752**

Investment in subsidiaries are carried at cost

18.1 Subsidiary undertakings

Subsidiary	Location	Interest %	Principal activities
BGL Securities Limited	Nigeria	100.00	Stock broking activities
BGL Asset Management Limited	Nigeria	100.00	Asset management services
BGL Capital Limited	Nigeria	100.00	Investment banking & advisory

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

18.2 Summary of operating results and financial position

	BGL Securities Limited N'000	BGL Asset Management Limited N'000	BGL Capital Limited N'000
31 December 2017			
Gross revenue	150,082	-	-
Profit/(loss) after tax	36,344	(21,030)	(37,573)
Total assets	5,018,377	14,177,464	423,423
Total liabilities	4,690,083	10,780,605	205,414
Total equity	328,294	3,396,858	218,009
31 December 2016			
Gross revenue	63,322	22,422	-
Profit/(loss) after tax	(130,291)	(51,776)	(26,522)
Total assets	4,891,234	14,194,744	425,678
Total liabilities	4,599,284	10,776,855	170,096
Total equity	291,950	3,417,889	255,582

19. Property, plant and equipment

19.1 Group

	Leasehold improvement N'000	Plant and equipment N'000	Furniture and Fittings N'000	Computer equipment N'000	Motor Vehicle N'000	Total N'000
Cost or Valuation						
At 1 January 2016	64,429	46,555	353,397	435,144	113,601	1,013,126
At 31 December 2016	64,429	46,555	353,397	435,144	113,601	1,013,126
At 1 January 2017	64,429	46,555	353,397	435,144	113,601	1,013,126
At 31 December 2017	64,429	46,555	353,397	435,144	113,601	1,013,126
Depreciation						
At 1 January 2016	64,425	31,519	347,937	428,555	111,498	983,934
Charge for the year	-	6,484	3,490	6,469	2,103	18,546
At 31 December 2016	64,425	38,003	351,427	435,024	113,601	1,002,480
At 1 January 2017	64,425	38,003	351,427	435,024	113,601	1,002,480
Charge for the year	-	5,512	1,967	118	-	7,597
At 31 December 2017	64,425	43,515	353,394	435,142	113,601	1,010,077
Carrying amount						
At 31 December 2016	**4**	**8,552**	**1,970**	**120**	**-**	**10,646**
At 31 December 2017	**4**	**3,040**	**3**	**2**	**-**	**3,049**

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

		Leasehold improvement N'000	Plant and equipment N'000	Furniture and Fittings N'000	Computer equipment N'000	Motor Vehicle N'000	Total N'000
19.2	**Company**						
	Cost or Valuation						
	At 1 January 2016	17,842	45,872	276,517	315,025	113,601	768,857
	At 31 December 2016	17,842	45,872	276,517	315,025	113,601	768,857
	At 1 January 2017	17,842	45,872	276,517	315,025	113,601	768,857
	At 31 December 2017	17,842	45,872	276,517	315,025	113,601	768,857
	Depreciation						
	At 1 January 2016	17,839	31,305	271,566	309,190	111,498	741,398
	Charge for the year	-	6,313	3,128	5,835	2,103	17,379
	At 31 December 2016	17,839	37,618	274,694	315,025	113,601	758,777
	At 1 January 2017	17,839	37,618	274,694	315,025	113,601	758,777
	Charge for the year	-	5,341	1,823	-	-	7,164
	At 31 December 2017	17,839	42,959	276,517	315,025	113,601	765,941
	Carrying amount						
	At 31 December 2016	3	8,254	1,823	-	-	10,080
	At 31 December 2017	3	2,913	0	-	-	2,916

		Group 31-Dec-17 N'000	Group 31-Dec-16 N'000	Company 31-Dec-17 N'000	Company 31-Dec-16 N'000
20.	**Deposit liabilities**	**15,089,437**	**15,086,932**	**1,293,387**	**1,293,387**
21.	Bank borrowings				
21.1	Bank overdrafts	541,253	593,280	541,253	593,280
		541,253	**593,280**	**541,253**	**593,280**
21.2	**Movement**				
	At 1 January	593,280	4,602,411	593,280	4,602,411
	Repayments	(52,027)	(4,009,130)	(52,027)	(4,009,130)
	At 31 December	**541,253**	**593,280**	**541,253**	**593,280**

Bank overdrafts comprises the outstanding balance of N500 million from a margin facility of N1.287 billion from First Bank Plc and overdrawn account of N41.3 million with UBA Plc (31 December 2016: N500 million and N93.3 million respectively).

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

		Group		Company	
		31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
		N'000	N'000	N'000	N'000
22.	**Other liabilities**				
	Trade creditors	882,132	801,676	-	-
	Staff Mortgage	572,579	489,399	572,579	489,399
	Dividend payable (Note 22.1)	5,887	5,887	4,813	4,813
	Short term employee benefit obligation	461,643	445,615	329,263	318,114
	Other taxes payable	357,860	346,928	286,476	276,637
	Interest payable	585,213	585,213	585,213	585,213
	Other sundry creditors	409,821	406,136	359,821	356,136
	Contract stamp payable	187,641	187,641	-	-
	Accruals	961,901	806,119	622,504	507,653
		4,424,677	**4,074,614**	**2,760,669**	**2,537,965**
22.1	**Dividend payable**				
	At 1 January	5,887	5,887	4,813	4,813
	At 31 December	5,887	5,887	4,813	4,813
23.	**Amount due to related parties**				
	Due to subsidiaries	-	-	18,325,605	18,219,175
		-	**-**	**18,325,605**	**18,219,175**
24.	**Taxation**				
24.1	**Tax expense**				
	Company income tax	-	45	-	-
	Education tax	-	-	-	-
		-	**45**	**-**	**-**
	Deferred tax				
	Deferred tax expense/(credit)	-	(10,991)	-	-
	Total income tax expense	**-**	**(10,946)**	**-**	**-**
24.2	**Tax payable**				
	At 1 January	252,144	252,099	157,909	157,909
	Charge for the year		45	-	-
		252,144	252,144	157,909	157,909
	Paid during the year	-	-	-	-
	At 31 December	**252,144**	**252,144**	**157,909**	**157,909**

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

		Group		Company	
24.3	**Deferred tax**				
	At 1 January	(10,889)	102	-	-
	Charge/(credit) for the year	-	(10,991)	-	-
	At 31 December	**(10,889)**	**(10,889)**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

25. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

		Group		Company	
		31-Dec-17	**31-Dec-16**	**31-Dec-17**	**31-Dec-16**
		N'000	**N'000**	**N'000**	**N'000**
25.1	Present value of unfunded defined benefit obligations	636,512	636,512	520,414	520,414
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	**636,512**	**636,512**	**520,414**	**520,414**
25.2	Movement in the present value of defined benefit obligation is as follows:				
	At 1 January	636,512	636,512	520,414	520,414
	At 31 December	**636,512**	**636,512**	**520,414**	**520,414**
26.	**Share capital**				
	Authorised,				
	15,000,000,000 ordinary shares of 50 kobo each (2015: 15 billion ordinary shares	7,500,000	7,500,000	7,500,000	7,500,000
	Issued and fully paid				
	15,000,000,000 ordinary shares of 50 kobo each	7,500,000	7,500,000	7,500,000	7,500,000
27.	**Share premium**	36,173,548	36,173,548	36,173,548	36,173,548
28.	**Retained earnings**				
	At 1 January	(48,189,872)	(50,388,964)	(39,965,495)	(42,373,178)
	Profit/(loss) for the year	(297,211)	2,199,092	(274,955)	2,407,683
	At 31 December	**(48,487,083)**	**(48,189,872)**	**(40,240,450)**	**(39,965,495)**
29.	**Reserves**				
29.1	**Available for sale reserves**				
	At 1 January	(3,148,806)	(3,148,806)	(2,892,287)	(2,892,287)
	Fair value gain on AFS investments	-	-	-	-
	At 31 December	**(3,148,806)**	**(3,148,806)**	**(2,892,287)**	**(2,892,287)**
29.2	**Actuarial reserve**				
	At 1 January	594,368	594,368	444,888	444,888
	At 31 December	594,368	594,368	444,888	444,888
30.	**Directors and employees**				
30.1	**Chairman and Directors' emoluments**				
	Emoluments	-	-	-	-
	Other Directors	-	-	-	-
		-	-	-	-

No allowances were accrued for the Directors during the year (31 December 2016: Nil).

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

				Number	Number	Number	Number
30.2	The number of employees whose emoluments fall within the following ranges were:						
	N		N				
	60,000	-	999,999	8	8	3	3
	1,000,000	-	1,999,999	1	1	1	1
	2,000,000	-	2,999,999	-	-	-	-
	3,000,000	-	3,999,999	-	-	-	-
	4,000,000	-	4,999,999	-	-	-	-
	5,000,000	-	5,999,999	-	-	-	-
	6,000,000	-	6,999,999	-	-	-	-
		-		9	9	4	4

30.3	**Average number of persons employed during the year:**				
	Managerial	1	1	1	1
	Non-managerial	8	8	3	3
		9	9	4	4

		N'000	N'000	N'000	N'000
30.4	**Staff costs excluding Directors relating to the above:**				
	Salaries and allowances	131,783	126,251	79,867	48,188
	Staff welfare expenses	37,089	33,667	24,965	18,674
		168,872	159,918	104,833	66,862

31. Related party disclosures

31.1 Related party relationships

Entity	Nature of relationships
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related party
Lexcap Partners Limited	Related party

31.1.1 Group

Balances and transactions with related parties	**Nature of transaction**	**Amount of transaction N'000**	**Amount due from related party N'000**	**Amount due to related party N'000**
Entity				
31 December 2017				
BGL Private Equity Limited	Expenses paid on subsidiary's behalf	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	
		-	**2,219,538**	**-**
31 December 2016				
BGL Private Equity Limited	Expenses paid on subsidiary's behalf	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	2,219,538	-

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

31.1.2 Company

Entity		Amount of transaction	Amount due from related party	Amount due to related party
31 December 2017		**N'000**	**N'000**	**N'000**
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	(17,863)		13,885,859
BGL Capital Limited	Reimbursable expenses	(8,385)		156,507
BGL Securities Limited	Reimbursable expenses	132,677		4,283,238
		106,429	**2,219,538**	**18,325,604**
31 December 2016				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	(73,733)	-	13,903,722
BGL Capital Limited	Reimbursable expenses	(74,361)	-	164,892
BGL Securities Limited	Reimbursable expenses	188,456	-	4,150,561
		40,362	**2,219,538**	**18,219,175**

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 17 and 23 respectively of the financial statements.

31.1.3 Remumeration of key management personnel

The Directors comprise the key management personnel of the Group. No remuneration was paid to the Directors and neither was any remuneration accrued for their benefits.

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

32. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

33. Financial risk management

33.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Operational risks

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruptionand cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

33.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

33.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

i Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.

ii Companies that have capacity to add substantially to industrial output.

33.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk.

e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.

f Appoint credit officers and delegate approval authorities to individuals and committees.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

The Group also as an Executive Management Committee charged with the responsibility of:

a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c Recommending to the Board Credit and Investment Committee those projects above its limits.

Financial assets past due but not individually impaired

	Group		Company	
	31-Dec-17 Loans & advances N'000	**31-Dec-16 Loans & dvances N'000**	**31-Dec-17 Loans & advances N'000**	**31-Dec-16 Loans & advances N'000**
Past due more than one year	9,431	9,431	9,431	9,431
	9,431	**9,431**	**9,431**	**9,431**
Financial assets individually impaired				
Gross amount	3,853,866	3,853,866	3,853,866	3,853,866
Allowance for impairment	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,435)
	9,431	**9,431**	**9,431**	**9,431**

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

33.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

33.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

33.3.2 Group residual contractual maturities of financial assets and liabilities

Group	Carrying amount	Gross nominal inflow/ outflow	< 1 month	1-3 months	3 - 12 months	1 - 5 year	> 5 years
31 December 2017	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Non-derivative assets:							
Cash and cash equivalents	27,886	27,886	27,886	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	549,292	549,292	549,292	-	-	-	-
Financial investments	12,937,953	12,937,953	12,937,953	-	-	-	-
Other assets	23,673	23,673	23,673	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	2,219,538	-	-	-	-
	15,767,773	**15,767,773**	**15,767,773**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	15,089,437	15,089,437	15,089,437	-	-	-	-
Loans and advances	541,253	541,253	541,253	-	-	-	-
Other liabilities	4,424,677	4,424,677	4,424,677	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	20,055,368	20,055,368	20,055,368	-	-	-	-
Gap (assets - liabilities)	**(4,287,595)**	**(4,287,595)**	**(4,287,595)**	**-**	**-**	**-**	**-**
31 December 2016							
Non-derivative assets:							
Cash and cash equivalents	17,994	17,994	17,994	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	561,358	561,358	561,358	-	-	-	-
Financial investments	12,920,953	12,920,953	12,920,953	-	-	-	-
Other assets	23,623	23,623	23,623	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	2,219,538	-	-	-	-
	15,752,896	**15,752,896**	**15,752,896**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	15,086,932	15,086,932	15,086,932	-	-	-	-
Loans and advances	593,280	593,280	593,280	-	-	-	-
Other liabilities	4,074,614	4,074,614	4,074,614	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	19,754,826	19,754,826	19,754,826	-	-	-	-
Gap (assets - liabilities)	**(4,001,929)**	**(4,001,929)**	**(4,001,929)**	**-**	**-**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

33.3.3 Company's residual contractual maturities of financial assets and liabilities

Company *31 December 2017*	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
Non-derivative assets:							
Cash and cash equivalents	19,117	19,117	19,117	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	214,979	214,979	214,979	-	-	-	-
Financial investments	12,248,876	12,248,876	12,248,876	-	-	-	-
Other assets	10,050	10,050	10,050	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	2,219,538	-	-	-	-
	12,502,453	**12,502,453**	**12,492,403**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	541,253	541,253	541,253	-	-	-	-
Other liabilities	2,760,669	2,760,669	2,760,669	-	-	-	-
Amount due to related parties	18,325,605	18,325,605	18,325,605	-	-	-	-
	22,920,914	22,920,914	22,920,914	-	-	-	-
Gap (assets - liabilities)	**(10,418,461)**	**(10,418,461)**	**(10,428,511)**	**-**	**-**	**-**	**-**
31 December 2016							
Non-derivative assets:							
Cash and cash equivalents	9,700	9,700	9,700	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	232,396	232,396	232,396	-	-	-	-
Financial investments	12,231,876	12,231,876	12,231,876	-	-	-	-
Other assets	10,000	10,000	10,000	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	2,219,538	-	-	-	-
	14,712,940	**14,712,940**	**14,712,940**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	593,280	593,280	593,280	-	-	-	-
Other liabilities	2,537,965	2,537,965	2,537,965	-	-	-	-
Amount due to related parties	18,219,175	18,219,175	18,219,175	-	-	-	-
	22,643,808	22,643,808	22,643,808	-	-	-	-
Gap (assets - liabilities)	**(7,930,867)**	**(7,930,867)**	**(7,930,867)**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

33.4 Valuation of financial instruments

33.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilties.

Level 2:
Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group	**Note**	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
31 December 2017					
Available for sale financial investments					
Quoted available for sale investments	14.2.1	251,113	-	-	251,113
Unquoted available for sale investments	14.2.2	-	-	12,686,840	12,686,840
		251,113	**-**	**12,686,840**	**12,937,953**
31 December 2016					
Available for sale financial investments					
Quoted available for sale investments	14.2.1	251,113	-	-	251,113
Unquoted available for sale investments	14.2.2	-	-	12,669,840	12,669,840
		251,113	**-**	**12,669,840**	**12,920,953**
Company					
31 December 2017					
Available for sale financial investments					
Unquoted available for sale investments	14.2.2	-	-	12,248,876	12,248,876
		-	**-**	**12,248,876**	**12,248,876**
31 December 2016					
Available for sale financial investments					
Unquoted available for sale investments	14.2.2	-	-	12,231,876	12,231,876
		-	**-**	**12,231,876**	**12,231,876**

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

33.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

Group 31 December 2017	Available for sale N'000	Cash & Cash equivalents N'000	Loans and receivable N'000	Total Carrying amount N'000	Fair value N'000	Amortised Cost N'000
Assets						
Cash and cash equivalents	-	27,886	-	27,886	27,886	55,772
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	549,292	549,292	-	549,292
Amount due from related parties	-	-	3,052	3,052		3,052
Financial investments	12,937,953	-	-	12,937,953	12,937,953	-
	12,937,953	**27,886**	**561,775**	**13,527,613**	**12,965,839**	**617,547**
Liabilities						
Deposit liabilities	-	-	-	15,089,437	-	15,089,437
Loans and advances	-	-	-	541,253	-	541,253
Other liabilities	-	-	-	4,424,677	-	4,424,677
	-	**-**	**-**	**20,055,368**	**-**	**20,055,368**
31 December 2016						
Assets						
Cash and cash equivalents	-	17,994	-	17,994	17,994	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	561,358	561,358	-	1,122,715
Amount due from related parties	-	-	3,052	3,052	-	6,103
Financial investments	12,920,953	-	-	12,920,953	12,920,953	-
	12,920,953	**17,994**	**573,840**	**13,512,787**	**12,938,947**	**1,138,250**
Liabilities						
Deposit liabilities	-	-	-	15,086,932	-	15,086,932
Loans and advances	-	-	-	593,280	-	593,280
Other liabilities	-	-	-	4,074,614	-	4,074,614
	-	-	-	19,754,826	-	19,754,826
Company						
31 December 2017						
Assets						
Cash and cash equivalents	-	19,117	-	19,117	19,117	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	214,979	214,979	-	214,979
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	12,248,876	-	-	12,248,876	12,248,876	-
	12,248,876	**19,117**	**227,461**	**12,495,454**	**12,267,993**	**227,461**
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	541,253	-	541,253
Other liabilities	-	-	-	2,760,669	-	2,760,669
Amounts due to related parties	-	-	-	18,325,605	-	18,325,605
	-	-	-	4,595,309	-	4,595,309

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

31 December 2016						
Assets						
Cash and cash equivalents	-	9,700	-	9,700	9,700	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	232,396	232,396	-	232,396
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	12,231,876	-	-	12,231,876	12,231,876	-
	12,231,876	**9,700**	**244,878**	**12,486,454**	**12,241,576**	**244,878**
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	593,280	-	593,280
Other liabilities	-	-	-	2,537,965	-	2,537,965
Amounts due to related parties	-	-	-	18,219,175	-	18,219,175
	-	**-**	**-**	**4,424,633**	**-**	**4,424,633**

33.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2017 *(Cont'd)*

33.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

33.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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 maximisation 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 is also 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.

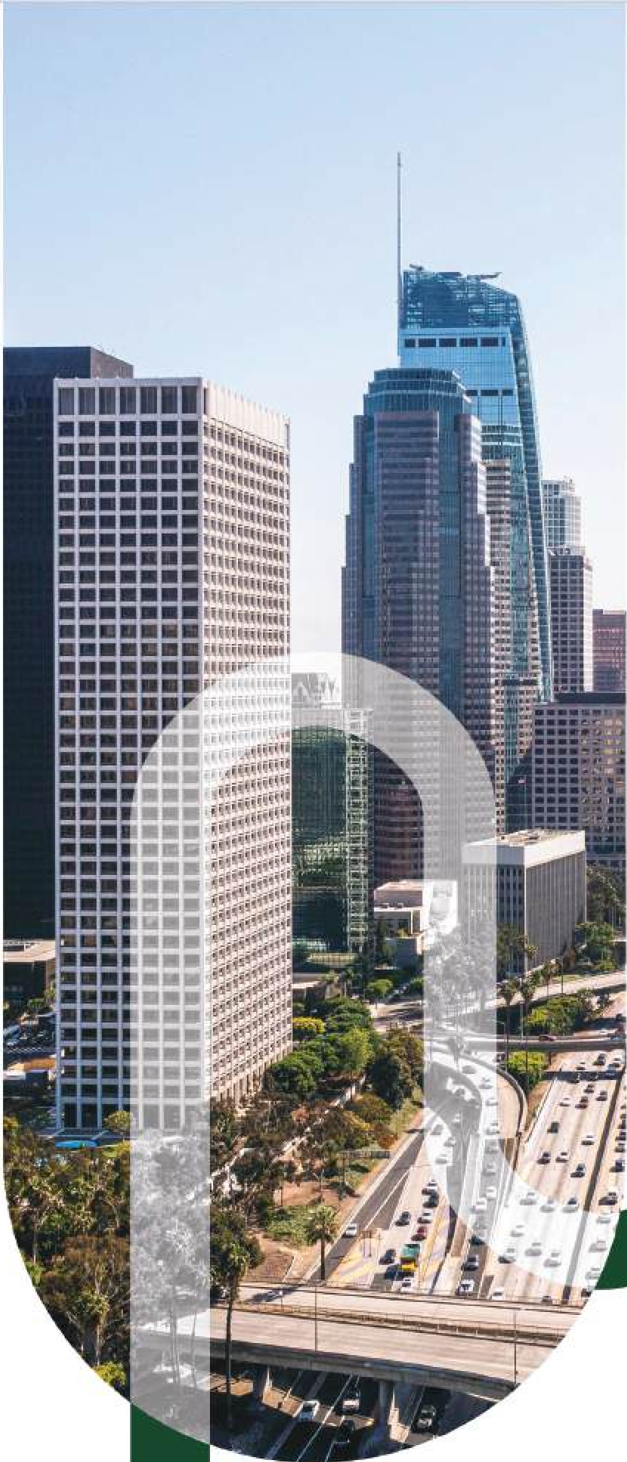
34. Events after the reporting period

The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.

35. Going concern

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC to ensure compliance in all areas of infringement and release of the licenses of the subsidiaries.

Therefore, the Directors have applied the going concern basis in the preparation of these financial statements.



bgl

2018 Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 23th Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 11.20 a.m. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2018 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

Report of the Independent Auditors to the members of BGL Plc - 2018

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2018 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2018 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja
E-mail: info@ahmedzakari.com Url: www.ahmedzakari.com

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.

- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2018

		Group		Company	
		31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	Note	N'000	N'000	N'000	N'000
Revenue					
Fees, trading and asset management activities	7.	43,736	103	-	-
Other income	8.	65,031	171,964	64,081	21,985
Gross revenue		108,767	172,066	64,081	21,985
Operating expenses					
Depreciation	18.	1,364	7,597	1,236	7,164
Administrative expenses	9.	350,908	461,681	211,043	289,776
Total expenses		352,272	469,278	212,279	296,940
Loss before tax		(243,505)	(297,211)	(148,198)	(274,955)
Taxation	18.	-	-	-	-
Loss for the year		**(243,505)**	**(297,211)**	**(148,198)**	**(274,955)**
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year		**(243,505)**	**(297,211)**	**(148,198)**	**(274,955)**
Per share data					
Loss per share - Kobo		(1.62)	(1.98)	(0.99)	(1.83)

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at 31 December 2018

		Group		Company	
	Note	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Assets		N'000	N'000	N'000	N'000
Cash and cash equivalents	10.	50,984	27,886	6,981	19,117
Loans and receivables	11.	9,431	9,431	9,431	9,431
Trade and other receivables	12.	550,742	549,292	214,979	214,979
Financial investments	13.	12,911,511	12,937,953	12,265,876	12,248,876
Other assets	14.	24,224	23,673	12,050	10,050
Prepayments	15.	5,497	10,825	5,497	5,763
Amount due from related parties	16.	3,052	3,052	3,052	3,052
Investment in subsidiaries	17.	-	-	12,070,752	12,070,752
Property, plant and equipment	18.	1,685	3,049	1,680	2,916
Deferred tax asset	23.3	10,889	10,889	-	-
Total assets		**13,568,015**	**13,576,050**	**24,590,298**	**24,584,936**
Liabilities and equity					
Liabilities					
Deposit liabilities	19.	15,092,914	15,089,437	1,293,387	1,293,387
Bank borrowings	20.	547,566	541,253	547,566	541,253
Other liabilities	21.	4,650,357	4,424,677	2,935,473	2,760,669
Amount due to related parties	22.	-	-	18,298,048	18,325,605
Tax payable	23.2	252,144	252,144	157,909	157,909
Defined benefit obligation	24.2	636,512	636,512	520,414	520,414
Total liabilities		**21,179,493**	**20,944,023**	**23,752,797**	**23,599,237**
Equity					
Share capital	25.	7,500,000	7,500,000	7,500,000	7,500,000
Share premium	26.	36,173,548	36,173,548	36,173,548	36,173,548
Retained earnings	27.	(51,879,394)	(48,487,083)	(43,280,935)	(40,240,450)
Available for sale reserve	28.1	-	(3,148,806)	-	(2,892,287)
Actuarial reserve	28.2	594,368	594,368	444,888	444,888
Total equity		(7,611,478)	(7,367,973)	837,501	985,699
Total liabilities and equity		**13,568,015**	**13,576,050**	**24,590,298**	**24,584,936**

The audited financial statements were approved by the Directors on 17 December 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Change in Equity for the year ended 31 December 2018

Group	Share capital N'000	Share Premium N'000	Retained Earnings N'000	Available for sale Reserve N'000	Actuarial Reserve N'000	Total N'000
At 1 January 2017	7,500,000	36,173,548	(48,189,872)	(3,148,806)	594,368	(7,070,762)
Comprehensive income for the year:						
Loss for the year	-	-	(297,211)	-	-	(297,211)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(297,211)	-	-	(297,211)
At 31 December 2017	**7,500,000**	**36,173,548**	**(48,487,083)**	**(3,148,806)**	**594,368**	**(7,367,973)**
At 1 January 2018	7,500,000	36,173,548	(48,487,083)	(3,148,806)	594,368	(7,367,973)
Comprehensive income for the year:						
Loss for the year	-	-	(243,505)	-	-	(243,505)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(243,505)	-	-	(243,505)
Transfer to retained earnings on IFRS 9 adoption	-	-	(3,148,806)	3,148,806	-	-
At 31 December 2018	**7,500,000**	**36,173,548**	**(51,879,394)**	**-**	**594,368**	**(7,611,478)**
Company						
At 1 January 2017	7,500,000	36,173,548	(39,965,495)	(2,892,287)	444,888	1,260,654
Comprehensive income for the year:						
Loss for the year	-	-	(274,955)	-	-	(274,955)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(274,955)	-	-	(274,955)
At 31 December 2017	**7,500,000**	**36,173,548**	**(40,240,450)**	**(2,892,287)**	**444,888**	**985,699**
At 1 January 2018	7,500,000	36,173,548	(40,240,450)	(2,892,287)	444,888	985,699
Comprehensive income for the year:						
Loss for the year	-	-	(148,198)	-	-	(148,198)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(148,198)	-	-	(148,198)
Transfer to retained earnings on IFRS 9 adoption	-	-	(2,892,287)	2,892,287	-	-
At 31 December 2018	**7,500,000**	**36,173,548**	**(43,280,935)**	**-**	**444,888**	**837,501**

Consolidated & Separate Statements of Cash Flows for the year ended 31 December 2018

	Notes	Group 31-Dec-18 N'000	Group 31-Dec-17 N'000	Company 31-Dec-18 N'000	Company 31-Dec-17 N'000
Cash flows from operating activities					
Loss before tax		(243,505)	(297,211)	(148,198)	(274,955)
Adjustments for non cash items:					
Depreciation	18.	1,364	7,597	1,236	7,164
Dividend income	8.	(36,088)	(5,139)	(36,088)	(3,989)
Cash flows before working capital changes		(278,229)	(294,753)	(183,050)	(271,780)
Changes in working capital:					
(Increase)/decrease in trade and other receivables	12.	(1,450)	12,065	-	17,417
(Increase)/decrease in other assets	14.	(551)	(50)	(2,000)	(50)
Decrease in prepayments	15.	5,328	3,950	266	(266)
Increase in deposit liabilities	19.	3,477	2,506	-	-
Increase/(decrease) in other liabilites	21.	225,680	350,062	174,803	222,705
Increase/(decrease) in amount due to related party	22.	-	-	(27,556)	106,429
		(45,745)	73,780	(37,537)	74,455
Tax paid	23.2	-	-	-	-
Net cash provided/(used) by operating activities		(45,745)	73,780	(37,537)	74,455
Cash flows from Investing activities					
Changes in financial assets	13.	26,442	(17,000)	(17,000)	(17,000)
Dividend received	8.	36,088	5,139	36,088	3,989
Net cash provided/(used) by investing activities		62,530	(11,861)	19,088	(13,011)
Cash flows from financing activities					
Borrowings taken	20.1	6,313	-	6,313	-
Borrowings repaid	20.1	-	(52,027)	-	(52,027)
Net cash provided/(used) by financing activities		6,313	(52,027)	6,313	(52,027)
Net increase in cash and cash equivalents		23,098	9,892	(12,136)	9,417
Cash and cash equivalents at the beginning of the year	12.	27,886	17,994	19,117	9,700
Cash and cash equivalents at the end of the year	12.	**50,984**	**27,886**	**6,981**	**19,117**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange.

The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission.

1.2 Corporate office

The registered address of the company is located at 12A, Catholic Mission Street, Lagos Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

Pronouncement	Nature of change	effective period of implementation
IAS 23 Investment and Joint Ventures	On 12 October 2017, the IASB published 'Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)' to clarify that an entity applies IFRS 9 'Financial Instruments' to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	1 January 2019
IAS 12- Income Tax	IFRIC 23 'Uncertainty over Income Tax Treatments' was issued by the IASB on 7 June 2017 and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted	1 January 2019
IFRS 16 Leases	IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.	1 January 2019

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.2 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.6.2 Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

6.6.3 Current and deferred taxes for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	**Useful life**
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.11.1 Financial Asset

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

Amortised cost: Financial assets are measured at amortised cost where:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- 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.

Fair value through other comprehensive income: financial assets are classified and measured at fair value through other comprehensive income where the Company's business model is both to collect contractual cash flows and selling the financial assets when opportunities arise. The contractual cash flows are represented by principal and interest repayments on the financial assets.

Fair value through profit or loss: any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Appropriate reclassifications are made to financial assets when the Company changes its business model for managing a financial asset.

6.11.1.1 Financial assets recognition and measurement

Regular-way purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value.

Equity investments are initially recognised at their transaction costs and subsequently measured at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortised cost using the effective interest method, less any impairment.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

6.11.1.2 Impairment of financial assets

Impairment of financial assets is based on the application of the expected credit loss model (ECL) in accordance with IFRS 9, Financial Instruments. The measurement of expected credit loss by the Company under IFRS 9 reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the Company considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings. the Company considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

Under IFRS 9, there are three approaches to the measurement of ECL as follows:

a. General approach

b. Purchased or originated credit impaired approach

c. Simplied approach

Under the general approach considerations are given to whether there has been a significant increase in credit risks on the financial assets since initial recognition in which case an impairment loss for lifetime ECL is recognised. Otherwise, if at the reporting date management assesses that the credit risk on the financial asset has not increased significantly since initial recognition, impairment loss for 12 month ECL is recognised. Significamt increase in credit risk is measured using the lifetime probability of default. Financial assets are grouped into 3 stages based on the increase credit risks:

Stage 1: Where credit risk on the financial asset has not increased significantly since intial recognition, 12 month ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

6.11.1.2 Impairment of financial assets

Stage 2: Where credit risk on the financial asset has increased significantly since intial recognition, lifetime ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 3: Where there is evidence that the financial asset is credit impaired based on the occurence of a loss event, lifetime ECL is recognised on the financial asset and interest income is recognised on a net basis.

Purchased or originated credit impaired approach is applied to those financial assets that are credit impaired on initial recognition. These class of assets are categorised as stage 3 and lifetime ECL is calculated. The ECL is adjusted using the credit adjusted effective interest rate.

The simplied approach under the ECL model is based on a provision matrix and involves the following steps:

- Creating groups for trade receivables based on similar credit risks characteristics.
- Collection of historical loss rates data and determining the period of applicability of the data.
- Determination of the expected loss rates for each of the Companys of trade receivables created based on established periods for whch receivables are past due.
- Carry out necessary adjustments on the expected loss rates to reflect the effect of forward looking macro economic conditions expected to exist at the reporting date.
- Determination of the expected credit losses

The Company applies the simplified approach in the calculation of impairment loss on trade receivables.

6.11.1.3 Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

6.11.2 Financial liabilities and equity instruments

6.11.2.1 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

6.11.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.12 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Company discloses transactions with related parties which includes the:

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

		Group		Company	
		31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
		N'000	N'000	N'000	N'000
7.	**Revenue**				
	Fees, trading and asset management activities				
	Income from trading securities	43,736	103	-	-
		43,736	**103**	**-**	**-**
8.	**Other income**				
	Dividend Income	36,088	5,139	36,088	3,989
	Brokerage income	1,905	145,288	1,905	159
	Interest Income	100	737	70	737
	Rent Income	-	3,700	-	-
	Sundry income	9,938	100	9,018	100
	Foreign exhange gain	17,000	17,000	17,000	17,000
		65,031	**171,964**	**64,081**	**21,985**
9.	**Administrative expenses**				
	Employee cost	120,161	168,873	94,860	104,833
	Repairs and maintenance	14,115	20,153	11,241	14,172
	Bank charges	84	109	84	109
	Fuel	1,637	3,390	1,637	3,390
	Electricity	723	502	723	502
	Rents	25,204	28,493	11,056	12,498
	Transport, travelling and hotel accomodation	81,987	99,110	53,854	53,647
	Utilities	100	250	100	250
	Business development	738	6,643	738	6,645
	Dues and subscriptions	566	1,310	566	1,310
	Staff welfare	27,856	70,982	27,856	70,982
	Professional charges	7,356	24,796	5,476	18,698
	Audit fees	4,000	4,000	1,000	1,000
	Security expenses	1,250	1,421	1,250	1,421
	Printing and stationery	645	288	595	263
	Office expenses	21,044	31,361	7	56
	Loss on disposal of stocks	43,442	-	-	-
		350,908	**461,681**	**211,043**	**289,776**
9.1	**Employee cost**				
	Salaries and allowances	90,915	131,783	71,571	79,867
	Pension contribution	8,368	8,109	6,483	6,956
	Medicals	14,389	21,954	10,317	10,983
	Training	6,489	7,027	6,489	7,027
		120,161	**168,873**	**94,860**	**104,833**
9.2	**Profit/(loss) before tax is arrived at after charging the following:**				
	Depreciation	1,364	7,597	1,236	7,164
	Audit fees	4,000	4,000	1,000	1,000
	Employee cost	120,161	168,873	94,860	104,833

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

		Group		Company	
		31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
10.	**Cash and cash equivalents**	**N'000**	**N'000**	**N'000**	**N'000**
	Cash in hand	42,572	7,582	373	313
	Bank balances	8,018	19,910	6,214	18,410
	Placement with Nigerian banks	394	394	394	394
		50,984	27,886	6,981	19,117
	Allowance for doubtful bank balance	-	-	-	-
	Total cash and cash equivalents	50,984	27,886	6,981	19,117

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances comprise cash and bank deposits. The carrying amount of these assets is approximately equal to their fair value.

11.	**Loans and advances**				
	Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
	Impairment allowance(11.1)	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,435)
		9,431	9,431	9,431	9,431
11.1	**Impairment allowance**				
	At 1 January	3,844,435	3,844,435	3,844,435	3,844,435
	At 31 December	3,844,435	3,844,435	3,844,435	3,844,435
12.	**Trade and other receivables**				
	Trade debtors	911,254	911,253	151,495	151,495
	Staff loans	49,843	48,394	34,313	34,313
	Staff mortgage loans	224,891	224,891	224,891	224,891
		1,185,988	1,184,538	410,699	410,699
	Impairment allowance on trade and other receivables	(635,246)	(635,246)	(195,720)	(195,720)
		550,742	549,292	214,979	214,979
12.1	**Impairment allowance on trade and other receivables**				
	At 1 January	635,246	635,246	195,720	195,720
	At 31 December	635,246	635,246	195,720	195,720
13.	**Financial investments**				
13.1	**Financial investments comprise:**				
	Equity investments at fair value through profit or loss	12,911,511	12,937,953	12,265,876	12,248,876
		12,911,511	**12,937,953**	**12,265,876**	**12,248,876**
13.1.1	**Quoted equity investments**				
	Afromedia Plc	179,989	179,989	-	-
	DAAR Communications Plc	217,211	217,211	-	-
		397,200	397,200	-	-
	Fair value changes in quoted equity investments	(189,529)	(146,087)	-	-
		207,671	**251,113**	**-**	**-**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	N'000	N'000	N'000	N'000
13.1.2 Unqoted equity investments				
Cetral Securities Clearing System Plc	30,443	30,443	-	-
Peak Petroleum Limted	5,210,500	5,193,500	5,210,500	5,193,500
FCMB	3,976,644	3,976,644	3,976,644	3,976,644
Schartz Resources Limited	5,921,019	5,921,019	5,921,019	5,921,019
Mutual Funds	72,873	72,873	-	-
Joint Komputer Kompany Limited	545,280	545,280	-	-
National Association of Securities	37,926	37,926	-	-
Aquila Capital Limited	50,000	50,000	50,000	50,000
Wingsong M House Palm Oil Investment	332,802	332,802	-	-
	16,177,487	16,160,487	15,158,163	15,141,163
Fair value changes in unquoted equity investments	(3,473,647)	(3,473,647)	(2,892,287)	(2,892,287)
	12,703,840	12,686,840	12,265,876	12,248,876
Carrying amount	**12,911,511**	**12,937,953**	**12,265,876**	**12,248,876**

13.2.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

13.2.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	N'000	N'000	N'000	N'000
14. Other assets				
Sundry receivables	24,224	23,673	12,050	10,050
	24,224	**23,673**	**12,050**	**10,050**
15. Prepayments				
Rent	5,033	10,361	5,033	5,299
Staff housing	464	464	464	464
	5,497	**10,825**	**5,497**	**5,763**
16. Amount due from related party				
BGL Private Equity Limited	219,538	219,538	219,538	219,538
Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
	2,219,538	2,219,538	2,219,538	2,219,538
Impairment allowance	(2,216,486)	(2,216,486)	(2,216,486)	(2,216,486)
	3,052	**3,052**	**3,052**	**3,052**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

		Group		Company	
		31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
		N'000	N'000	N'000	N'000
17.	**Investment in subsidiaries**				
	BGL Securities Limited	-	-	7,492,212	7,492,212
	BGL Asset Management Limited	-	-	4,078,540	4,078,540
	BGL Capital Limited	-	-	500,000	500,000
		-	**-**	**12,070,752**	**12,070,752**

Investment in subsidiaries are carried at cost

17.1 Subsidiary undertakings

Subsidiary	**Location**	**Interest %**	**Principal activities**
BGL Securities Limited	Nigeria	100.00	Stock broking activities
BGL Asset Management Limited	Nigeria	100.00	Asset management services
BGL Capital Limited	Nigeria	100.00	Investment banking & advisory

17.2 Summary of operating results and financial position

	BGL Securities Limited	BGL Asset Management Ltd	BGL Capital Limited
	N'000	N'000	N'000
31 December 2018			
Gross revenue	44,483	203	-
Profit/(loss) after tax	(32,499)	(11,503)	(51,304)
Total assets	5,051,671	14,153,468	373,169
Total liabilities	4,755,876	10,768,112	206,464
Total equity	295,795	3,385,356	166,705
31 December 2017			
Gross revenue	150,082	-	-
Profit/(loss) after tax	36,344	(21,030)	(37,573)
Total assets	5,018,377	14,177,464	423,423
Total liabilities	4,690,083	10,780,605	205,414
Total equity	328,294	3,396,858	218,009

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

18. Property, plant and equipment

18.1	Group	Leasehold improvement N'000	Plant and equipment N'000	Furniture and Fittings N'000	Computer equipment N'000	Motor Vehicle N'000	Total N'000
	Cost or Valuation						
	At 1 January 2017	64,429	46,555	353,397	435,144	113,601	1,013,126
	At 31 December 2017	64,429	46,555	353,397	435,144	113,601	1,013,126
	At 1 January 2018	64,429	46,555	353,397	435,144	113,601	1,013,126
	At 31 December 2018	64,429	46,555	353,397	435,144	113,601	1,013,126
	Depreciation						
	At 1 January 2017	64,425	38,003	351,427	435,024	113,601	1,002,480
	Charge for the year	-	5,512	1,967	118	-	7,597
	At 31 December 2017	64,425	43,515	353,394	435,142	113,601	1,010,077
	At 1 January 2018	64,425	43,515	353,394	435,142	113,601	1,010,077
	Charge for the year	-	1,364	-	-	-	1,364
	Eliminated on disposals	-	-	-	-	-	-
	At 31 December 2018	64,425	44,879	353,394	435,142	113,601	1,011,441
	Carrying amount						
	At 31 December 2017	**4**	**3,040**	**3**	**2**	**-**	**3,049**
	At 31 December 2018	**4**	**1,676**	**3**	**2**	**-**	**1,685**
18.2	**Company**						
	Cost or Valuation						
	At 1 January 2017	17,842	45,872	276,517	315,025	113,601	768,857
	At 31 December 2017	17,842	45,872	276,517	315,025	113,601	768,857
	At 1 January 2018	17,842	45,872	276,517	315,025	113,601	768,857
	At 31 December 2018	17,842	45,872	276,517	315,025	113,601	768,857
	Depreciation						
	At 1 January 2017	17,839	37,618	274,694	315,025	113,601	758,777
	Charge for the year	-	5,341	1,823	-	-	7,164
	At 31 December 2017	17,839	42,959	276,517	315,025	113,601	765,941
	At 1 January 2018	17,839	42,959	276,517	315,025	113,601	765,941
	Charge for the year	-	1,236	-	-	-	1,236
	At 31 December 2018	17,839	44,195	276,517	315,025	113,601	767,177
	Carrying amount						
	At 31 December 2017	**3**	**2,913**	**0**	**0**	**0**	**2,916**
	At 31 December 2018	**3**	**1,677**	**0**	**0**	**0**	**1,680**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

		Group 31-Dec-18 N'000	31-Dec-17 N'000	Company 31-Dec-18 N'000	31-Dec-17 N'000
19.	**Deposit liabilities**	**15,092,914**	**15,089,437**	**1,293,387**	**1,293,387**
20.	**Bank borrowings**				
20.1	**Bank overdrafts**	547,566	541,253	547,566	541,253
		547,566	541,253	547,566	541,253
20.2	**Movement**				
	At 1 January	541,253	593,280	541,253	593,280
	Additions/(repayments)	6,313	(52,027)	6,313	(52,027)
	At 31 December	**547,566**	**541,253**	**547,566**	**541,253**

Bank overdrafts comprises the outstanding balance of N500 million from a margin facility of N1.287 billion from First Bank Plc and overdrawn account of N47.36 million with UBA Plc (31 December 2017: N500 million and N41.3 million respectively).

		Group 31-Dec-18 N'000	31-Dec-17 N'000	Company 31-Dec-18 N'000	31-Dec-17 N'000
21.	**Other liabilities**				
	Trade creditors	931,697	882,132	-	-
	Staff Mortgage	574,660	572,579	574,660	572,579
	Dividend payable (Note 21.1)	5,887	5,887	4,813	4,813
	Short term employee benefit obligation	476,033	461,643	339,669	329,263
	Other taxes payable	365,846	357,860	294,308	286,476
	Interest payable	585,213	585,213	585,213	585,213
	Other sundry creditors	427,385	409,821	377,385	359,821
	Contract stamp payable	177,641	187,641	-	-
	Accruals	1,105,995	961,901	759,425	622,504
		4,650,357	4,424,677	2,935,473	2,760,669
21.1	**Dividend payable**				
	At 1 January	5,887	5,887	4,813	4,813
	At 31 December	5,887	5,887	4,813	4,813
22.	**Amount due to related parties**				
	Due to subsidiaries	-	-	18,298,048	18,325,605
		-	-	18,298,048	18,325,605
23.	**Taxation**				
23.1	**Tax expense**				
	Company income tax	-	-	-	-
	Education tax	-	-	-	-
		-	-	-	-
	Deferred tax				
	Deferred tax expense/(credit)	-	-	-	-
	Total income tax expense	-	-	-	-

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

		Group		Company	
		31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
23.2	**Tax payable**	**N'000**	**N'000**	**N'000**	**N'000**
	At 1 January	252,144	252,144	157,909	157,909
	Charge for the year	-	-	-	-
		252,144	252,144	157,909	157,909
	Paid during the year	-	-	-	-
	At 31 December	252,144	252,144	157,909	157,909

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

23.3	**Deferred tax**				
	At 1 January	(10,889)	(10,889)	-	-
	At 31 December	(10,889)	(10,889)	-	-

24. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

24.1	**Present value of unfunded defined benefit obligations**				
		636,512	636,512	520,414	520,414
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	**636,512**	**636,512**	**520,414**	**520,414**
24.2	**Movement in the present value of defined benefit obligation is as follows:**				
	At 1 January	636,512	636,512	520,414	520,414
	At 31 December	**636,512**	**636,512**	**520,414**	**520,414**
25.	**Share capital**				
	Authorised,				
	15,000,000,000 ordinary shares of 50 kobo each				
	(2017: 15 billion ordinary shares	7,500,000	7,500,000	7,500,000	7,500,000
	Issued and fully paid				
	15,000,000,000 ordinary shares of 50 kobo each	7,500,000	7,500,000	7,500,000	7,500,000
26.	**Share premium**	**36,173,548**	**36,173,548**	**36,173,548**	**36,173,548**
27.	**Retained earnings**				
	At 1 January	(48,487,083)	(48,189,872)	(40,240,450)	(39,965,495)
	Reclassified from AFS on IFRS 9 adoption	(3,148,806)	-	(2,892,287)	-
	Profit/(loss) for the year	(243,505)	(297,211)	(148,198)	(274,955)
	At 31 December	**(51,879,394)**	**(48,487,083)**	**(43,280,935)**	**(40,240,450)**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

		Group		Company	
		31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
28	**Reserves**	**N'000**	**N'000**	**N'000**	**N'000**
28.1	**Available for sale reserves (AFS)**				
	At 1 January	(3,148,806)	(3,148,806)	(2,892,287)	(2,892,287)
	Reclassified to profit or loss on IFRS 9 adoption	3,148,806	-	2,892,287	-
	At 31 December	-	(3,148,806)	-	(2,892,287)
28.2	**Actuarial reserve**				
	At 1 January	594,368	594,368	444,888	444,888
	At 31 December	594,368	594,368	444,888	444,888
29.	**Directors and employees**				
29.1	**Chairman and Directors' emoluments**				
	Emoluments	-	-	-	-
	Other Directors	-	-	-	-
		-	-	-	-

No allowances were accrued for the Directors during the year (31 December 2017: Nil).

				Number	Number	Number	Number
29.2	The number of employees whose emoluments fall within the following ranges were:						
		N	N				
		60,000 -	999,999	8	8	3	3
		1,000,000 -	1,999,999	1	1	1	1
		2,000,000 -	2,999,999	-	-	-	-
		3,000,000 -	3,999,999	-	-	-	-
		4,000,000 -	4,999,999	-	-	-	-
		5,000,000 -	5,999,999	-	-	-	-
		6,000,000 -	6,999,999	-	-	-	-
		-		**9**	**9**	**4**	**4**

29.3	**Average number of persons employed during the year:**				
	Managerial	1	1	1	1
	Non-managerial	8	8	3	3
		9	9	4	4
		N'000	**N'000**	**N'000**	**N'000**
29.4	**Staff costs excluding Directors relating to the above:**				
	Salaries and allowances	90,915	131,783	71,571	79,867
	Staff welfare expenses	29,246	37,089	23,289	24,965
		120,161	168,872	94,860	104,832

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

30. Related party disclosures

30.1 Related party relationships

Entity	Nature of relationships
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related Party
Lexcap Partners Limited	Related Party

30.1.1 Group

Balances and transactions with related parties	Nature of transaction	Amount of transaction N'000	Amount due from related party N'000	Amount due to related party N'000
Entity				
31 December 2018				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	**2,219,538**	**-**
31 December 2017				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	
		-	**2,219,538**	**-**

30.1.2 Company

Entity	Nature of transaction	Amount of transaction N'000	Amount due from related party N'000	Amount due to related party N'000
31 December 2018				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	(24,033)	-	13,861,826
BGL Capital Limited	Reimbursable expenses	(5,230)	-	151,277
BGL Securities Limited	Reimbursable expenses	1,707	-	4,284,945
		(27,556)	**2,219,538**	**18,298,048**
31 December 2017				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	(17,863)	-	13,885,859
BGL Capital Limited	Reimbursable expenses	(8,385)	-	156,507
BGL Securities Limited	Reimbursable expenses	132,677	-	4,283,238
		106,429	**2,219,538**	**18,325,604**

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 16 and 22 respectively of the financial statements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

30.1.3 Remuneration of key management personnel

The Directors comprise the key management personnel of the Group. No remuneration was paid to the Directors and neither was any remuneration accrued for their benefits.

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

31. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

32. Financial risk management

32.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Operational risks

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruption and cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

32.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

32.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

i Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.

ii Companies that have capacity to add substantially to industrial output.

32.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk.

e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.

f Appoint credit officers and delegate approval authorities to individuals and committees.

The Group also as an Executive Management Committee charged with the responsibility of:

a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c Recommending to the Board Credit and Investment Committee those projects above its limits.

Financial assets past due but not individually impaired

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

	Group		Company	
	31-Dec-18 Loans & advances N'000	31-Dec-17 Loans & advances N'000	31-Dec-18 Loans & advances N'000	31-Dec-17 Loans & advances N'000
Past due by more than one year	9,431	9,431	9,431	9,431
	9,431	**9,431**	**9,431**	**9,431**
Financial assets individually impaired				
Gross amount	3,853,866	3,853,866	3,853,866	3,853,866
Allowance for impairment	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,435)
	9,431	**9,431**	**9,431**	**9,431**

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

32.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

32.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

32.3.2 Group residual contractual maturities of financial assets and liabilities

Group *31 December 2018*	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
Non-derivative assets:							
Cash and cash equivalents	50,984	50,984	50,984	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	550,742	550,742	550,742	-	-	-	-
Financial investments	12,911,511	12,911,511	12,911,511	-	-	-	-
Other assets	24,224	24,224	24,224	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	2,219,538	-	-	-	-
	15,766,431	**15,766,431**	**15,766,431**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	15,092,914	15,092,914	15,092,914	-	-	-	-
Loans and advances	547,566	547,566	547,566	-	-	-	-
Other liabilities	4,650,357	4,650,357	4,650,357	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	20,290,837	20,290,837	20,290,837	-	-	-	-
Gap (assets - liabilities)	**(4,524,407)**	**(4,524,407)**	**(4,524,407)**				
31 December 2017							
Non-derivative assets:							
Cash and cash equivalents	27,886	27,886	27,886	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	549,292	549,292	549,292	-	-	-	-
Financial investments	12,937,953	12,937,953	12,937,953	-	-	-	-
Other assets	23,673	23,673	23,673	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	2,219,538	-	-	-	-
	15,767,773	**15,767,773**	**15,767,773**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	15,089,437	15,089,437	15,089,437	-	-	-	-
Loans and advances	541,253	541,253	541,253	-	-	-	-
Other liabilities	4,424,677	4,424,677	4,424,677	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	20,055,368	20,055,368	20,055,368	-	-	-	-
Gap (assets - liabilities)	**(4,287,595)**	**(4,287,595)**	**(4,287,595)**	**-**	**-**	**-**	**-**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

Company	Carrying amount	Gross nominal inflow/ outflow	< 1 month	1-3 months	3 - 12 months	1 - 5 year	> 5 years
31 December 2018	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Non-derivative assets:							
Cash and cash equivalents	6,981	6,981	6,981	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	214,979	214,979	214,979	-	-	-	-
Financial investments	12,265,876	12,265,876	12,265,876	-	-	-	-
Other assets	12,050	12,050	12,050	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	2,219,538	-	-	-	-
	14,728,855	**14,728,855**	**14,728,855**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	547,566	547,566	547,566	-	-	-	-
Other liabilities	2,935,473	2,935,473	2,935,473	-	-	-	-
Amount due to related parties	18,298,048	18,298,048	18,298,048	-	-	-	-
	23,074,475	23,074,475	4,776,427	-	-	-	-
Gap (assets - liabilities)	**(8,345,620)**	**(8,345,620)**	**9,952,429**	**-**	**-**	**-**	**-**
31 December 2017							
Non-derivative assets:							
Cash and cash equivalents	19,117	19,117	19,117	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	214,979	214,979	214,979	-	-	-	-
Financial investments	12,248,876	12,248,876	12,248,876	-	-	-	-
Other assets	10,050	10,050	10,050	-	-	-	-
Amount due from related parties	2,219,538	2,219,538	2,219,538	-	-	-	-
	14,721,991	**14,721,991**	**14,721,991**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	541,253	541,253	541,253	-	-	-	-
Other liabilities	2,760,669	2,760,669	2,760,669	-	-	-	-
Amount due to related parties	18,325,605	18,325,605	18,325,605	-	-	-	-
	22,920,914	22,920,914	22,920,914	-	-	-	-
Gap (assets - liabilities)	**(8,198,923)**	**(8,198,923)**	**(8,198,923)**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

32.4 Valuation of financial instruments

32.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilties.

Level 2:

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indrectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
31 December 2018					
Quoted investments	13.1.1	207,671	-	-	207,671
Unquoted investments	13.1.2	-	-	12,703,840	12,703,840
		207,671	-	12,703,840	12,911,510
31 December 2017					
Quoted investments	13.1.1	251,113	-	-	251,113
Unquoted investments	13.1.2	-	-	12,686,840	12,686,840
		251,113	**-**	**12,686,840**	**12,937,954**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

Company	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
31 December 2018					
Unquoted investments	13.1.2	-	-	12,265,876	12,265,876
		-	-	12,265,876	12,265,876
31 December 2017					
Unquoted investments	13.1.2	-	-	12,248,876	12,248,876
		-	-	12,248,876	12,248,876

32.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

Group 31 December 2018	Available for sale N'000	Cash & Cash equivalents N'000	Loans and receivable N'000	Total Carrying amount N'000	Fair value N'000	Amortised Cost N'000
Assets						
Cash and cash equivalents	-	50,984	-	50,984	50,984	101,968
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	550,742	550,742	-	550,742
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	12,911,511	-	-	12,911,511	12,911,511	-
	12,911,511	**50,984**	**563,225**	**13,525,720**	**12,962,496**	**665,193**
Liabilities						
Deposit liabilities	-	-	-	15,092,914	-	15,092,914
Loans and advances	-	-	-	547,566	-	547,566
Other liabilities	-	-	-	4,650,357	-	4,650,357
Amounts due to related parties	-	-	-	-	-	-
	-	**-**	**-**	**20,290,837**	**-**	**20,290,837**
31 December 2017						
Assets						
Cash and cash equivalents	-	27,886	-	27,886	27,886	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	549,292	549,292	-	1,098,584
Amount due from related parties	-	-	3,052	3,052	-	6,103
Financial investments	12,937,953	-	-	12,937,953	12,937,953	-
	12,937,953	**27,886**	**561,775**	**13,527,613**	**12,965,839**	**1,114,119**
Liabilities						
Deposit liabilities	-	-	-	15,089,437	-	15,089,437
Loans and advances	-	-	-	541,253	-	541,253
Other liabilities	-	-	-	4,424,677	-	4,424,677
Amounts due to related parties	-	-	-	-	-	-
		-	**-**	**20,055,368**	**-**	**20,055,368**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

Company 31 December 2018	Available for sale N'000	Cash & Cash equivalents N'000	Loans and receivable N'000	Total Carrying amount N'000	Fair value N'000	Amortised Cost N'000
Assets						
Cash and cash equivalents	-	6,981	-	6,981	6,981	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	214,979	214,979	-	214,979
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	12,265,876	-	-	12,265,876	12,265,876	-
	12,265,876	**6,981**	**227,461**	**12,500,319**	**12,272,857**	**227,461**
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	547,566	-	547,566
Other liabilities	-	-	-	2,935,473	-	2,935,473
Amounts due to related parties	-	-	-	18,298,048	-	18,298,048
-	-	-	23,074,475	-	23,074,475	
31 December 2017						
Assets						
Cash and cash equivalents	-	19,117	-	19,117	19,117	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	214,979	214,979	-	214,979
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	12,248,876	-	-	12,248,876	12,248,876	-
	12,248,876	**19,117**	**227,461**	**12,495,454**	**12,267,993**	**227,461**
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	541,253	-	541,253
Other liabilities	-	-	-	2,760,669	-	2,760,669
Amounts due to related parties	-	-	-	18,325,605	-	18,325,605
	-	**-**	**-**	**22,920,914**	**-**	**22,920,914**

32.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

32.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

32.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2018 *(Cont'd)*

Although maximisation 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 is also 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.

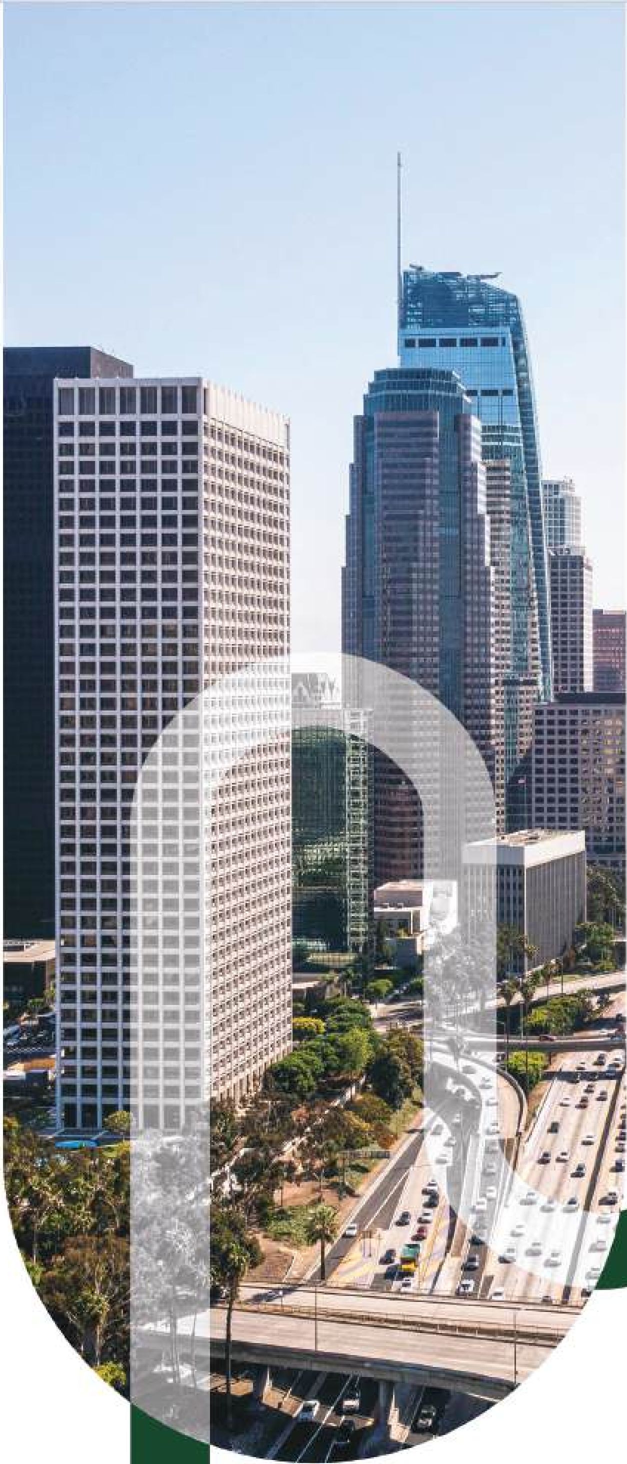
33. Events after the reporting period

The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.

34. Going concern

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC to ensure compliance in all areas of infringement and release of the licenses of the subsidiaries.

Therefore, the Directors have applied the going concern basis in the preparation of these financial statements.



bgl

2019
Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 24th Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 11.40 a.m.. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2019 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

Report of the Independent Auditors to the members of BGL Plc - 2019

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2019 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2019

		Group		Company	
		31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
	Note	N'000	N'000	N'000	N'000
Revenue					
Fees, trading and asset management activities	7.	509,081	43,736	-	-
Other income	8.	36,396	65,031	28,194	64,081
Gross revenue		545,477	108,767	28,194	64,081
Operating expenses					
Depreciation	18.	1,236	1,364	1,236	1,236
Administrative expenses	9.	349,025	350,908	268,924	211,043
Total expenses		350,261	352,272	270,160	212,279
Profit/(loss) before tax		195,216	(243,505)	(241,966)	(148,198)
Taxation	23.	-	-	-	-
Profit/(loss) for the year		195,216	(243,505)	(241,966)	(148,198)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income/(loss) for the year		195,216	(243,505)	(241,966)	(148,198)
Per share data					
Earnings/(loss) per share - Kobo		1.30	(1.62)	(1.61)	(0.99)

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at 31st December 2019

		Group		Company	
	Note	31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-19 N'000	31-Dec-18 N'000
Assets					
Cash and cash equivalents	10.	698,452	50,984	7,151	6,981
Loans and receivables	11.	9,431	9,431	9,431	9,431
Trade and other receivables	12.	454,598	550,742	214,979	214,979
Financial investments	13.	12,752,892	12,911,511	12,265,876	12,265,876
Other assets	14.	26,673	24,224	13,050	12,050
Prepayments	15.	5,497	5,497	5,497	5,497
Amount due from related parties	16.	3,052	3,052	3,052	3,052
Investment in subsidiaries	17.	-	-	12,070,752	12,070,752
Property and equipment	18.	5	1,685	-	1,680
Deferred taxation	23.3	10,889	10,889	-	-
Total assets		**13,961,489**	**13,568,015**	**24,589,788**	**24,590,298**
Liabilities and equity					
Liabilities					
Deposit liabilities	19.	15,092,914	15,092,914	1,293,387	1,293,387
Bank borrowings	20.	553,791	547,566	553,791	547,566
Other liabilities	21.	4,842,390	4,650,357	3,085,498	2,935,473
Amount due to related parties	22.	-	-	18,383,254	18,298,048
Tax payable	23.2	252,144	252,144	157,909	157,909
Defined benefit obligation	24.2	636,512	636,512	520,414	520,414
Total liabilities		**21,377,751**	**21,179,493**	**23,994,253**	**23,752,797**
Equity					
Share capital	25.	7,500,000	7,500,000	7,500,000	7,500,000
Share premium	26.	36,173,548	36,173,548	36,173,548	36,173,548
Retained earnings	27.	(51,684,178)	(51,879,394)	(43,522,901)	(43,280,935)
Actuarial reserve	28.2	594,368	594,368	444,888	444,888
Total equity		(7,416,262)	(7,611,478)	595,535	837,501
Total liabilities and equity		**13,961,489**	**13,568,015**	**24,589,788**	**24,590,298**

The audited financial statements were approved by the Directors on 17 December 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Changes in Equity for the Year Ended 31 December 2019

Group	Share capital N'000	Share Premium N'000	Retained Earnings N'000	Available for Sale Reserve N'000	Actuarial Reserve N'000	Total N'000
At 1 January 2018	7,500,000	36,173,548	(48,487,083)	(3,148,806)	594,368	(7,367,973)
Comprehensive income for the year:						
Loss for the year	-	-	(243,505)	-		(243,505)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(243,505)	-	-	(243,505)
Transfer to retained earnings on IFRS 9 adoption	-	-	(3,148,806)	3,148,806	-	-
At 31 December 2018	**7,500,000**	**36,173,548**	**(51,879,394)**	**-**	**594,368**	**(7,611,478)**
At 1 January 2019	7,500,000	36,173,548	(51,879,394)	-	594,368	(7,611,478)
Comprehensive income for the year:						
Profit for the year	-	-	195,216	-	-	195,216
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	195,216	-	-	195,216
At 31 December 2019	**7,500,000**	**36,173,548**	**(51,684,178)**	**-**	**594,368**	**(7,416,262)**
Company						
At 1 January 2018	7,500,000	36,173,548	(40,240,450)	(2,892,287)	444,888	985,699
Comprehensive income for the year:						
Loss for the year	-	-	(148,198)	-	-	(148,198)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(148,198)	-	-	(148,198)
Transfer to retained earnings on IFRS 9 adoption	-	-	(2,892,287)	2,892,287	-	-
At 31 December 2018	**7,500,000**	**36,173,548**	**(43,280,935)**	**-**	**444,888**	**837,501**
At 1 January 2019	7,500,000	36,173,548	(43,280,935)	-	444,888	837,501
Comprehensive income for the year:						
Loss for the year	-	-	(241,966)	-	-	(241,966)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(241,966)	-	-	(241,966)
At 31 December 2019	**7,500,000**	**36,173,548**	**(43,522,901)**	**-**	**444,888**	**595,535**

Consolidated & Separate Statements of Cash Flows for the Year Ended 31 December 2019

	Notes	Group 31-Dec-19 N'000	Group 31-Dec-18 N'000	Company 31-Dec-19 N'000	Company 31-Dec-18 N'000
Cash flows from operating activities					
Profit/(loss) before tax		195,216	(243,505)	(241,966)	(148,198)
Adjustments for non cash items:					
DDepreciation	18.	1,236	1,364	1,236	1,236
Profit on disposal of fixed assets	8.	(18,657)		(18,657)	-
Dividend income	8.	(14,739)	(36,088)	(6,537)	(36,088)
Cash flows before working capital changes		163,056	(278,229)	(265,924)	(183,050)
Changes in working capital:					
(Increase)/decrease in trade and other receivables	12.	96,142	(1,450)	-	-
(Increase)/decrease in other assets	14.	(2,449)	(551)	(1,000)	(2,000)
Decrease in prepayments	15.	-	5,328	-	266
Increase in deposit liabilities	19.	-	3,477	-	-
Increase/(decrease) in other liabilites	21.	192,031	225,680	150,025	174,803
Increase/(decrease) in amount due to related party	22.	-	-	85,205	(27,556)
		448,780	(45,745)	(31,694)	(37,537)
Tax paid	23.2	-	-	-	-
Net cash provided/(used) by operating activities		448,780	(45,745)	(31,694)	(37,537)
Cash flows from Investing activities					
Changes in financial assets	13.	158,622	26,442	-	(17,000)
Proceeds of property, plant and equipment disposed		19,102	-	19,102	
Dividend received	8.	14,739	36,088	6,537	36,088
Net cash provided by investing activities		192,463	62,530	25,639	19,088
Cash flows from financing activities					
Borrowings taken	20.	6,225	6,313	6,225	6,313
Net cash provided by financing activities		6,225	6,313	6,225	6,313
Net increase in cash and cash equivalents		647,468	23,098	170	(12,136)
Cash and cash equivalents at the beginning of the year	12.	50,984	27,886	6,981	19,117
Cash and cash equivalents at the end of the year	**12.**	**698,452**	**50,984**	**7,151**	**6,981**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange.

The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission.

1.2 Corporate office

The registered address of the company is located at 12A, Catholic Mission Street, Lagos Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

Standard and amendments	Nature of change	effective period of implementation
IFRS 3, Business combination	IFRS 3 (Business Combinations) outlines the accounting when an acquirer obtains control of a business (e.g.) An acquisition or merger). • That to be considered a business, an acquired set of activities and assets must include, at minimum, an input and a substantive process that together significantly contribute to the ability to create outputs: • Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. • Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired. • Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs: and • Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.	1 January 2020
IAS 1 & IAS 8, Definition of Material	"An information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make based on those financial statements, which provide financial information about a specific reporting entity". The amendments laid emphasis on five (5) ways material information can be obscured. These include: • If the language regarding a material item, transaction or other event is vague or unclear; • If information regarding a material item, transaction or other event is scattered in different places in the financial statements; • If dissimilar items, transactions or other events are inappropriately aggregated; • If similar items, transactions or other events are inappropriately disaggregated; and • If material information is hidden by immaterial information to the extent that it becomes unclear what information is material.	1 January 2020
IFRS 17, Insurance contracts Amendments relating to various insurance activities	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the company in anyway as the company does not engage in insurance business.	1 January 2023

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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.

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.1 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

6.3.2 Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

6.4 Foreign currencies

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

6.6.2 Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised."

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

6.6.3 Current and deferred taxes for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	Useful life
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.11.1 Financial Asset

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

Amortised cost: Financial assets are measured at amortised cost where:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- 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.

Fair value through other comprehensive income: financial assets are classified and measured at fair value through other comprehensive income where the Company's business model is both to collect contractual cash flows and selling the financial assets when opportunities arise. The contractual cash flows are represented by principal and interest repayments on the financial assets.

Fair value through profit or loss: any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

Appropriate reclassifications are made to financial assets when the Company changes its business model for managing a financial asset.

6.11.1.1 Financial assets recognition and measurement

Regular-way purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value.

Equity investments are initially recognised at their transaction costs and subsequently measured at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortised cost using the effective interest method, less any impairment.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

6.11.1.2 Impairment of financial assets

Impairment of financial assets is based on the application of the expected credit loss model (ECL) in accordance with IFRS 9, Financial Instruments. The measurement of expected credit loss by the Company under IFRS 9 reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the Company considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings. the Company considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

Under IFRS 9, there are three approaches to the measurement of ECL as follows:

a. General approach

b. Purchased or originated credit impaired approach

c. Simplied approach

Under the general approach considerations are given to whether there has been a significant increase in credit risks on the financial assets since initial recognition in which case an impairment loss for lifetime ECL is recognised. Otherwise, if at the reporting date management assesses that the credit risk on the financial asset has not increased significantly since initial recognition, impairment loss for 12 month ECL is recognised. Significamt increase in credit risk is measured using the lifetime probability of default. Financial assets are grouped into 3 stages based on the increase credit risks:

Stage 1: Where credit risk on the financial asset has not increased significantly since intial recognition, 12 month ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 2: Where credit risk on the financial asset has increased significantly since intial recognition, lifetime ECL is recognised on the financial asset and interest income is recognised on a gross basis.
Stage 3: Where there is evidence that the financial asset is credit impaired based on the occurence of a loss event, lifetime ECL is recognised on the financial asset and interest income is recognised on a net basis.

Purchased or originated credit impaired approach is applied to those financial assets that are credit impaired on initial recognition. These class of assets are categorised as stage 3 and lifetime ECL is calculated. The ECL is adjusted using the credit adjusted effective interest rate.

The simplied approach under the ECL model is based on a provision matrix and involves the following steps:

- Creating groups for trade receivables based on similar credit risks characteristics.
- Collection of historical loss rates data and determining the period of applicability of the data.
- Determination of the expected loss rates for each of the Companys of trade receivables created based on established periods for whch receivables are past due.
- Carry out necessary adjustments on the expected loss rates to reflect the effect of forward looking macro economic conditions expected to exist at the reporting date.
- Determination of the expected credit losses

The Company applies the simplified approach in the calculation of impairment loss on trade receivables.

6.11.1.3 Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

6.11.2 Financial liabilities and equity instruments

6.11.2.1 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

6.11.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.12 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Company discloses transactions with related parties which includes the:

- The name of the related party.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

6.13 Leases

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

A contract is assessed to contain a lease if the following conditions are established:

- There is an identifiable asset in the contract.
- The customer has the right to control the use of the asset throughout the period of the lease in exchange for a consideration to the supplier.
- The customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use.
- The supplier does not have a sunstantive right to substitute the use of the asset throughout the period of use of the asset.

Where the Company is a lessee in the lease contract, the Company recognises a right of use asset and a lease liablity at the inception of the contract. The right of use asset is measured using the cost model provided it:

- is not an investment property and the lessee fair values its investment properties.
- does not relate to a class of propety, plant and equipment to which the lessee applies revaluation model, in which case all right-of-use assets relating to that class of property, plant and equipment can be revalued.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

Where the lease is for a term of 12 months or less and containing no purchase options or the underlying asset has a low value when new such as personal computers or small items of office furniture, the Company accounts for lease payments as an expenses on a straight line basis over the term of the lease except another systematic basis is more reflective of the economic benefits obtainable from utilisation of the leased asset.

The right of use asset and the lease liability are initially measured at the present value of the lease payments payable over the lease term by discounting with the implicit rate of the lease. Where the implicit rate can not be readility determined, the Company shall apply its incremental borrowing rate.

Management has opted to exempt rental payments for its office as they are of a short term nature and not considered material. Also the Company has not entered into any lease contract where it is the lessor.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
7. Revenue				
Fees, trading and asset management activities				
Income from trading securities	509,081	43,736	-	-
	509,081	**43,736**	**-**	**-**
8. Other income				
Dividend Income	14,739	36,088	6,537	36,088
Brokerage income	3,000	1,905	3,000	1,905
Interest Income	-	100	-	70
Sundry income	-	9,938	-	9,018
Profit on disposal of property, plant and equipment		18,657	-	18,657
-				
Foreign exhange gain	-	17,000	-	17,000
	36,396	**65,031**	**28,194**	**64,081**
9. Administrative expenses				
Directors' remuneration	-	-	-	-
Employee cost	96,644	120,161	79,638	94,860
Repairs and maintenance	8,591	14,115	8,591	11,241
Bank charges	34	84	34	84
Fuel	378	1,637	378	1,637
Electricity	1,270	723	1,270	723
Rents	21,906	25,204	11,274	11,056
Transport, travelling and hotel accomodation	67,020	81,987	47,682	53,854
Utilities	-	100	-	100
Business development	-	738	-	738
Dues and subscriptions	104	566	104	566
Staff welfare	7,020	27,856	7,020	27,856
Professional charges	21,821	7,356	19,796	5,476
Audit fees	4,000	4,000	1,000	1,000
Security expenses	691	1,250	691	1,250
Printing and stationery	296	645	266	595
Office expenses	101,873	21,044	91,180	7
Loss on disposal of stocks	17,377	43,442	-	-
	349,025	**350,908**	**268,924**	**211,043**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

9.1 Employee cost

Salaries and allowances	73,569	90,915	60,980	71,571
Pension contribution	6,157	8,368	4,934	6,483
Medicals	11,726	14,389	8,532	10,317
Training	5,192	6,489	5,192	6,489
	96,644	**120,161**	**79,638**	**94,860**

9.2 Profit/(loss) before tax is arrived at after charging the following:

Depreciation	1,236	1,364	1,236	1,236
Audit fees	4,000	4,000	1,000	1,000
Employee cost	96,644	120,161	79,638	94,860

10. Cash and cash equivalents

Cash in hand	1,721	42,572	373	373
Bank balances	696,337	8,018	6,384	6,214
Placement with Nigerian banks	394	394	394	394
	698,452	50,984	7,151	6,981
Allowance for doubtful bank balance	-	-	-	-
Total cash and cash equivalents	698,452	50,984	7,151	6,981

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances comprise cash and bank deposits. The carrying amount of these assets is approximately equal to their fair value.

11. Loans and advances

Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
Impairment allowance(11.1)	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,435)
	9,431	9,431	9,431	9,431

11.1 Impairment allowance

At 1 January	3,844,435	3,844,435	3,844,435	3,844,435
At 31 December	3,844,435	3,844,435	3,844,435	3,844,435

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

12. Trade and other receivables

Trade debtors	816,559	911,253	151,495	151,495
Staff loans	48,394	49,844	34,313	34,313
Staff mortgage loans	224,891	224,891	224,891	224,891
	1,089,844	1,185,988	410,699	410,699
Impairment allowance on trade and other receivables	(635,246)	(635,246)	(195,720)	(195,720)
	454,598	**550,742**	**214,979**	**214,979**

12.1 Impairment allowance on trade and other receivables

At 1 January	635,246	635,246	195,720	195,720
At 31 December	635,246	635,246	195,720	195,720

13. Financial investments

13.1 Financial investments comprise:

Equity investments at fair value through profit or loss	12,752,892	12,911,511	12,265,876	12,265,876
	12,752,892	**12,911,511**	**12,265,876**	**12,265,876**

13.1.1 Quoted equity investments

Afromedia Plc	179,989	179,989	-	-
DAAR Communications Plc	217,211	217,211	-	-
	397,200	397,200	-	-
Fair value changes in quoted equity investments	(206,906)	(189,529)	-	-
	190,294	207,671	-	-

13.1.2 Unqoted equity investments

Cetral Securities Clearing System Plc	-	30,443	-	-
Peak Petroleum Limted	5,210,500	5,210,500	5,210,500	5,210,500
FCMB	3,976,644	3,976,644	3,976,644	3,976,644
Schartz Resources Limited	5,921,019	5,921,019	5,921,019	5,921,019
Mutual Funds	-	72,873	-	-
Joint Komputer Kompany Limited	545,280	545,280	-	-
National Association of Securities	-	37,926	-	-
Aquila Capital Limited	50,000	50,000	50,000	50,000
Wingsong M House Palm Oil Investment	332,802	332,802	-	-
	16,036,245	16,177,487	15,158,163	15,158,163
Fair value changes in unquoted equity investments	(3,473,647)	(3,473,647)	(2,892,287)	(2,892,287)
	12,562,598	12,703,841	12,265,876	12,265,876
Carrying amount	**12,752,892**	**12,911,511**	**12,265,876**	**12,265,876**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

13.1.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

13.1.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
14. Other assets				
Sundry receivables	26,673	24,224	13,050	12,050
	26,673	24,224	13,050	12,050
15. Prepayments				
Rent	5,033	5,033	5,033	5,033
Staff housing	464	464	464	464
	5,497	5,497	5,497	5,497
16. Amount due from related party				
BGL Private Equity Limited	219,538	219,538	219,538	219,538
Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
	2,219,538	2,219,538	2,219,538	2,219,538
Impairment allowance	(2,216,486)	(2,216,486)	(2,216,486)	(2,216,486)
	3,052	**3,052**	**3,052**	**3,052**
17. Investment in subsidiaries				
BGL Securities Limited	-	-	7,492,212	7,492,212
BGL Asset Management Limited	-	-	4,078,540	4,078,540
BGL Capital Limited	-	-	500,000	500,000
	-	**-**	**12,070,752**	**12,070,752**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

Investment in subsidiaries are carried at cost

17.1 Subsidiary undertakings

Subsidiary	Location	Interest %	Principal activities
BGL Securities Limited	Nigeria	100.00	Stock broking activities
BGL Asset Management Limited	Nigeria	100.00	Asset management services
BGL Capital Limited	Nigeria	100.00	Investment banking & advisory

17.2 Summary of operating results and financial position

31 December 2019	BGL Securities N'000	BGL Asset Management N'000	BGL Capital Limited N'000
Gross revenue	517,283	-	-
Profit/(loss) after tax	473,095	(10,025)	(25,889)
Total assets	5,562,864	14,146,304	348,330
Total liabilities	4,793,974	10,770,973	207,514
Total equity	768,890	3,375,331	140,816
31 December 2018			
Gross revenue	44,483	203	-
Profit/(loss) after tax	(32,499)	(11,503)	(51,304)
Total assets	5,051,671	14,153,468	373,169
Total liabilities	4,755,876	10,768,112	206,464
Total equity	295,795	3,385,356	166,705

18. Property, plant and equipment

18.1 Group	Leasehold improvement N'000	Plant and equipment N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
Cost or Valuation						
At 1 January 2018	64,429	46,555	353,397	435,144	113,601	1,013,126
At 31 December 2018	64,429	46,555	353,397	435,144	113,601	1,013,126
At 1 January 2019	64,429	46,555	353,397	435,144	113,601	1,013,126
Disposals	(17,842)	(45,872)	(276,517)	(315,025)	(113,601)	(768,857)
At 31 December 2019	46,587	683	76,880	120,119	-	244,269

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2019 *(Cont'd)*

	Leasehold improvement N'000	Plant and equipment N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
Depreciation						
At 1 January 2018	64,425	43,514	353,395	435,142	113,601	1,010,077
Charge for the year	-	1,364	-	-	-	1,364
At 31 December 2018	64,425	44,878	353,395	435,142	113,601	1,011,441
At 1 January 2019	64,425	44,878	353,395	435,142	113,601	1,011,441
Charge for the year	-	1,236	-	-	-	1,236
Eliminated on disposals	(17,839)	(45,431)	(276,517)	(315,025)	(113,601)	(768,413)
At 31 December 2019	46,586	683	76,878	120,117	-	244,264
Carrying amount						
At 31 December 2018	4	1,677	2	2	-	1,685
At 31 December 2019	1	-	2	2	-	5
Cost or Valuation						
At 1 January 2018	17,842	45,872	276,517	315,025	113,601	768,857
At 31 December 2018	17,842	45,872	276,517	315,025	113,601	768,857
At 1 January 2019	17,842	45,872	276,517	315,025	113,601	768,857
Disposals	(17,842)	(45,872)	(276,517)	(315,025)	(113,601)	(768,857)
At 31 December 2019	-	-	-	-	-	-
Depreciation						
At 1 January 2018	17,839	42,959	276,517	315,025	113,601	765,941
Charge for the year	-	1,236	-	-	-	1,236
At 31 December 2018	17,839	44,195	276,517	315,025	113,601	767,177
At 1 January 2019	17,839	44,195	276,517	315,025	113,601	767,177
Charge for the year	-	1,236	-	-	-	1,236
Eliminated on disposal	(17,839)	(45,431)	(276,517)	(315,025)	(113,601)	(768,413)
At 31 December 2019	-	-	-	-	-	-
Carrying amount						
At 31 December 2018	**3**	**1,677**	-	-	-	1,680
At 31 December 2019	-	-	-	-	-	-

	Group		Company	
	31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-19 N'000	31-Dec-18 N'000
19. Deposit liabilities	15,092,914	15,092,914	1,293,387	1,293,387
20. Bank borrowings				
20.1 Bank overdrafts	553,791	547,566	553,791	547,566
	553,791	**547,566**	**553,791**	**547,566**
20.2 Movement				
At 1 January	547,566	541,253	547,566	541,253
Additions/(repayments)	6,225	6,313	6,225	6,313
At 31 December	**553,791**	**547,566**	**553,791**	**547,566**

Bank overdrafts comprises the outstanding balance of N500 million from a margin facility of N1.287 billion from First Bank Plc and overdrawn account of N53.8 million with UBA Plc (31 December 2018: N500 million and N47.6 million respectively).

	Group		**Company**	
	31-Dec-19 N'000	**31-Dec-18 N'000**	**31-Dec-19 N'000**	**31-Dec-18 N'000**
21. Other liabilities				
Trade creditors	964,843	931,697	-	-
Staff Mortgage	572,085	574,660	572,085	574,660
Dividend payable (Note 21.1)	5,887	5,887	4,813	4,813
Short term employee benefit obligation	486,469	476,033	347,536	339,669
Other taxes payable	372,258	365,846	300,720	294,308
Interest payable	585,213	585,213	585,213	585,213
Other sundry creditors	448,650	427,385	398,650	377,385
Contract stamp payable	177,641	177,641	-	-
Accruals	1,229,344	1,105,995	876,481	759,425
	4,842,390	**4,650,357**	**3,085,498**	**2,935,473**
21.1 Dividend payable				
At 1 January	5,887	5,887	4,813	4,813
At 31 December	**5,887**	**5,887**	**4,813**	**4,813**
22. Amount due to related parties				
Due to subsidiaries	-	-	18,383,254	18,298,048
	-	**-**	**18,383,254**	**18,298,048**

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
23. Taxation				
23.1 Tax expense				
Company income tax	-	-	-	-
Education tax	-	-	-	-
	-	-	-	-
Deferred tax				
Deferred tax expense/(credit)	-	-	-	-
Total income tax expense	-	-	-	-
23.2 Tax payable				
At 1 January	252,144	252,144	157,909	157,909
Charge for the year	-	-	-	-
	252,144	252,144	157,909	157,909
Paid during the year	-	-	-	-
At 31 December	**252,144**	**252,144**	**157,909**	**157,909**

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

23.3 Deferred tax				
At 1 January	(10,889)	(10,889)	-	-
At 31 December	(10,889)	(10,889)	-	-

24. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

24.1 Present value of unfunded defined benefit obligations	636,512	636,512	520,414	520,414
Fair value of planned assets	-	-	-	-
Net liability from defined benefit obligations	636,512	636,512	520,414	520,414
24.2 Movement in the present value of defined benefit obligation is as follows:				
At 1 January	636,512	636,512	520,414	520,414
At 31 December	636,512	636,512	520,414	520,414

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	N'000	N'000	N'000	N'000
25. Share capital				
Authorised,				
15,000,000,000 ordinary shares of 50 kobo each				
(2018: 15 billion ordinary shares	**7,500,000**	**7,500,000**	**7,500,000**	**7,500,000**
Issued and fully paid				
15,000,000,000 ordinary shares of 50 kobo each	**7,500,000**	**7,500,000**	**7,500,000**	**7,500,000**
26. Share premium	**36,173,548**	**36,173,548**	**36,173,548**	**36,173,548**
27. Retained earnings				
At 1 January	(51,879,394)	(48,487,083)	(43,280,935)	(40,240,450)
Reclassified from AFS on IFRS 9 adoption	-	(3,148,806)	-	(2,892,287)
Profit/(loss) for the year	195,216	(243,505)	(241,966)	(148,198)
At 31 December	**(51,684,178)**	**(51,879,394)**	**(43,522,901)**	**43,280,935)**
28. Reserves				
28.1 Available for sale reserves (AFS)				
At 1 January	-	(3,148,806)	-	(2,892,287)
Reclassified to profit or loss on IFRS 9 adoption	-	3,148,806	-	2,892,287
At 31 December	-	-	-	-
28.2 Actuarial reserve				
At 1 January	594,368	594,368	444,888	444,888
At 31 December	594,368	594,368	444,888	444,888
29. Directors and employees				
29.1 Chairman and Directors' emoluments				
Emoluments	-	-	-	-
Other Directors	-	-	-	-
	-	-	-	-

No allowances were accrued for the Directors during the year (31 December 2018: Nil).

		Group		Company	
		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
		N'000	N'000	N'000	N'000
		Number	Number	Number	Number
29.2 The number of employees whose emoluments fall within the following ranges were:					
N	N				
60,000	- 999,999	8	8	3	3
1,000,000	- 1,999,999	1	1	1	1
2,000,000	- 2,999,999	-	-	-	-
3,000,000	- 3,999,999	-	-	-	-
4,000,000	- 4,999,999	-	-	-	-
5,000,000	- 5,999,999	-	-	-	-
6,000,000	- 6,999,999	-	-	-	-
	-	**9**	**9**	**4**	**4**
29.3 Average number of persons employed during the year					
Managerial		1	1	1	1
Non-managerial		8	8	3	3
		9	**9**	**4**	**4**
29.4 Staff costs excluding Directors relating to the above:					
Salaries and allowances		73,569	90,915	60,980	71,571
Staff welfare expenses		23,075	29,246	18,658	23,289
		96,644	**120,161**	**79,638**	**94,860**

30. Related party disclosures

30.1 Related party relationships

Entity	*Nature of relationships*
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related Party
Lexcap Partners Limited	Related Party

30.1.1 Group

Balances and transactions with related parties	Nature of transaction	Amount of transaction	Amount due from related party	Amount due to related party
		N'000	N'000	N'000
Entity				
31 December 2019				
BGL Private Equity Limited	Expenses paid on subsidiary's behalf	-	2,219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	4,219,538	-
31 December 2018				
BGL Private Equity Limited	Expenses paid on subsidiary's behalf	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	2,219,538	-

30.1.2 Company

Entity				
31 December 2019				
BGL Private Equity Limited	Expenses paid on subsidiary's behalf	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	88,348	-	13,950,174
BGL Capital Limited	Reimbursable expenses	(7,595)	-	143,682
BGL Securities Limited	Reimbursable expenses	4,453	-	4,289,398
		85,206	**2,219,538**	**18,383,254**
31 December 2018				
BGL Private Equity Limited	Expenses paid on subsidiary's behalf	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	(24,033)	-	13,861,826
BGL Capital Limited	Reimbursable expenses	(5,230)	-	151,277
BGL Securities Limited	Reimbursable expenses	1,707	-	4,284,945
		(27,556)	**2,219,538**	**18,298,048**

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 16 and 22 respectively of the financial statements.

30.1.3 Remumeration of key management personnel

The Directors comprise the key management personnel of the Group. No remuneration was paid to the Directors and neither was any remuneration accrued for their benefits.

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned a ny dividend in respect of their equity imterest in the Company.

31. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

32. Financial risk management

32.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Operational risks

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruptionand cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

32.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

32.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.

iiCompanies that have capacity to add substantially to industrial output.

32.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a. Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b. Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

c. Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d .Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk.

e. Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.

f .Appoint credit officers and delegate approval authorities to individuals and committees.

The Group also as an Executive Management Committee charged with the responsibility of:

a. Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

b .Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c .Recommending to the Board Credit and Investment Committee those projects above its limits.

Financial assets past due but not individually impaired

	Group		Company	
	31-Dec-19 Loans and advances to customers N'000	31-Dec-18 Loans andL advances to customers N'000	31-Dec-19 oans and advances to customers N'000	31-Dec-18 Loans and advances to customers N'000
Past due by more than one year	9,431	9,431	9,431	9,431
	9,431	**9,431**	**9,431**	**9,431**
Financial assets individually impaired				
Gross amount	3,853,866	3,853,866	3,853,866	3,853,866
Allowance for impairment	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,435)
	9,431	**9,431**	**9,431**	**9,431**

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

32.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

32.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

32.3.2 Group residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
Group							
31 December 2019							
Non-derivative assets:							
Cash and cash equivalents	698,452	698,452	698,452	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	454,598	454,598	454,598	-	-	-	-
Financial investments	12,752,892	12,752,892	12,752,892	-	-	-	-
Other assets	26,673	26,673	26,673	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	13,945,097	**13,945,097**	**13,945,097**	-	-	-	-
Non-derivative liabilities:							
Deposit liabilities	15,092,914	15,092,914	15,092,914	-	-	-	-
Loans and advances	553,791	553,791	553,791	-	-	-	-
Other liabilities	4,842,390	4,842,390	4,842,390	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	20,489,095	20,489,095	20,489,095	-	-	-	-
Gap (assets - liabilities)	**(6,543,998)**	**(6,543,998)**	**(6,543,998)**	**-**	**-**	**-**	**-**
31 December 2018							
Non-derivative assets:							
Cash and cash equivalents	50,984	50,984	50,984	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	550,742	550,742	550,742	-	-	-	-
Financial investments	12,911,511	12,911,511	12,911,511	-	-	-	-
Other assets	24,224	24,224	24,224	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	13,549,944	**13,549,944**	**13,549,944**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	15,092,914	15,092,914	15,092,914	-	-	-	-
Loans and advances	547,566	547,566	547,566	-	-	-	-
Other liabilities	4,644,470	4,644,470	4,644,470	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	20,284,951	20,284,951	20,284,951	-	-	-	-
Gap (assets - liabilities)	**(6,735,007)**	**(6,735,007)**	**(6,735,007)**	**-**	**-**	**-**	**-**

32.3.3 Company's residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3 - 12 months N'000	1 - 5 year N'000	> 5 years N'000
Company							
31 December 2019							
Non-derivative assets:							
Cash and cash equivalents	7,151	7,151	7,151	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	214,979	214,979	214,979	-	-	-	-
Financial investments	12,265,876	12,265,876	12,265,876	-	-	-	-
Other assets	13,050	13,050	13,050	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	12,513,538	**12,513,538**	**12,513,538**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	553,791	553,791	553,791	-	-	-	-
Other liabilities	3,085,498	3,085,498	3,085,498	-	-	-	-
Amount due to related parties	8,383,254	18,383,254	18,383,254				
	23,315,930	23,315,930	4,932,676	-	-	-	-
Gap (assets - liabilities)	**(10,802,392)**	**(10,802,392)**	**7,580,862**	**-**	**-**	**-**	**-**
31 December 2018							
Non-derivative assets:							
Cash and cash equivalents	6,981	6,981	6,981	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	214,979	214,979	214,979	-	-	-	-
Financial investments	12,265,876	12,265,876	12,265,876	-	-	-	-
Other assets	12,050	12,050	12,050	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	12,512,369	**12,512,369**	**12,512,369**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	553,791	553,791	553,791	-	-	-	-
Other liabilities	2,935,473	2,935,473	2,935,473	-	-	-	-
Amount due to related parties	18,298,048	18,298,048	18,298,048	-	-	-	-
	23,080,699	23,080,699	4,782,651	-	-	-	-
Gap (assets - liabilities)	**(10,568,330)**	**(10,568,330)**	**7,729,718**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

32.4 Valuation of financial instruments

32.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilties.

Level 2:

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indrectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

		Level 1	**Level 2**	**Level 3**	**Total**
Group	**Note**	**N'000**	**N'000**	**N'000**	**N'000**
31 December 2019					
Quoted investments	13.1.1	190,294	-	-	190,294
Unquoted investments	13.1.2	-	-	12,562,598	12,562,598
		190,294	-	12,562,598	12,752,892
31 December 2018					
Quoted investments	13.1.1	207,671	-	-	207,671
Unquoted investments	13.1.2	-	-	12,703,841	12,703,841
		207,671	-	12,703,841	12,911,511

Company					
31 December 2019					
Quoted investments	13.1.1	-	-	-	-
Unquoted investments	13.1.2	-	-	12,265,876	12,265,876
		-	-	12,265,876	12,265,876
31 December 2018					
Quoted investments	13.1.1	-	-	-	-
Unquoted investments	13.1.2	-	-	12,265,876	12,265,876
		-	-	12,265,876	12,265,876

32.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

Group	Equity investments N'000	Cash & cash equivalents N'000	Loans & receivable N'000	Total carrying amount N'000	Fair value N'000	Amortised Cost N'000
31 December 2019						
Assets						
Cash and cash equivalents	-	698,452	-	698,452	698,452	1,396,903
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	454,598	454,598	-	454,598
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	12,752,892	-	-	12,752,892	12,752,892	-
	12,752,892	**698,452**	**467,081**	**13,918,424**	**13,451,343**	**1,863,984**
Liabilities						
Deposit liabilities	-	-	-	15,092,914	-	15,092,914
Loans and advances	-	-	-	553,791	-	553,791
Other liabilities	-	-	-	4,842,390	-	4,842,390
	-	**-**	**-**	**20,489,095**	**-**	**20,489,095**
31 December 2018						
Assets						
Cash and cash equivalents	-	50,984	-	50,984	50,984	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	550,742	550,742	-	1,101,484
Amount due from related parties	-	-	3,052	3,052	-	6,103
Financial investments	12,911,511	-	-	12,911,511	12,911,511	-
	12,911,511	**50,984**	**563,225**	**13,525,720**	**12,962,496**	**1,117,019**

	Equity investments N'000	Cash & cash equivalents N'000	Loans & receivable N'000	Total carrying amount N'000	Fair value N'000	Amortised Cost N'000
Liabilities						
Deposit liabilities	-	-	-	15,092,914	-	15,092,914
Loans and advances	-	-	-	547,566	-	547,566
Other liabilities	-	-	-	4,650,357	-	4,650,357
	-	**-**	**-**	**20,290,837**	**-**	**20,290,837**
Company						
31 December 2019						
Assets						
Cash and cash equivalents	-	7,151	-	7,151	7,151	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	214,979	214,979	-	214,979
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	12,265,876	-	-	12,265,876	12,265,876	-
	12,265,876	**7,151**	**227,461**	**12,500,488**	**12,273,027**	**227,461**
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	553,791	-	553,791
Other liabilities	-	-	-	3,085,498	-	3,085,498
Amounts due to related parties	-	-	-	18,383,254	-	18,383,254
	-	**-**	**-**	**23,315,930**	**-**	**23,315,930**
31 December 2018						
Assets						
Cash and cash equivalents	-	6,981	-	6,981	6,981	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	214,979	214,979	-	214,979
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	12,265,876	-	-	12,265,876	12,265,876	-
	12,265,876	**6,981**	**227,461**	**12,500,319**	**12,272,857**	**227,461**
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	553,791	-	553,791
Other liabilities	-	-	-	2,935,473	-	2,935,473
Amounts due to related parties	-	-	-	18,298,048	-	18,298,048
	-	**-**	**-**	**23,080,699**	**-**	**23,080,699**

32.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

32.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

32.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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 maximisation 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 is also 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.

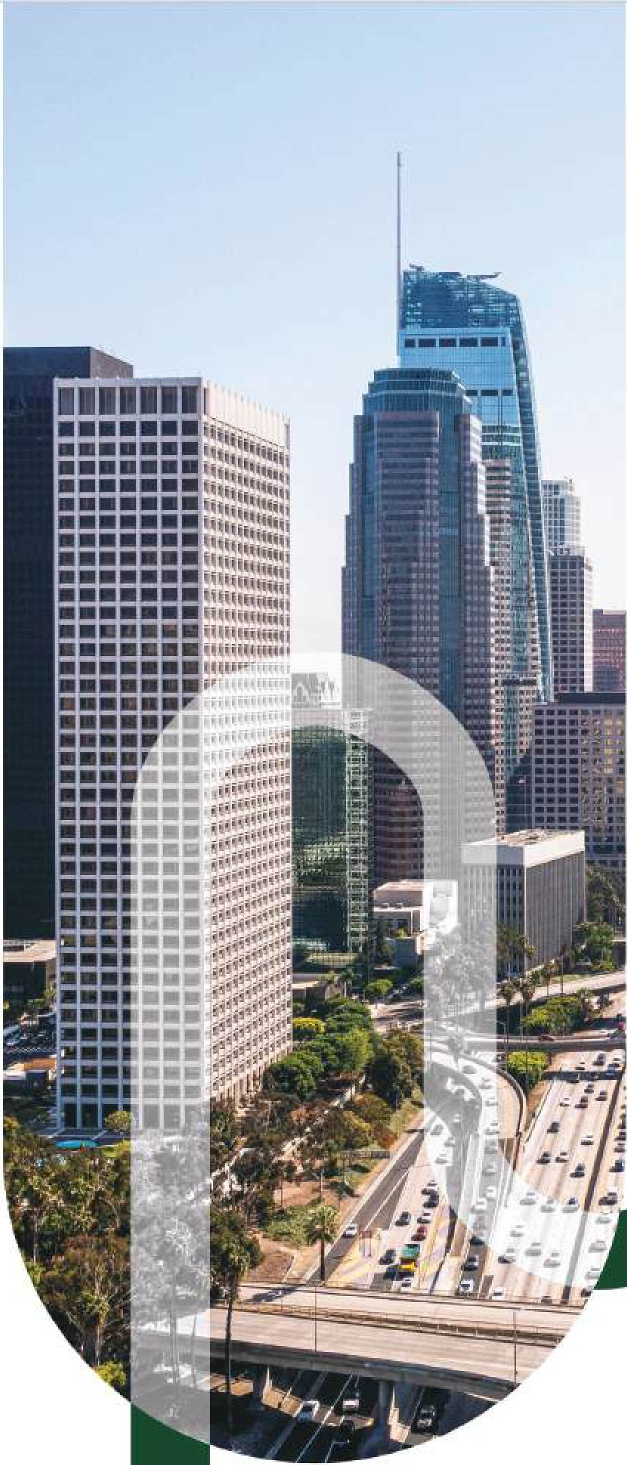
33. Events after the reporting period

The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.

34. Going concern

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC to ensure compliance in all areas of infringement and release of the licenses of the subsidiaries.

Therefore, the Directors have applied the going concern basis in the preparation of these financial statements.



bgl

2020 Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 12.00 noon. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2020 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

Report of the Independent Auditors to the members of BGL Plc - 2020

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2020 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja
E-mail: info@ahmedzakari.com Url: www.ahmedzakari.com

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2020

		Group		Company	
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	Note	N'000	N'000	N'000	N'000
Revenue					
Fees, trading and asset management activities	7	131,330	509,081	-	-
Other income	8	1,327,967	36,396	1,327,698	28,194
Gross revenue		1,459,297	545,477	1,327,698	28,194
Operating Expenses					
Depreciation	18	-	1,236	-	1,236
Other operating expenses	9	291,427	349,025	215,774	268,924
Total expenses		291,427	350,261	215,774	270,160
Profit/(loss) before tax		1,167,870	195,216	1,111,924	(241,966)
Taxation	23	-	-	-	-
Profit/(loss) for the year		1,167,870	195,216	1,111,924	(241,966)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income/(loss) for the year		1,167,870	195,216	1,111,924	(241,966)
Per share data					
Earnings/(loss) per share - Kobo		7.79	1.30	7.41	(1.61)

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated Statement of Financial Position

		Group		Company	
	Note	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-20 N'000	31-Dec-19 N'000
Assets					
Cash and cash equivalents	10.	826,167	698,452	3,532	7,151
Loans and receivables	11.	9,431	9,431	9,431	9,431
Trade and other receivables	12.	454,598	454,598	214,979	214,979
Financial investments	13.	13,967,827	12,752,892	13,506,876	12,265,876
Other assets	14.	36,674	26,673	23,050	13,050
Prepayments	15.	5,497	5,497	5,497	5,497
Amount due from related parties	16.	3,052	3,052	3,052	3,052
Investment in subsidiaries	17.	-	-	12,070,752	12,070,752
Property and equipment	18.	5	5	-	-
Deferred taxation	23.3	10,889	10,889	-	-
Total assets		**15,314,140**	**13,961,489**	**25,837,169**	**24,589,788**
Liabilities and equity					
Liabilities					
Deposit liabilities	19.	15,092,914	15,092,914	1,293,387	1,293,387
Bank borrowings	20.	554,151	553,791	554,151	553,791
Other liabilities	21.	5,026,811	4,842,390	3,237,904	3,085,498
Amount due to related parties	22.	-	-	18,365,945	18,383,254
Tax payable	23.2	252,144	252,144	157,909	157,909
Defined benefit obligation	24.3	636,512	636,512	520,414	520,414
Total liabilities		**21,562,532**	**21,377,751**	**24,129,710**	**23,994,253**
Equity					
Share capital	25.	7,500,000	7,500,000	7,500,000	7,500,000
Share premium	26.	36,173,548	36,173,548	36,173,548	36,173,548
Retained earnings	27.	(50,516,308)	(51,684,178)	(42,410,977)	(43,522,901)
Actuarial reserve	28.1	594,368	594,368	444,888	444,888
Total equity		(6,248,392)	(7,416,262)	1,707,459	595,535
Total liabilities and equity		15,314,140	13,961,489	25,837,169	24,589,788

The audited financial statements were approved by the Directors on 17 December 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Changes in Equity for the Year Ended 31 December 2020

Group	Share capital N'000	Share Premium N'000	Retained Earnings N'000	Actuarial Reserve N'000	Total N'000
At 1 January 2019	7,500,000	36,173,548	(51,879,394)	594,368	(7,611,478)
Comprehensive income for the year:					
Profit for the year	-	-	195,216		195,216
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	195,216	-	195,216
At 31 December 2019	**7,500,000**	**36,173,548**	**(51,684,178)**	**594,368**	**(7,416,262)**
At 1 January 2020	7,500,000	36,173,548	(51,684,178)	594,368	(7,416,262)
Comprehensive income for the year:					
Profit for the year	-	-	1,167,870	-	1,167,870
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	1,167,870	-	1,167,870
At 31 December 2020	7,500,000	36,173,548	(50,516,308)	594,368	(6,248,392)
Company					
At 1 January 2019	7,500,000	36,173,548	(43,280,935)	444,888	837,501
Comprehensive income for the year:					
Loss for the year	-	-	(241,966)	-	(241,966)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	(241,966)	-	(241,966)
At 31 December 2019	**7,500,000**	**36,173,548**	**(43,522,901)**	**444,888**	**595,535**
At 1 January 2020	7,500,000	36,173,548	(43,522,901)	444,888	595,535
Comprehensive income for the year:					
Profit for the year	-	-	1,111,924	-	1,111,924
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	1,111,924	-	1,111,924
At 31 December 2020	**7,500,000**	**36,173,548**	**(42,410,977)**	**444,888**	**1,707,459**

Consolidated & Separate Statements of Cash Flows for the Year Ended 31 December 2020

		Group		Company	
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities					
Profit/(loss) before tax		1,167,870	195,216	1,111,924	(241,966)
Adjustments for non cash items:					
Depreciation	18.2	-	1,236	-	1,236
Profit on disposal of fixed assets	8.	-	(18,657)	-	(18,657)
Dividend income	8.	(82,567)	(14,739)	(82,298)	(6,537)
Cash flows before working capital changes		1,085,303	163,056	1,029,626	(265,924)
Changes in working capital:					
(Increase)/decrease in trade and other receivables	12.	-	96,142	-	-
(Increase)/decrease in other assets	14.	(10,001)	(2,449)	(10,000)	(1,000)
Increase/(decrease) in other liabilites	21.	184,420	192,031	152,406	150,025
Increase/(decrease) in amount due to related party	22.	-	-	(17,309)	85,205
		1,259,722	448,780	1,154,723	(31,694)
Tax paid	23.2	-	-	-	-
Net cash provided/(used) by operating activities		1,259,722	448,780	1,154,723	(31,694)
Cash flows from Investing activities					
Changes in financial assets	13.	(1,214,934)	158,622	(1,241,000)	-
Proceeds of property, plant and equipment disposed		-	19,102	-	19,102
Dividend received	8.	82,567	14,739	82,298	6,537
Net cash provided/(used) by investing activities		(1,132,367)	192,463	(1,158,702)	25,639
Cash flows from financing activities					
Borrowings taken	20.1	360	6,225	360	6,225
Net cash provided by financing activities		360	6,225	360	6,225
Net increase in cash and cash equivalents		127,715	647,468	(3,619)	170
Cash and cash equivalents at the beginning of the year	10.	698,452	50,984	7,151	6,981
Cash and cash equivalents at the end of the year	12.	826,167	698,452	3,532	7,151

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange.

The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission.

1.2 Corporate office

The registered address of the company is located at 12A, Catholic Mission Street, Lagos Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Standard and amendments	Nature of change	effective period of implementation
IAS 37, Provisions, contingent liabilities & contingent assets: Onerous contracts - cost of fulfilling a contract	IAS 37 was amended to clarify what should comprise costs to fulfill a contract. The amendments state that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Those costs include both incremental costs and an allocation of other costs so long as they relate directly to fulfilling contracts.	1 January 2022
IAS 16, Property, plant and equipment (PPE): Proceeds before intended use of PPE	The standard was amended to clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment (PPE) into use. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.	1 January 2023
IAS 1, Presentation of financial statements: Classification of liabilities as current or non-current	IAS 1 was amended to clarify the basis for classifying a liability as current or non current. A liability should be classified as non-current if an entity expects, and has the discretion, to refinance or roll over an obligation for at least twelve months after the reporting period under an existing loan facility with the same lender, on the same or similar terms.	1 January 2023

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

IFRS 17, Insurance contracts Amendments relating to various insurance activities	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the company in anyway as the company does not engage in insurance business.	1 January 2023

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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.

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the

Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.1 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

- Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:
- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

6.4 Foreign currencies

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

6.6.3 Current and deferred taxes for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	Useful life
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.11.1 Financial Asset

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

Amortised cost: Financial assets are measured at amortised cost where:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- 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.

Fair value through other comprehensive income: financial assets are classified and measured at fair value through other comprehensive income where the Company's business model is both to collect contractual cash flows and selling the financial assets when opportunities arise. The contractual cash flows are represented by principal and interest repayments on the financial assets.

Fair value through profit or loss: any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Appropriate reclassifications are made to financial assets when the Company changes its business model for managing a financial asset.

6.11.1.1 Financial assets recognition and measurement

Regular-way purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

Equity investments are initially recognised at their transaction costs and subsequently measured at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortised cost using the effective interest method, less any impairment.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

6.11.1.2 Impairment of financial assets

Impairment of financial assets is based on the application of the expected credit loss model (ECL) in accordance with IFRS 9, Financial Instruments. The measurement of expected credit loss by the Company under IFRS 9 reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the Company considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings. the Company considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

Under IFRS 9, there are three approaches to the measurement of ECL as follows:

a. General approach

b. Purchased or originated credit impaired approach

c. Simplied approach

Under the general approach considerations are given to whether there has been a significant increase in credit risks on the financial assets since initial recognition in which case an impairment loss for lifetime ECL is recognised. Otherwise, if at the reporting date management assesses that the credit risk on the financial asset has not increased significantly since initial recognition, impairment loss for 12 month ECL is recognised. Significamt increase in credit risk is measured using the lifetime probability of default. Financial assets are grouped into 3 stages based on the increase credit risks:

Stage 1: Where credit risk on the financial asset has not increased significantly since intial recognition, 12 month ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

6.11.1.2 Impairment of financial assets

Stage 2: Where credit risk on the financial asset has increased significantly since intial recognition, lifetime ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 3: Where there is evidence that the financial asset is credit impaired based on the occurence of a loss event, lifetime ECL is recognised on the financial asset and interest income is recognised on a net basis.

Purchased or originated credit impaired approach is applied to those financial assets that are credit impaired on initial recognition. These class of assets are categorised as stage 3 and lifetime ECL is calculated. The ECL is adjusted using the credit adjusted effective interest rate.

The simplied approach under the ECL model is based on a provision matrix and involves the following steps:

- Creating groups for trade receivables based on similar credit risks characteristics.
- Collection of historical loss rates data and determining the period of applicability of the data.
- Determination of the expected loss rates for each of the Companys of trade receivables created based on established periods for whch receivables are past due.
- Carry out necessary adjustments on the expected loss rates to reflect the effect of forward looking macro economic conditions expected to exist at the reporting date.
- Determination of the expected credit losses

The Company applies the simplified approach in the calculation of impairment loss on trade receivables.

6.11.1.3 Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

6.11.2 Financial liabilities and equity instruments

6.11.2.1 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

6.11.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.12 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Company discloses transactions with related parties which includes the:

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

6.13 Leases

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

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

A contract is assessed to contain a lease if the following conditions are established:

- There is an identifiable asset in the contract.
- The customer has the right to control the use of the asset throughout the period of the lease in exchange for a consideration to the supplier.
- The customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use.
- The supplier does not have a sunstantive right to substitute the use of the asset throughout the period of use of the asset.

Where the Company is a lessee in the lease contract, the Company recognises a right of use asset and a lease liablity at the inception of the contract. The right of use asset is measured using the cost model provided it:

- is not an investment property and the lessee fair values its investment properties.
- does not relate to a class of propety, plant and equipment to which the lessee applies revaluation model, in which case all right-of-use assets relating to that class of property, plant and equipment can be revalued.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

Where the lease is for a term of 12 months or less and containing no purchase options or the underlying asset has a low value when new such as personal computers or small items of office furniture, the Company accounts for lease payments as an expenses on a straight line basis over the term of the lease except another systematic basis is more reflective of the economic benefits obtainable from utilisation of the leased asset.

The right of use asset and the lease liability are initially measured at the present value of the lease payments payable over the lease term by discounting with the implicit rate of the lease. Where the implicit rate can not be readility determined, the Company shall apply its incremental borrowing rate.

Management has opted to exempt rental payments for its office as they are of a short term nature and not considered material. Also the Company has not entered into any lease contract where it is the lessor.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

		Group		Company	
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
		N'000	N'000	N'000	N'000
7.	**Revenue**				
	Fees, trading and asset management activities				
	Income from trading securities	131,330	509,081	-	-
		131,330	509,081	-	-
8.	**Other income**				
	Dividend Income	82,567	14,739	82,298	6,537
	Brokerage income	250	3,000	250	3,000
	Sundry income	4,141	-	4,141	-
	Profit on disposal of property, plant and equipment	-	18,657	-	18,657
	Foreign exhange gain	1,241,009	-	1,241,009	-
		1,327,967	36,396	1,327,698	28,194
9.	**Administrative expenses**				
	Employee cost	96,801	96,644	83,751	79,638
	Repairs and maintenance	7,936	8,591	7,936	8,591
	Bank charges	295	34	295	34
	Fuel	23	378	23	378
	Electricity	319	1,270	319	1,270
	Rents	23,283	21,906	11,587	11,274
	Transport, travelling and hotel accomodation	103,905	67,020	90,031	47,682
	Utilities	1,421	-	1,421	-
	Dues and subscriptions	55	104	55	104
	Staff welfare	805	7,020	805	7,020
	Professional charges	14,371	21,821	14,371	19,796
	Audit fees	4,000	4,000	1,000	1,000
	Security expenses	1,350	691	1,350	692
	Advertisement	2,664	-	2,664	-
	Printing and stationery	166	296	166	265
	Office expenses	7,968	101,873	-	91,180
	Loss on disposal of stocks	26,065	17,377	-	-
		291,427	349,025	215,774	268,924
9.1	**Employee cost**				
	Salaries and allowances	75,145	73,569	66,093	60,980
	Pension contribution	6,059	6,157	4,586	4,934
	Medicals	10,572	11,726	8,047	8,532
	Training	5,025	5,192	5,025	5,192
		96,801	96,644	83,751	79,638
9.2	**Profit/(loss) before tax is arrived at after charging the following:**				
	Depreciation	-	1,236	-	1,236
	Audit fees	4,000	4,000	1,000	1,000
	Employee cost	96,801	96,644	83,751	79,638

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

		Group		Company	
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
10.	**Cash and cash equivalents**	**N'000**	**N'000**	**N'000**	**N'000**
	Cash in hand	-	1,721	-	373
	Bank balances	826,047	696,337	3,412	6,384
	Placement with Nigerian banks	120	394	120	394
		826,167	698,452	3,532	7,151
	Allowance for doubtful bank balance	-	-	-	-
	Total cash and cash equivalents	**826,167**	**698,452**	**3,532**	**7,151**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances comprise cash and bank deposits. The carrying amount of these assets is approximately equal to their fair value.

11.	**Loans and advances**				
	Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
	Impairment allowance(11.1)	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,435)
		9,431	9,431	9,431	9,431
11.1	**Impairment allowance**				
	At 1 January	3,844,435	3,844,435	3,844,435	3,844,435
	At 31 December	3,844,435	3,844,435	3,844,435	3,844,435
12.	**Trade and other receivables**				
	Trade Debtors	816,559	816,559	151,495	151,495
	Staff loans	48,394	48,394	34,313	34,313
	Staff mortgage loans	224,891	224,891	224,891	224,891
		1,089,844	1,089,844	410,699	410,699
	Impairment allowance on trade and other receivables	(635,246)	(635,246)	(195,720)	(195,720)
		454,598	454,598	214,979	214,979
12.1	**Impairment allowance on trade and other receivables**				
	At 1 January	635,246	635,246	195,720	195,720
	At 31 December	635,246	635,246	195,720	195,720
13.	**Financial investments**				
13.1	*Financial investments comprise:*				
	Equity investments at fair value through profit of loss	13,967,827	12,752,892	13,506,876	12,265,876
		13,967,827	12,752,892	13,506,876	12,265,876
13.1.1	**Quoted equity investments**				
	Afromedia Plc	179,989	179,989	-	-
	DAAR Communications Plc	217,211	217,211	-	-
		397,200	397,200	-	-
	Fair value changes in quoted equity investments	(232,971)	(206,906)	-	-
		164,229	190,294	-	

-

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

		Group		Company	
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
		N'000	N'000	N'000	N'000
13.1.2	**Unqoted equity investments**				
	Peak Petroleum Limted	6,451,500	5,210,500	6,451,500	5,210,500
	FCMB	3,976,644	3,976,644	3,976,644	3,976,644
	Schartz Resources Limited	5,921,019	5,921,019	5,921,019	5,921,019
	Joint Komputer Kompany Limited	545,280	545,280	-	-
	Aquila Capital Limited	50,000	50,000	50,000	50,000
	Wingsong M House Palm Oil Investment	332,802	332,802	-	-
		17,277,245	16,036,245	16,399,163	15,158,163
	Fair value changes in unquoted equity investments	(3,473,647)	(3,473,647)	(2,892,287)	(2,892,287)
		13,803,598	12,562,598	13,506,876	12,265,876
	Carrying amount	**13,967,827**	**12,752,892**	**13,506,876**	**12,265,876**

13.1.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

13.1.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

		Group 31-Dec-20 N'000	Group 31-Dec-19 N'000	Company 31-Dec-20 N'000	Company 31-Dec-19 N'000
14.	**Other assets**				
	Sundry receivables	36,674	26,673	23,050	13,050
		36,674	26,673	23,050	13,050
15.	**Prepayments**				
	Rent	5,033	5,033	5,033	5,033
	Staff housing	464	464	464	464
		5,497	5,497	5,497	5,497
16.	**Amount due from related party**				
	BGL Private Equity Limited	219,538	219,538	219,538	219,538
	Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
		2,219,538	2,219,538	2,219,538	2,219,538
	Impairment allowance	(2,216,486)	(2,216,486)	(2,216,486)	(2,216,486)
		3,052	3,052	3,052	3,052
17.	**Investment in subsidiaries**				
	BGL Securities Limited	-	-	7,492,212	7,492,212
	BGL Asset Management Limited	-	-	4,078,540	4,078,540
	BGL Capital Limited	-	-	500,000	500,000
		-	-	12,070,752	12,070,752

Investment in subsidiaries are carried at cost

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

17.1 Subsidiary undertakings

Subsidiary	Location	Interest %	Principal activities
BGL Securities Limited	Nigeria	100.00	Stock broking activities
BGL Asset Management Limited	Nigeria	100.00	Asset management services
BGL Capital Limited	Nigeria	100.00	Investment banking & advisory

17.2 Summary of operating results and financial position

	BGL Securities Limited	BGL Asset Management Limited	BGL Capital Limited
31 December 2020			
Gross revenue	131,599	-	-
Profit/(loss) after tax	96,833	(7,898)	(32,988)
Total assets	5,688,610	14,140,456	316,391
Total liabilities	4,822,887	10,773,023	208,563
Total equity	865,723	3,367,433	107,828
31 December 2019			
Gross revenue	517,283	-	-
Profit/(loss) after tax	473,095	(10,025)	(25,889)
Total assets	5,562,864	14,146,304	348,330
Total liabilities	4,793,974	10,770,973	207,514
Total equity	768,890	3,375,331	140,816

18. Property, plant and equipment

18.1 Group

	Leasehold improvement N'000	Plant and equipment N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
Cost or Valuation						
At 1 January 2019	64,429	46,555	353,397	435,144	113,601	1,013,126
Disposals	(17,842)	(45,872)	(276,517)	(315,025)	(113,601)	(768,857)
At 31 December 2019	46,587	683	76,880	120,119	-	244,269
At 1 January 2020	46,587	683	76,880	120,119	-	244,269
At 31 December 2020	46,587	683	76,880	120,119	-	244,269
Depreciation						
At 1 January 2019	64,425	44,878	353,395	435,142	113,601	1,011,441
Charge for the year	-	1,236	-	-	-	1,236
Eliminated on disposals	(17,839)	(45,431)	(276,517)	(315,025)	(113,601)	(768,413)
At 31 December 2019	46,586	683	76,878	120,117	-	244,264
At 1 January 2020	46,586	683	76,878	120,117	-	244,264
At 31 December 2020	46,586	683	76,878	120,117	-	244,264
Carrying amount						
At 31 December 2019	**1**	**-**	**2**	**2**	**-**	**5**
At 31 December 2020	**1**	**-**	**2**	**2**	**-**	**5**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

18.2 Company	Leasehold improvement N'000	Plant and equpment N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
At 1 January 2019	17,842	45,872	276,517	315,025	113,601	768,857
Disposals	(17,842)	(45,872)	(276,517)	(315,025)	(113,601)	(768,857)
At 31 December 2019	-	-	-	-	-	-
At 1 January 2020	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2020	-	-	-	-	-	-
Depreciation						
At 1 January 2019	17,839	44,195	276,517	315,025	113,601	767,177
Charge for the year	-	1,236	-	-	-	1,236
Eliminated on disposal	(17,839)	(45,431)	(276,517)	(315,025)	(113,601)	(768,413)
At 31 December 2019	-	-	-	-	-	-
At 1 January 2020	-	-	-	-	-	-
-	-					
Charge for the year	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-
At 31 December 2020	-	-	-	-	-	-
Carrying amount						
At 31 December 2019	-	-	-	-	-	-
At 31 December 2020	-	-	-	-	-	-

		Group 31-Dec-20 N'000	31-Dec-19 N'000	Company 31-Dec-20 N'000	31-Dec-19 N'000
19.	Deposit liabilities	15,092,914	15,092,914	1,293,387	1,293,387
20.	Bank borrowings				
	Bank overdrafts	554,151	553,791	554,151	553,791
		554,151	**553,791**	**554,151**	**553,791**
20.1	Movement				
	At 1 January	553,791	547,566	553,791	547,566
	Additions	360	6,225	360	6,225
	At 31 December	**554,150**	**553,792**	**554,151**	**553,791**

Bank overdrafts comprises the outstanding balance of N500 million from a margin facility of N1.287 billion from First Bank Plc and overdrawn account of N54.1 million with UBA Plc (31 December 2019: N500 million and N53.8 million respectively).

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

		Group		Company	
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
		N'000	N'000	N'000	N'000
21.	**Other liabilities**				
	Trade creditors	988,802	964,843	-	-
	Staff Mortgage	572,085	572,085	572,085	572,085
	Dividend payable (Note 21.1)	5,887	5,887	4,813	4,813
	Short term employee benefit obligation	496,204	486,469	354,842	347,536
	Other taxes payable	378,285	372,258	306,747	300,720
	Interest payable	585,213	585,213	585,213	585,213
	Other sundry creditors	467,041	448,650	417,041	398,650
	Contract stamp payable	177,641	177,641	-	-
	Accruals	1,355,653	1,229,344	997,163	876,481
		5,026,811	4,842,390	3,237,904	3,085,498
21.1	**Dividend payable**				
	At 1 January	5,887	5,887	4,813	4,813
	At 31 December	5,887	5,887	4,813	4,813
22.	**Amount due to related parties**				
	Due to subsidiaries	-	-	18,365,945	18,383,254
		-	**-**	**18,365,945**	**18,383,254**
23.	**Taxation**				
23.1	**Tax expense**				
	Company income tax	-	-	-	-
	Education tax	-	-	-	-
		-	- -	-	
	Deferred tax				
	Deferred tax expense/(credit)	-	-	-	-
	Total income tax expense	-	-	-	-
23.2	**Tax payable**				
	At 1 January	252,144	252,144	157,909	157,909
	Charge for the year	-	-	-	
		252,144	252,144	157,909	157,909
	Paid during the year				
	At 31 December	252,144	252,144	157,909	157,909

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

23.3	**Deferred tax**				
	At 1 January	(10,889)	(10,889)	-	-
	At 31 December	**(10,889)**	**(10,889)**	**-**	**-**

24. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

		Group		Company	
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
		N'000	N'000	N'000	N'000
24.2	Present value of unfunded defined benefit obligations	636,512	636,512	520,414	520,414
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	**636,512**	**636,512**	**520,414**	**520,414**
24.3	Movement in the present value of defined benefit obligation is as follows:				
	At 1 January	636,512	636,512	520,414	520,414
		636,512	636,512	520,414	520,414
25.	**Share capital**				
	Issued and fully paid				
	15,000,000,000 ordinary shares of 50 kobo each	7,500,000	7,500,000	7,500,000	7,500,000
26.	**Share premium**	36,173,548	36,173,548	36,173,548	36,173,548
27.	**Retained earnings**				
	At 1 January	(51,684,178)	(51,879,394)	(43,522,901)	(43,280,935)
	Profit/(loss) for the year	1,167,870	195,216	1,111,924	(241,966)
	At 31 December	(50,516,308)	(51,684,178)	(42,410,977)	(43,522,901)
28.	**Reserves**				
28.1	**Actuarial reserve**				
	At 1 January	594,368	594,368	444,888	444,888
	At 31 December	594,368	594,368	444,888	444,888

29. Directors and employees

29.1	Chairman and Directors' emoluments				
	Emoluments	-	-	-	-
	Other Directors	-	-	-	-
		-	-	-	-

No allowances were accrued for the Directors during the year (31 December 2019: Nil).

29.2 The number of employees whose emoluments fall within the following ranges were:

			Group		Company	
			31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
			N'000	N'000	N'000	N'000
N		N				
60,000	-	999,999	8	8	3	3
1,000,000	-	1,999,999	1	1	1	1
2,000,000	-	2,999,999	-	-	-	-
3,000,000	-	3,999,999	-	-	-	-
4,000,000	-	4,999,999	-	-	-	-
5,000,000	-	5,999,999	-	-	-	-
6,000,000	-	6,999,999	-	-	-	-
-			9	9	4	4

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

29.3	**Average number of persons employed during the year**				
	Managerial	1	1	1	1
	Non-managerial	8	8	3	3
		9	9	4	4
29.4	**Staff costs excluding Directors relating to the above:**				
	Salaries and allowances	75,145	73,569	66,093	60,980
	Staff welfare expenses	21,656	23,075	17,658	18,658
		96,801	**96,644**	**83,751**	**79,638**

30. Related party disclosures

30.1 Related party relationships

Entity	*Nature of relationships*
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related Party
Lexcap Partners Limited	Related Party

30.1.1 Group

Balances and related parties		**Amount of transactions N'000**	**Amount due from related party N'000**	**Amount Due to related party N'000**
Entity				
31 December 2020				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	**2,219,538**	**-**
31 December 2019				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	**2,219,538**	**-**

30.1.2 Company

Entity				
31 December 2020				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	(5,848)	-	13,944,326
BGL Capital Limited	Reimbursable expenses	(5,888)	-	137,793
BGL Securities Limited	Reimbursable expenses	(5,573)	-	4,283,825
		(17,309)	**2,219,538**	**18,365,944**
31 December 2019				
BGL Private Equity Limited	Expenses paid on subsidiary's behalf	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	88,348	-	13,950,174
BGL Capital Limited	Reimbursable expenses	(7,595)	-	143,682
BGL Securities Limited	Reimbursable expenses	4,453	-	4,289,398
		85,206	2,219,538	18,383,254

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 16 and 22 respectively of the financial statements.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

30.1.3 Remumeration of key management personnel

The Directors comprise the key management personnel of the Group. No remuneration was paid to the Directors and neither was any remuneration accrued for their benefits.

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

31. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

32.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Operational risks

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruptionand cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

32.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

32.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

iEnterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.
iiCompanies that have capacity to add substantially to industrial output.

32.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk.

e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.
fAppoint credit officers and delegate approval authorities to individuals and committees.

The Group also as an Executive Management Committee charged with the responsibility of:

a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c Recommending to the Board Credit and Investment Committee those projects above its limits.

Financial assets past due but not individually impaired

	Group		Company	
	31-Dec-20 Loans and advances to customers N'000	**31-Dec-19 Loans and advances to customers N'000**	**31-Dec-20 Loans and advances to customers N'000**	**31-Dec-19 Loans and advances to customers N'000**
Past due by more than one year	9,431	9,431	9,431	9,431
	9,431	**9,431**	**9,431**	**9,431**
Financial assets individually impaired				
Gross amount	3,853,866	3,853,866	3,853,866	3,853,866
Allowance for impairment	(3,844,435)	(3,844,435)	(3,844,435)	(3,844,435)
	9,431	**9,431**	**9,431**	**9,431**

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

32.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

32.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

32.3.2 Group residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
Group							
31 December 2020							
Non-derivative assets:							
Cash and cash equivalents	826,167	826,167	826,167	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	454,598	454,598	454,598	-	-	-	-
Financial investments	13,967,827	13,967,827	13,967,827	-	-	-	-
Other assets	36,674	36,674	36,674	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	15,297,749	**15,297,749**	**15,297,749**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	15,092,914	15,092,914	15,092,914	-	-	-	-
Loans and advances	554,151	554,151	554,151	-	-	-	-
Other liabilities	5,026,811	5,026,811	5,026,811	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	20,673,876	20,673,876	20,673,876	-	-	-	-
Gap (assets - liabilities)	**(5,376,127)**	**(5,376,127)**	**(5,376,127)**	**-**	**-**	**-**	**-**
31 December 2019							
Non-derivative assets:							
Cash and cash equivalents	698,452	698,452	698,452	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	454,598	454,598	454,598	-	-	-	-
Financial investments	12,752,892	12,752,892	12,752,892	-	-	-	-
Other assets	26,673	26,673	26,673	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	13,945,097	**13,945,097**	**13,945,097**	**-**	**-**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
Non-derivative liabilities:							
Deposit liabilities	15,092,914	15,092,914	15,092,914	-	-	-	-
Loans and advances	553,791	553,791	553,791	-	-	-	-
Other liabilities	4,842,390	4,842,390	4,842,390	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	20,489,095	20,489,095	20,489,095	-	-	-	-
Gap (assets - liabilities)	(6,543,998)	(6,543,998)	(6,543,998)	-	-	-	-

32.3.3 Company's residual contractual maturities of financial assets and liabilities

Company

31 December 2020

Non-derivative assets:							
Cash and cash equivalents	3,532	3,532	3,532	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	214,979	214,979	214,979	-	-	-	-
Financial investments	13,506,876	13,506,876	13,506,876	-	-	-	-
Other assets	23,050	23,050	23,050	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	13,760,920	13,760,920	13,760,920	-	-	-	-
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	554,151	554,151	554,151	-	-	-	-
Other liabilities	3,237,904	3,237,904	3,237,904	-	-	-	-
Amount due to related parties	18,365,945	18,365,945	18,365,945	-	-	-	-
	23,451,387	23,451,387	5,085,442	-	-	-	-
Gap (assets - liabilities)	(9,690,467)	(9,690,467)	8,675,478	-	-	-	-
31 December 2019							
Non-derivative assets:							
Cash and cash equivalents	7,151	7,151	7,151	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	214,979	214,979	214,979	-	-	-	-
Financial investments	12,265,876	12,265,876	12,265,876	-	-	-	-
Other assets	13,050	13,050	13,050	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	12,513,538	12,513,538	12,513,538	-	-	-	-
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	553,791	553,791	553,791	-	-	-	-
Other liabilities	3,085,498	3,085,498	3,085,498	-	-	-	-
Amount due to related parties	18,383,254	18,383,254	18,383,254				
	23,315,930	23,315,930 2	3,315,930	-	-	-	-
Gap (assets - liabilities)	(10,802,392)	(10,802,392)	(10,802,392)	-	-	-	-

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

32.4 Valuation of financial instruments

32.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

Level 2:
Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
31 December 2020					
Quoted investments	13.1.1	164,229	-	-	164,229
Unquoted investments	13.1.2	-	-	13,803,598	13,803,598
		164,229	-	13,803,598	13,967,827
31 December 2019					
Quoted investments	13.1.1	190,294	-	-	190,294
Unquoted investments	13.1.2	-	-	12,562,598	12,562,598
		190,294	-	12,562,598	12,752,892
Company					
31 December 2020					
Unquoted investments	13.1.2	-	-	13,506,876	13,506,876
		-	-	13,506,876	13,506,876
31 December 2019					
Unquoted investments	13.1.2	-	-	12,265,876	12,265,876
		-	-	12,265,876	12,265,876

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

32.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

Group	Equity investments N'000	Cash and Cash equivalent N'000	Loans & receivable N'000	Total carrying amount N'000	Favour Value N'000	Amortised Cost N'000
31 December 2020						
Assets						
Cash and cash equivalents	-	826,167	-	826,167	826,167	1,652,334
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	454,598	454,598	-	454,598
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	13,967,827	-	-	13,967,827	13,967,827	-
	13,967,827	**826,167**	**467,081**	**15,261,075**	**14,793,994**	**2,119,415**
Liabilities						
Deposit liabilities	-	-	-	15,092,914	-	15,092,914
Loans and advances	-	-	-	554,151	-	554,151
Other liabilities	-	-	-	5,026,811	-	5,026,811
	-	**-**	**-**	**20,673,876**	**-**	**20,673,876**
31 December 2019						
Assets						
Cash and cash equivalents	-	698,452	-	698,452	698,452	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	454,598	454,598	-	909,196
Amount due from related parties	-	-	3,052	3,052	-	6,103
Financial investments	12,752,892	-	-	12,752,892	12,752,892	-
	12,752,892	**698,452**	**467,081**	**13,918,424**	**13,451,343**	**924,731**
Liabilities						
Deposit liabilities	-	-	-	15,092,914	-	15,092,914
Loans and advances	-	-	-	553,791	-	553,791
Other liabilities	-	-	-	4,842,390	-	4,842,390
	-		**-**	**20,489,095**	**-**	**20,489,095**
Company						
31 December 2020						
Assets						
Cash and cash equivalents	-	3,532	-	3,532	3,532	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	214,979	214,979	-	214,979
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	13,506,876	-	-	13,506,876	13,506,876	-
	13,506,876	3,532	227,461	13,737,870	13,510,409	227,461
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	554,151	-	554,151
Other liabilities	-	-	-	3,237,904	-	3,237,904
Amounts due to related parties	-	-	-	18,365,945	-	18,365,945
	-	-	-	23,451,387	-	23,451,387

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

31 December 2019						
Assets						
Cash and cash equivalents	-	7,151	-	7,151	7,151	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	214,979	214,979	-	214,979
Amount due from related parties	-	-	3,052	3,052	-	3,052
Financial investments	12,265,876	-	-	12,265,876	12,265,876	-
	12,265,876	**7,151**	**227,461**	**12,500,488**	**12,273,027**	**227,461**
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	553,791	-	553,791
Other liabilities	-	-	-	3,085,498	-	3,085,498
Amounts due to related parties	-	-	-	18,383,254	-	18,383,254
	-	-	-	23,315,930	-	23,315,930

32.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.
The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2020 (Cont'd)

32.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

32.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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 maximisation 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 is also 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.

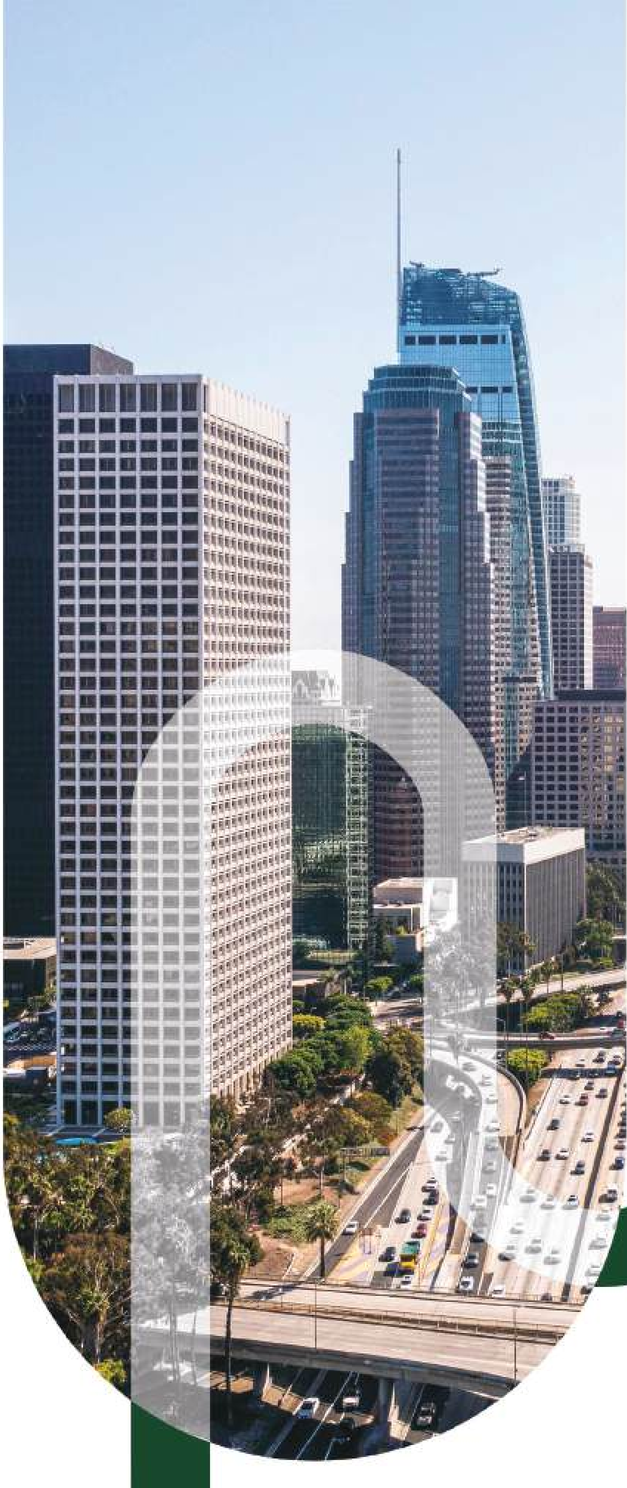
33. Events after the reporting period

The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.

34. Going concern

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC to ensure compliance in all areas of infringement and release of the licenses of the subsidiaries.

Therefore, the Directors have applied the going concern basis in the preparation of these financial statements.



2021 Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 12.20 p.m. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2021 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

Report of the Independent Auditors to the members of BGL Plc - 2021

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2021 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja
E-mail: info@ahmedzakari.com Url: www.ahmedzakari.com

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2021

		Groupz		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Note	N'000	N'000	N'000	N'000
Revenue					
Fees, trading and asset management activities	7.	109,520	131,330	-	-
Other income	8.	652,389	1,327,967	651,975	1,327,698
Gross revenue		761,909	1,459,297	651,975	1,327,698
Operating expenses					
Other operating expenses	9.	298,751	291,427	206,358	215,774
Impairment charge	9.2	12,483	-	12,483	-
Total expenses		311,234	291,427	218,841	215,774
Profit before tax		450,675	1,167,870	433,134	1,111,924
Taxation	23.	-	-	-	-
Profit for the year		**450,675**	**1,167,870**	**433,134**	**1,111,924**
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		**450,675**	**1,167,870**	**433,134**	**1,111,924**
Per share data					
Earnings per share - Kobo		3.00	7.79	2.89	7.41

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at 31 December 2021

	Note	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Assets					
Cash and cash equivalents	10.	939,340	826,167	7,286	3,532
Loans and receivables	11.	-	9,431	-	9,431
Trade and other receivables	12.	239,619	454,598	-	214,979
Financial investments	13.	14,493,740	13,967,827	14,076,231	13,506,876
Other assets	14.	36,674	36,674	23,050	23,050
Prepayments	15.	5,497	5,497	5,497	5,497
Amount due from related parties	16.	-	3,052	-	3,052
Investment in subsidiaries	17.	-	-	12,070,752	12,070,752
Property and equipment	22.	5	5	-	-
Deferred taxation	23.3	10,889	10,889	-	-
Total assets		**15,725,764**	**15,314,140**	**26,182,816**	**25,837,169**
Liabilities and equity					
Liabilities					
Deposit liabilities	19.	15,092,914	15,092,914	1,293,387	1,293,387
Bank borrowings	20	562,704	554,151	562,704	554,151
Other liabilities	21.	4,979,207	5,026,811	3,161,735	3,237,904
Amount due to related parties	22.	-	-	18,346,074	18,365,945
Tax payable	23.2	252,144	252,144	157,909	157,909
Defined benefit obligation	24.2	636,512	636,512	520,414	520,414
Total liabilities		**21,523,481**	**21,562,532**	**24,042,223**	**24,129,710**
Equity					
Share capital	25.	7,500,000	7,500,000	7,500,000	7,500,000
Share premium	26.	36,173,548	36,173,548	36,173,548	36,173,548
Retained earnings	27.	(50,065,633)	(50,516,308)	(41,977,843)	(42,410,977)
Actuarial reserve	28.1	594,368	594,368	444,888	444,888
Total equity		(5,797,717)	(6,248,392)	2,140,593	1,707,459
Total liabilities and equity		**15,725,764**	**15,314,140**	**26,182,816**	**25,837,169**

The audited financial statements were approved by the Directors on 17 December 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Changes in Equity for the year ended 31 December 2021

Group	Share capital N'000	Share Premium N'000	Retained Earnings N'000	Actuarial Reserve N'000	Total N'000
At 1 January 2020	7,500,000	36,173,548	(51,684,178)	594,368	(7,416,262)
Comprehensive income for the year:					
Profit for the year	-	-	1,167,870	1,167,870	
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	1,167,870	-	
1,167,870					
At 31 December 2020	**7,500,000**	**36,173,548**	**(50,516,308)**	**594,368**	**(6,248,392)**
At 1 January 2021	7,500,000	36,173,548	(50,516,308)	594,368	(6,248,392)
Comprehensive income for the year:					
Profit for the year	-	-	450,675	-	450,675
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	450,675	-	450,675
At 31 December 2021	**7,500,000**	**36,173,548**	**(50,065,633)**	**594,368**	**(5,797,717)**

Company	Share capital N'000	Share Premium N'000	Retained Earnings N'000	Actuarial Reserve N'000	Total N'000
At 1 January 2020	7,500,000	36,173,548	(43,522,901)	444,888	595,535
Comprehensive income for the year:					
Profit for the year	-	-	1,111,924	-	1,111,924
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	1,111,924	-	1,111,924
At 31 December 2020	**7,500,000**	**36,173,548**	**(42,410,977)**	**444,888**	**1,707,459**
At 1 January 2021	7,500,000	36,173,548	(42,410,977)	444,888	1,707,459
Comprehensive income for the year:					
Profit for the year	-	-	433,134	-	433,134
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	433,134	-	433,134
At 31 December 2021	**7,500,000**	**36,173,548**	**(41,977,843)**	**444,888**	**2,140,593**

Consolidated & Separate Statements of Cash Flows for the year ended 31 December 2021

		Groupz		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Note	N'000	N'000	N'000	N'000
Cash flows from operating activities					
Profit before tax		450,675	1,167,870	433,134	1,111,924
Adjustments for non cash items:					
Dividend income	8.	(59,798)	(82,567)	(59,384)	(82,298)
Impairment charge	11.1	9,431	-	9,431	-
Write back of impairment allowance	12.1	(448)	-	(448)	-
Cash flows before working capital changes		399,860	1,085,303	382,733	1,029,626
Changes in working capital:					
(Increase)/decrease in trade and other receivables	12.	215,427	-	215,427	-
(Increase)/decrease in other assets	14.	-	(10,001)	-	(10,000)
Increase in amount due from related party	16.	3,052	-	3,052	-
Increase in deposit liabilities	19.	-	-	-	-
Increase/(decrease) in other liabilites	21.	(47,604)	184,420	(76,169)	152,406
Increase/(decrease) in amount due to related party	22.	-	-	(19,871)	(17,309)
		570,735	1,259,722	505,172	1,154,723
Tax paid	23.2	-	-	-	-
Net cash provided by operating activities		570,735	1,259,722	505,172	1,154,723
Cash flows from investing activities					
Changes in financial assets	13.	(525,913)	(1,214,934)	(569,355)	(1,241,000)
Dividend received	8.	59,798	82,567	59,384	82,298
Net cash used by investing activities		(466,115)	(1,132,367)	(509,971)	(1,158,702)
Cash flows from financing activities					
Borrowings taken	20.1	8,553	360	8,553	360
Net cash provided by financing activities		8,553	360	8,553	360
Net increase in cash and cash equivalents		113,173	127,715	3,754	(3,619)
Cash and cash equivalents at the beginning of the year	12.	826,167	698,452	3,532	7,151
Cash and cash equivalents at the end of the year	12.	**939,340**	**826,167**	**7,286**	**3,532**

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange.

The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission.

1.2 Corporate office

The registered address of the company is located at 12A, Catholic Mission Street, Lagos Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

Standard and amendments	Nature of change	effective period of implementation
IAS 37, Provisions, contingent liabilities & contingent assets: Onerous contracts - cost of fulfilling a contract	IAS 37 was amended to clarify what should comprise costs to fulfill a contract. The amendments state that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Those costs include both incremental costs and an allocation of other costs so long as they relate directly to fulfilling contracts.	1 January 2022
IAS 16, Property, plant and equipment (PPE): Proceeds before intended use of PPE	The standard was amended to clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment (PPE) into use. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.	1 January 2023
IAS 1, Presentation of financial statements: Classification of liabilities as current or non-current	IAS 1 was amended to clarify the basis for classifying a liability as current or non current. A liability should be classified as non-current if an entity expects, and has the discretion, to refinance or roll over an obligation for at least twelve months after the reporting period under an existing loan facility with the same lender, on the same or similar terms.	1 January 2023
IFRS 17, Insurance contracts Amendments relating to various insurance activities	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the company in anyway as the company does not engage in insurance business.	1 January 2023

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

6.2 Presentation of financial statements

BGL Plc 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.

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.2 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

6.6.2 Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised."

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

6.6.3 Current and deferred taxes for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	Useful life
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.11.1Financial Asset

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

Amortised cost: Financial assets are measured at amortised cost where:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- 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.

Fair value through other comprehensive income: financial assets are classified and measured at fair value through other comprehensive income where the Company's business model is both to collect contractual cash flows and selling the financial assets when opportunities arise. The contractual cash flows are represented by principal and interest repayments on the financial assets.

Fair value through profit or loss: any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

Appropriate reclassifications are made to financial assets when the Company changes its business model for managing a financial asset.

6.11.1.1 Financial assets recognition and measurement

Regular-way purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value

Equity investments are initially recognised at their transaction costs and subsequently measured at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortised cost using the effective interest method, less any impairment.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

6.11.1.2 Impairment of financial assets

Impairment of financial assets is based on the application of the expected credit loss model (ECL) in accordance with IFRS 9, Financial Instruments. The measurement of expected credit loss by the Company under IFRS 9 reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the Company considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings. the Company considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

Under IFRS 9, there are three approaches to the measurement of ECL as follows:

a. General approach
b. Purchased or originated credit impaired approach
c. Simplied approach

Under the general approach considerations are given to whether there has been a significant increase in credit risks on the financial assets since initial recognition in which case an impairment loss for lifetime ECL is recognised. Otherwise, if at the reporting date management assesses that the credit risk on the financial asset has not increased significantly since initial recognition, impairment loss for 12 month ECL is recognised. Significamt increase in credit risk is measured using the lifetime probability of default. Financial assets are grouped into 3 stages based on the increase credit risks:

Stage 1: Where credit risk on the financial asset has not increased significantly since intial recognition, 12 month ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 2: Where credit risk on the financial asset has increased significantly since intial recognition, lifetime ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 3: Where there is evidence that the financial asset is credit impaired based on the occurence of a loss event, lifetime ECL is recognised on the financial asset and interest income is recognised on a net basis.

Purchased or originated credit impaired approach is applied to those financial assets that are credit impaired on initial recognition. These class of assets are categorised as stage 3 and lifetime ECL is calculated. The ECL is adjusted using the credit adjusted effective interest rate.

The simplied approach under the ECL model is based on a provision matrix and involves the following steps:

- Creating groups for trade receivables based on similar credit risks characteristics.
- Collection of historical loss rates data and determining the period of applicability of the data.
- Determination of the expected loss rates for each of the Companys of trade receivables created based on established periods for whch receivables are past due.
- Carry out necessary adjustments on the expected loss rates to reflect the effect of forward looking macro economic conditions expected to exist at the reporting date.
- Determination of the expected credit losses

The Company applies the simplified approach in the calculation of impairment loss on trade receivables.

6.11.1.3 Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

On derecognition of a financial asset other than in its entirety (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

6.11.2 Financial liabilities and equity instruments

6.11.2.1 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

6.11.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.12 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Company discloses transactions with related parties which includes the

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

6.13 Leases

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

A contract is assessed to contain a lease if the following conditions are established:

- There is an identifiable asset in the contract.
- The customer has the right to control the use of the asset throughout the period of the lease in exchange for a consideration to the supplier.
- The customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use.
- The supplier does not have a sunstantive right to substitute the use of the asset throughout the period of use of the asset.

Where the Company is a lessee in the lease contract, the Company recognises a right of use asset and a lease liablity at the inception of the contract. The right of use asset is measured using the cost model provided it:

- is not an investment property and the lessee fair values its investment properties.
- does not relate to a class of propety, plant and equipment to which the lessee applies revaluation model, in which case all right-of-use assets relating to that class of property, plant and equipment can be revalued.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

Where the lease is for a term of 12 months or less and containing no purchase options or the underlying asset has a low value when new such as personal computers or small items of office furniture, the Company accounts for lease payments as an expenses on a straight line basis over the term of the lease except another systematic basis is more reflective of the economic benefits obtainable from utilisation of the leased asset.

The right of use asset and the lease liability are initially measured at the present value of the lease payments payable over the lease term by discounting with the implicit rate of the lease. Where the implicit rate can not be readility determined, the Company shall apply its incremental borrowing rate.

Management has opted to exempt rental payments for its office as they are of a short term nature and not considered material. Also the Company has not entered into any lease contract where it is the lessor.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
7.	**Revenue**	**N'000**	**N'000**	**N'000**	**N'000**
	Fees, trading and asset management activities				
	Income from trading securities	109,520	131,330	-	-
		109,520	**131,330**	**-**	**-**
8.	**Other income**				
	Dividend Income	59,798	82,567	59,384	82,298
	Brokerage income	20,899	250	20,899	250
	Sundry income	2,359	4,141	2,359	4,141
	Foreign exhange gain	569,333	1,241,009	569,333	1,241,009
		652,389	**1,327,967**	**651,975**	**1,327,698**
9.	**Administrative expenses**				
	Employee cost	75,768	96,801	64,105	83,751
	Repairs and maintenance	10,045	7,936	10,045	7,936
	Bank charges	184	295	184	295
	Fuel	97	23	97	23
	Electricity	510	319	510	319
	Rents	32,982	23,283	13,684	11,587
	Transport, travelling and hotel accomodation	78,478	103,905	65,935	90,031
	Utilities	-	1,421	-	1,421
	Dues and subscriptions	852	55	852	55
	Staff welfare	21,878	805	21,878	805
	Professional charges	10,651	14,371	10,401	14,371
	Audit fees	4,000	4,000	1,000	1,000
	Security expenses	1,167	1,350	1,167	1,350
	Advertisement	-	2,664	-	2,664
	Printing and stationery	1,500	166	1,500	166
	Office expenses	2,197	7,968	-	-
	Loss on disposal of investments	43,442	26,065	-	-
	Penalties	15,000	-	15,000	-
		298,751	**291,427**	**206,358**	**215,774**
9.1	**Employee cost**				
	Salaries and allowances	54,278	75,145	46,300	66,093
	Pension contribution	4,610	6,059	3,286	4,586
	Medicals	8,363	10,572	6,002	8,047
	Training	8,517	5,025	8,517	5,025
		75,768	**96,801**	**64,105**	**83,751**
9.2	**Impairment charge**				
	Amount due from related parties	3,052	-	3,052	-
	Trade and other receivables	9,431	-	9,431	-
		12,483	-	12,483	-
9.3	**Profit/(loss) before tax is arrived at after charging the following:**				
	Audit fees	4,000	4,000	1,000	1,000
	Employee cost	**75,768**	**96,801**	**64,105**	**83,751**

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		N'000	N'000	N'000	N'000
10.	**Cash and cash equivalents**				
	Bank balances	939,220	826,047	7,166	3,413
	Placement with Nigerian banks	120	120	120	120
		939,340	826,167	7,286	3,532
	Allowance for doubtful bank balance	-	-	-	-
	Total cash and cash equivalents	**939,340**	**826,167**	**7,286**	**3,532**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances comprise cash and bank deposits. The carrying amount of these assets is approximately equal to their fair value.

		Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
11.	Loans and advances				
	Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
	Impairment allowance(11.1)	(3,853,866)	(3,844,435)	(3,853,866)	(3,844,435)
		-	**9,431**	**-**	**9,431**
11.1	**Impairment allowance**				
	At 1 January	3,844,435	3,844,435	3,844,435	3,844,435
	Additional impairment charge	9,431	-	9,431	-
	At 31 December	3,853,866	3,844,435	3,853,866	3,844,435
12.	**Trade and other receivables**				
	Trade Debtors	816,559	816,559	151,495	151,495
	Staff loans	48,394	48,394	34,313	34,313
	Staff mortgage loans	9,464	224,891	9,464	224,891
		874,417	1,089,844	195,272	410,699
	Impairment allowance on trade and other receivables	(634,798)	(635,246)	(195,272)	(195,720)
		239,619	**454,598**	**-**	**214,979**
12.1	**Impairment allowance on trade and other receivables**				
	At 1 January	635,246	635,246	195,720	195,720
	Impairment write back during the year	(448)	-	(448)	-
	At 31 December	**634,798**	**635,246**	**195,272**	**195,720**

Impairment allowance written back is included in sundry income in note 8.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		N'000	N'000	N'000	N'000
13.	**Financial investments**				
13.1	Financial investments comprise:				
	Equity investments at fair value through profit of loss	14,493,740	13,967,827	14,076,231	13,506,876
		14,493,740	**13,967,827**	**14,076,231**	**13,506,876**
13.1.1	**Quoted equity investments**				
	Afromedia Plc	179,989	179,989	-	-
	DAAR Communications Plc	217,211	217,211	-	-
		397,200	397,200	-	-
	Fair value changes in quoted equity investments	(276,413)	(232,971)	-	-
		120,787	**164,229**	**-**	**-**
13.1.2	**Unqoted equity investments**				
	Peak Petroleum Limted	7,020,830	6,451,500	7,020,830	6,451,500
	FCMB	3,976,644	3,976,644	3,976,644	3,976,644
	Schartz Resources Limited	5,921,044	5,921,019	5,921,044	5,921,019
	Joint Komputer Kompany Limited	545,280	545,280	-	-
	Aquila Capital Limited	50,000	50,000	50,000	50,000
	Wingsong M House Palm Oil Investment	332,802	332,802	-	-
		17,846,600	17,277,245	16,968,518	16,399,163
	Fair value changes in unquoted equity investments	(3,4473,647)	(3,473,647)	(2,892,287)	(2,892,287)
		14,372,953	13,803,598	14,076,231	13,506,876
	Carrying amount	**14,493,740**	**13,967,827**	**14,076,231**	**13,506,876**

13.1.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

13.1.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		N'000	N'000	N'000	N'000
14.	**Other assets**				
	Sundry receivables	36,674	36,674	23,050	23,050
		36,674	**36,674**	**23,050**	**23,050**
15.	**Prepayments**				
	Rent	5,033	5,033	5,033	5,033
	Staff housing	464	464	464	464
		5,497	**5,497**	**5,497**	**5,497**
16.	**Amount due from related party**				
	BGL Private Equity Limited	-	219,538	-	219,538
	Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
		2,000,000	2,219,538	2,000,000	2,219,538
	Impairment allowance	(2,000,000)	(2,216,486)	(2,000,000)	(2,216,486)
		-	**3,052**	**-**	**3,052**
17.	**Investment in subsidiaries**				
	BGL Securities Limited	-	-	7,492,212	7,492,212
	BGL Asset Management Limited	-	-	4,078,540	4,078,540
	BGL Capital Limited	-	-	500,000	500,000
		-	**-**	**12,070,752**	**12,070,752**

Investment in subsidiaries are carried at cost

17.1 Subsidiary undertakings

Subsidiary	Location	Interest %	Principal activities
BGL Securities Limited	Nigeria	100.00	Stock broking activities
BGL Asset Management Limited	Nigeria	100.00	Asset management services
BGL Capital Limited	Nigeria	100.00	Investment banking & advisory

17.2 Summary of operating results and financial position

	BGL Securities Ltd	BGL Asset Management Ltd	BGL Capital Limited
	N'000	N'000	N'000
31 December 2021			
Gross revenue	109,934	-	-
Profit/(loss) after tax	77,840	(8,483)	(51,817)
Total assets	5,791,916	14,134,023	265,625
Total liabilities	4,848,353	10,775,073	209,614
Total equity	943,563	3,358,950	56,011
31 December 2020			
Gross revenue	131,599	-	-
Profit/(loss) after tax	96,833	(7,898)	(32,988)
Total assets	5,688,610	14,140,456	316,391
Total liabilities	4,822,887	10,773,023	208,563
Total equity	865,723	3,367,433	107,828

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

18. Property, plant and equipment

18.1 Company	Leasehold improvement N'000	Plant and equpment N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
Cost or Valuation						
At 1 January 2020	46,587	683	76,880	120,119	-	244,269
At 31 December 2020	46,587	683	76,880	120,119	-	244,269
At 1 January 2021	46,587	683	76,880	120,119	-	244,269
At 31 December 2021	46,587	683	76,880	120,119	-	244,269
Depreciation						
At 1 January 2020	46,586	683	76,878	120,117	-	244,264
At 31 December 2020	46,586	683	76,878	120,117	-	244,264
At 1 January 2021	46,586	683	76,878	120,117	-	244,264
At 31 December 2021	46,586	683	76,878	120,117	-	244,264
Carrying amount						
At 31 December 2020	**1**	**-**	**2**	**2**	**-**	**5**
At 31 December 2021	**1**	**-**	**2**	**2**	**-**	**5**

		Group		Company	
		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
19.	**Deposit liabilities**	**15,092,914**	**15,092,914**	**1,293,387**	**1,293,387**
20	**Bank borrowings**				
	Bank overdrafts	562,704	554,151	562,704	554,151
		562,704	**554,151**	**562,704**	**554,151**
20.1	**Movement**				
	At 1 January	554,151	553,791	554,151	553,791
	Additions	8,553	360	8,553	360
	At 31 December	**562,703**	**554,151**	**562,704**	**554,151**

Bank overdrafts comprises the outstanding balance of N500 million from a margin facility of N1.287 billion from First Bank Plc and overdrawn account of N62.7 million with UBA Plc (31 December 2020: N500 million and N54.1 million respectively).

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		N'000	N'000	N'000	N'000
21.	**Other liabilities**				
	Trade creditors	1,009,722	988,802	-	
-					
	Staff Mortgage	351,354	572,085	351,354	572,085
	Dividend payable (Note 21.1)	5,887	5,887	4,813	4,813
	Short term employee benefit obligation	503,660	496,204	360,114	354,842
	Other taxes payable	381,931	378,285	310,393	306,747
	Interest payable	585,213	585,213	585,213	585,213
	Other sundry creditors	482,771	467,041	432,771	417,041
	Contract stamp payable	177,641	177,641	-	-
	Accruals	1,481,028	1,355,653	1,117,077	997,163
		4,979,207	**5,026,811**	**3,161,735**	**3,237,904**
21.1	**Dividend payable**				
	At 1 January	5,887	5,887	4,813	4,813
	At 31 December	**5,887**	**5,887**	**4,813**	**4,813**
22.	**Amount due to related parties**				
	Due to subsidiaries	-	-	18,346,074	18,365,945
		-	**-**	**18,346,074**	**18,365,945**
23.	**Taxation**				
23.1	**Tax expense**				
	Company income tax	-	-	-	-
	Education tax	-	-	-	-
		-	-	-	-
	Deferred tax				
	Deferred tax expense/(credit)	-	-	-	-
	Total income tax expense	**-**	**-**	**-**	-
23.2	**Tax payable**				
	At 1 January	252,144	252,144	157,909	157,909
	Charge for the year	-	-	-	
		252,144	252,144	157,909	157,909
	Paid during the year	-	-	-	-
	At 31 December	252,144	252,144	157,909	157,909

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

		Group		Company	
23.3	**Deferred tax**				
	At 1 January	(10,889)	(10,889)	-	-
	At 31 December	(10,889)	(10,889)	-	-

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

24. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

		Group		Company	
		31-Dec-21	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
		N'000	**N'000**	**N'000**	**N'000**
24.1	Present value of unfunded defined benefit obligation	636,512	636,512	520,414	520,414
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	636,512	636,512	520,414	520,414
24.2	**Movement in the present value of defined benefit obligation is as follows:**				
	At 1 January	636,512	636,512	520,414	520,414
	At 31 December	636,512	636,512	520,414	520,414
25.	**Share capital**				
	Issued and fully paid				
	15,000,000,000 ordinary shares of 50 kobo each	7,500,000	7,500,000	7,500,000	7,500,000
26.	**Share premium**	**36,173,548**	**36,173,548**	**36,173,548**	**36,173,548**
27.	**Retained earnings**				
	At 1 January	(50,516,308)	(51,684,178)	(42,410,977)	(43,522,901)
	Profit for the year	450,675	1,167,870	433,134	1,111,924
	At 31 December	**(50,065,633)**	**(50,516,308)**	**(41,977,843)**	**(42,410,977)**
28.	**Reserves**				
28.1	**Actuarial reserve**				
	At 1 January	594,368	594,368	444,888	444,888
	At 31 December	594,368	594,368	444,888	444,888
29.	**Directors and employees**				
29.1	**Chairman and Directors' emoluments**				
	Emoluments	-	-	-	-
	Other Directors	-	-	-	-
		-	-	-	-

No allowances were accrued for the Directors during the year (31 December 2020: Nil).

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

29.2 The number of employees whose emoluments fall within the following ranges were:

			Group		Company	
			31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
			N'000	N'000	N'000	N'000
N		N				
60,000	-	999,999	8	8	3	3
1,000,000	-	1,999,999	1	1	1	1
2,000,000	-	2,999,999	-	-	-	-
3,000,000	-	3,999,999	-	-	-	-
4,000,000	-	4,999,999	-	-	-	-
5,000,000	-	5,999,999	-	-	-	-
6,000,000	-	6,999,999	-	-	-	-
-			9	9	4	4

29.3 Average number of persons employed during the year

Managerial	1	1	1	1
Non-managerial	8	8	3	3
	9	**9**	**4**	**4**

29.4 Staff costs excluding Directors relating to the above:

Salaries and allowances	75,768	96,801	64,105	83,751
Staff welfare expenses	21,490	21,656	17,804	17,658
	97,258	118,458	81,910	101,409

30. Related party disclosures

30.1 Related party relationships

Entity	***Nature of relationships***
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related Party
Lexcap Partners Limited	Related Party

30.1.1 Group

Balances and transactions with related parties	**Nature of transaction**	**Amount to transaction N'000**	**Amount due from related party N'000**	**Amount due to related party N'000**
Entity				
31 December 2021				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	2,000,000	-
31 December 2020				
BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	2,219,538	-

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

	Balances and transactions with related parties	Nature of transaction	Amount to transaction N'000	Amount due from related party N'000	Amount due to related party N'000
30.1.2	**Company**				
	Entity				
	31 December 2021				
	Lexcap Partners Limited	Debt offset	-	2,000,000	-
	BGL Asset Management Limited	Reimbursable expenses	(6,433)	-	13,937,893
	BGL Capital Limited	Reimbursable expenses	(7,258)	-	130,535
	BGL Securities Limited	Reimbursable expenses	(6,180)	-	4,277,646
			(19,871)	**2,000,000**	**18,346,074**
	31 December 2020				
	BGL Private Equity Limited	Reimbursable expenses	-	219,538	-
	Lexcap Partners Limited	Debt offset	-	2,000,000	-
	BGL Asset Management Limited	Reimbursable expenses	(5,848)	-	13,944,326
	BGL Capital Limited	Reimbursable expenses	(5,888)	-	137,793
	BGL Securities Limited	Reimbursable expenses	(5,573)	-	4,283,825
			(17,309)	2,219,538	18,365,944

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 16 and 22 respectively of the financial statements.

30.1.3 Remumeration of key management personnel

The Directors comprise the key management personnel of the Group. No remuneration was paid to the Directors and neither was any remuneration accrued for their benefits.

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

31. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

32. Financial risk management

32.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:
- Credit risks
- Liquidity risks
- Operational risks

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruptionand cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

32.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. Th e Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

32.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

i Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.

ii Companies that have capacity to add substantially to industrial output.

32.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk

e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.

f Appoint credit officers and delegate approval authorities to individuals and committees.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

The Group also as an Executive Management Committee charged with the responsibility of:

a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.
b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.
c Recommending to the Board Credit and Investment Committee those projects above its limits.

Financial assets past due but not individually impaired

	Group		Company	
	31-Dec-21 Loans & advances to customers N'000	31-Dec-20 Loans & advances to customers N'000	31-Dec-21 Loans & advances to customers N'000	31-Dec-20 Loans & advances to customers N'000
Past due by more than 1 year	-	9,431	-	9,431
	-	**9,431**	**-**	**9,431**
Financial assets individually impaired				
Gross amount	3,853,866	3,853,866	3,853,866	3,853,866
Allowance for impairment	(3,853,866)	(3,844,435)	(3,853,866)	(3,844,435)
	-	**9,431**	**-**	**9,431**

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

32.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

32.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

32.3.2 Group residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
Group							
31 December 2021							
Non-derivative assets:							
Cash and cash equivalents	939,340	939,340	939,340	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	239,619	239,619	239,619	-	-	-	-
Financial investments	14,493,740	14,493,740	14,493,740	-	-	-	-
Other assets	36,674	36,674	36,674	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	15,709,373	**15,709,373**	**15,709,373**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	15,092,914	15,092,914	15,092,914	-	-	-	-
Loans and advances	562,704	562,704	562,704	-	-	-	-
Other liabilities	4,979,207	4,979,207	4,979,207	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	20,634,826	20,634,826	20,634,826	-	-	-	-
Gap (assets - liabilities)	**(4,925,453)**	**(4,925,453)**	**(4,925,453)**	**-**	**-**	**-**	**-**
31 December 2020							
Non-derivative assets:							
Cash and cash equivalents	826,167	826,167	826,167	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	454,598	454,598	454,598	-	-	-	-
Financial investments	13,967,827	13,967,827	13,967,827	-	-	-	-
Other assets	36,674	36,674	36,674	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	15,297,749	15,297,749	15,297,749	-	-	-	-
Non-derivative liabilities:							
Deposit liabilities	15,092,914	15,092,914	15,092,914	-	-	-	-
Loans and advances	554,151	554,151	554,151	-	-	-	-
Other liabilities	5,026,811	5,026,811	5,026,811	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	20,673,876	20,673,876	20,673,876	-	-	-	-
Gap (assets - liabilities)	**(5,376,127)**	**(5,376,127)**	**(5,376,127)**	**-**	**-**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

32.3.3 Company's residual contractual maturities of financial assets and liabilities

Company	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
31 December 2021							
Non-derivative assets:							
Cash and cash equivalents	7,286	7,286	7,286	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-
Financial investments	14,076,231	14,076,231	14,076,231	-	-	-	-
Other assets	23,050	23,050	23,050	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	14,106,567	**14,106,567**	**14,106,567**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	562,704	562,704	562,704	-	-	-	-
Other liabilities	3,161,735	3,161,735	3,161,735	-	-	-	-
Amount due to related parties	18,346,074	18,346,074	18,346,074	-	-	-	-
	23,363,900	23,363,900	5,017,826	-	-	-	-
Gap (assets - liabilities)	**(9,257,334)**	**(9,257,334)**	**9,088,740**	**-**	**-**	**-**	**-**
31 December 2020							
Non-derivative assets:							
Cash and cash equivalents	3,532	3,532	3,532	-	-	-	-
Loans and advances	9,431	9,431	9,431	-	-	-	-
Trade and other receivables	214,979	214,979	214,979	-	-	-	-
Financial investments	13,506,876	13,506,876	13,506,876	-	-	-	-
Other assets	23,050	23,050	23,050	-	-	-	-
Amount due from related parties	3,052	3,052	3,052	-	-	-	-
	13,760,920	**13,760,920**	**13,760,920**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,293,387	1,293,387	1,293,387	-	-	-	-
Loans and advances	554,151	554,151	554,151	-	-	-	-
Other liabilities	3,237,904	3,237,904	3,237,904	-	-	-	-
Amount due to related parties	18,365,945	18,365,945	18,365,945	-	-	-	-
	23,451,387	23,451,387	5,085,442	-	-	-	-
Gap (assets - liabilities)	**(9,690,467)**	**(9,690,467)**	**8,675,478**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

32.4 Valuation of financial instruments

32.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

Level 2:
Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indrectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group	**Note**	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
31 December 2021					
Quoted investments	13.1.1	120,787	-	-	120,787
Unquoted investments	13.1.2	-	-	14,372,953	14,372,953
		120,787	-	14,372,953	14,493,740
31 December 2020					
Quoted investments	13.1.1	164,229	-	-	164,229
Unquoted investments	13.1.2	-	-	13,803,598	13,803,598
		164,229	-	13,803,598	13,967,827
Company					
31 December 2021					
Unquoted investments	13.1.2	-	-	14,076,231	14,076,231
		-	-	14,076,231	14,076,231
31 December 2020					
Unquoted investments	13.1.2	-	-	13,506,876	13,506,876
		-	-	13,506,876	13,506,876

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

32.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

Group	Equity investments N'000	Cash and Cash equivalent N'000	Loans & receivable N'000	Total carrying amount N'000	Favour Value N'000	Amortised Cost N'000
31 December 2021						
Assets						
Cash and cash equivalents	-	939,340	-	939,340	939,340	1,878,679
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	239,619	239,619	-	239,619
Financial investments	14,493,740	-	-	14,493,740	14,493,740	-
	14,493,740	939,340	239,619	15,672,699	15,433,079	2,118,299
Liabilities						
Deposit liabilities	-	-	-	-	-	-
Loans and advances	-	-	-	562,704	-	562,704
Other liabilities	-	-	-	4,979,207	-	4,979,207
Amounts due to related parties	-	-	-	-	-	-
	-	-	-	5,541,912	-	5,541,912
31 December 2020						
Assets						
Cash and cash equivalents	-	826,167	-	826,167	826,167	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	454,598	454,598	-	909,196
Financial investments	13,967,827	-	-	13,967,827	13,967,827	-
Amount due from related parties	-	-	3,052	3,052	-	3,052
	13,967,827	826,167	467,081	15,261,075	14,793,994	921,679
Liabilities						
Deposit liabilities	-	-	-	15,092,914	-	15,092,914
Loans and advances	-	-	-	554,151	-	554,151
Other liabilities	-	-	-	5,026,811	-	5,026,811
	-	-	-	20,673,876	-	20,673,876

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

Company	Equity investments N'000	Cash and Cash equivalent N'000	Loans & receivable N'000	Total carrying amount N'000	Favour Value N'000	Amortised Cost N'000
31 December 2021						
Assets						
Cash and cash equivalents	-	7,286	-	7,286	7,286	-
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-
Financial investments	14,076,231	-	-	14,076,231	14,076,231	-
Amount due from related parties	-	-	-	-		-
	14,076,231	7,286	-	14,083,517	14,083,517	-
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	562,704	-	562,704
Other liabilities	-	-	-	3,161,735	-	3,161,735
Amounts due to related parties	-	-	-	18,346,074	-	18,346,074
	-	-	-	23,363,900	-	23,363,900
31 December 2020						
Assets						
Cash and cash equivalents	-	3,532	-	3,532	3,532	-
Loans and advances	-	-	9,431	9,431	-	9,431
Trade and other receivables	-	-	214,979	214,979	-	214,979
Financial investments	13,506,876	-	-	13,506,876	13,506,876	-
Amount due from related parties	-	-	3,052	3,052		3,052
	13,506,876	3,532	227,461	13,737,870	13,510,409	227,461
Liabilities						
Deposit liabilities	-	-	-	1,293,387	-	1,293,387
Loans and advances	-	-	-	554,151	-	554,151
Other liabilities	-	-	-	3,237,904	-	3,237,904
Amounts due to related parties	-	-	-	18,365,945	-	18,365,945
	-	-	-	23,451,387	-	23,451,387

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

32.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

32.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

32.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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.

Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2021 *(Cont'd)*

Although maximisation 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 is also 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.

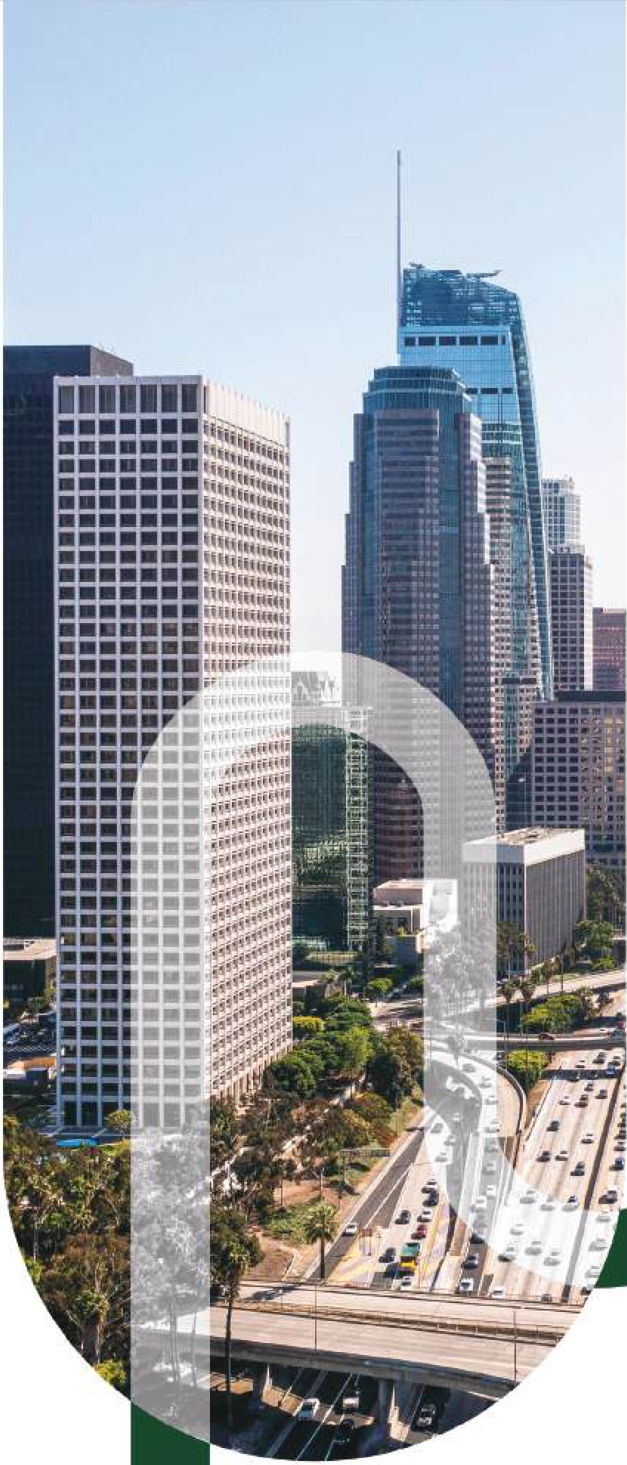
33. Events after the reporting period

The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.

34. Going concern

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC to ensure compliance in all areas of infringement and release of the licenses of the subsidiaries.

Therefore, the Directors have applied the going concern basis in the preparation of these financial statements.



2022
Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 12.40 p.m. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2022 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

Report of the Independent Auditors to the members of BGL Plc - 2022

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2022 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja
E-mail: info@ahmedzakari.com Url: www.ahmedzakari.com

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters
Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2022

		Group		Company	
	Note	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Revenue					
Fees, trading and asset management activities	7.	181,925	109,520	-	-
Other income	8.	10,269,790	652,389	10,269,282	651,975
Gross revenue		10,451,715	761,909	10,269,282	651,975
Operating expenses					
Administrative expenses	9.	245,503	298,751	206,700	206,358
Impairment charges	9.2	347,696	12,483	347,696	12,483
Total expenses		593,199	311,234	554,396	218,841
Profit before tax		9,858,516	450,675	9,714,886	433,134
Taxation	23.	-	-	-	-
Profit for the year		9,858,516	450,675	9,714,886	433,134
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		9,858,516	450,675	9,714,886	433,134
Per share data					
Earnings per share - Kobo		59.59	3.00	58.72	2.89

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at 31 December 2022

		Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Assets	**Note**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	10.	13,075	939,340	12,807	7,286
Trade and other receivables	12.	-	239,619	-	-
Financial investments	13.	17,507,919	14,493,740	17,689,938	14,076,231
Other assets	14.	411,260	36,674	400,495	23,050
Prepayments	15.	464	5,497	464	5,497
Investment in subsidiaries	17.	-	-	12,070,752	12,070,752
Property and equipment	18.	-	5	-	-
Deferred taxation	23.3	10,889	10,889	10,889	-
Total assets		**17,943,607**	**15,725,764**	**30,185,345**	**26,182,816**
Liabilities and equity					
Liabilities					
Deposit liabilities	19.	900,421	15,092,914	900,421	1,293,387
Bank borrowings	20.	562,204	562,704	562,204	562,704
Other liabilities	21.	6,900,085	4,979,207	6,890,085	3,161,735
Amount due to related parties	22.	-	-	4,501,888	18,346,074
Tax payable	23.1	252,144	252,144	252,144	157,909
Defined benefit obligation	24.2	636,512	636,512	636,512	520,414
Total liabilities		9,251,366	21,523,481	13,743,254	24,042,223
Equity					
Share capital	25.	8,271,907	7,500,000	8,271,907	7,500,000
Share premium	26.	40,033,083	36,173,548	40,033,083	36,173,548
Retained earnings	27.	(40,207,117)	(50,065,633)	(32,307,787)	(41,977,843)
Actuarial reserve	28.1	594,368	594,368	444,888	444,888
Total equity		8,692,241	(5,797,717)	16,442,091	2,140,593
Total liabilities and equity		**17,943,607**	**15,725,764**	**30,185,345**	**26,182,816**

The group financial statements were approved by the Directors on 17 December 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Changes in Equity as at 31 December 2022

Group	Share capital N'000	Share Premium N'000	Retained Earnings N'000	Actuarial Reserve N'000	Total N'000
At 1 January 2021	7,500,000	36,173,548	(50,516,308)	594,368	(6,248,392)
Comprehensive income for the year:					
Profit for the year	-	-	450,675	-	450,675
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	450,675	-	450,675
At 31 December 2021	**7,500,000**	**36,173,548**	**(50,065,633)**	**594,368**	**(5,797,717)**
At 1 January 2022	7,500,000	36,173,548	(50,065,633)	594,368	(5,797,717)
Comprehensive income for the year:					
Profit for the year	-	-	9,858,516	-	9,858,516
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	9,858,516	-	9,858,516
Transactions with owners:					
Debt-equity conversion	771,907	3,859,535	-	-	4,631,442
At 31 December 2022	**8,271,907**	**40,033,083**	**(40,207,117)**	**594,368**	**8,692,241**
Company					
At 1 January 2021	7,500,000	36,173,548	(42,410,977)	444,888	1,707,459
Comprehensive income for the year:					
Profit for the year	-	-	433,134	-	433,134
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	433,134	-	433,134
At 31 December 2021	**7,500,000**	**36,173,548**	**(41,977,843)**	**444,888**	**2,140,593**
At 1 January 2022	7,500,000	36,173,548	(41,977,843)	444,888	2,140,593
Prior year's adjustment	-	-	(44,830)	-	(44,830)
At 1 January 2022 Restated	7,500,000	36,173,548	(42,022,673)	444,888	2,095,763
Comprehensive income for the year:					
Profit for the year	-	-	9,714,886	-	9,714,886
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	9,714,886	-	9,714,886
Transactions with owners:					
Debt-equity conversion	771,907	3,859,535	-	-	4,631,442
At 31 December 2022	8,271,907	40,033,083	(32,307,787)	444,888	16,442,091

Consolidated & Separate Statements of Cash Flows for the year ended 31 December 2022

		Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Note	N'000	N'000	N'000	N'000
Cash flows from operating activities					
Profit before tax		9,858,516	450,675	9,714,886	433,134
Adjustments for non cash items:					
Profit on disposal of property, plant and equipment	8.	(25,144)	-	(25,144)	-
Dividend income	8.	(519)	(59,798)	(11)	(59,384)
Fair value changes in equity investments	8.	(2,409,659)	-	(2,409,659)	-
Conversion of debt instruments	25.1	4,631,442		4,631,442	
Impairment charge	11.1	-	9,431	-	9,431
Write back of impairment allowance	12.1	-	(448)	-	(448)
Cash flows before working capital changes		12,054,636	399,860	11,911,514	382,733
Changes in working capital:					
(Increase)/decrease in trade and other receivables	12.	239,619	215,427	-	215,427
(Increase)/decrease in other assets	14.	(374,586)	-	(377,445)	-
Decrease in prepayments	15.	5,032	-	5,032	-
Increase in amount due from related party	16.	-	3,052	-	3,052
Increase in deposit liabilities	19.	(14,192,495)	-	(392,966)	-
Increase/(decrease) in other liabilites	21.	1,920,878	(47,604)	3,728,350	(76,169)
Increase/(decrease) in amount due to related party	22.	-	-	(13,844,186)	(19,871)
Increase/(decrease) in gratuity	24.	-	-	116,099	-
Elimination of prior year's adjustment	27.	-	-	44,830	-
		(346,916)	570,735	1,191,228	505,172
Tax paid	23.1	-	-	-	-
Net cash provided/(used) by operating activities		(346,916)	570,735	1,191,228	505,172
Cash flows from investing activities					
Changes in financial assets	13.	(604,519)	(525,913)	(1,210,367)	(569,355)
Proceeds of property, plant and equipment disposed		25,149	-	25,149	-
Dividend received	8.	519	59,798	11	59,384
Net cash used by investing activities		(578,849)	(466,115)	(1,185,207)	(509,971)
Cash flows from financing activities					
Borrowings taken	20.1	-	8,553	-	8,553
Borrowings repaid	20.1	(500)	-	(500)	-
Net cash provided/(used) by financing activities		(500)	8,553	(500)	8,553
Net increase in cash and cash equivalents		(926,265)	113,173	5,521	3,754
Cash and cash equivalents at the beginning of the year	10.	939,340	826,167	7,286	3,532
Cash and cash equivalents at the end of the year	10.	**13,075**	**939,340**	**12,807**	**7,286**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange.

The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission.

1.2 Corporate office

The registered address of the company is located at 5, Idowu Taylor Street, Victoria Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

Standard and amendments	Nature of change	effective period of implementation
IAS 7 & IFRS 7, Statement of cash flows and Financial Instruments disclosures **Supplier finance arrangements**	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
IFRS 16, Sale and leaseback **Lease liability in a sale and leaseback**	Lease Liability in a Sale and Leaseback requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.	1 January 2024
IAS 1, Presentation of financial statements:	The amendment provides clarification on when a an entity can classify a liabulity as current or non-current. An entity shall classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. This right may be subject to the entity complying with conditions (covenants) specified in a loan arrangement.	1 January 2024
IAS 1, Presentation of financial statements	The amendment requires an entity to disclose information that enables investors to assess the risk that the liability could become repayable within 12 months, including: (i) the covenants (their nature and date on which the entity must comply with them); (ii) whether the entity would have complied with the covenants at the reporting date; and (iii) whether and how the entity expects to comply with the covenants in the future. It also requires an entity to present separately, in its statement of financial position, non-current liabilities subject to compliance with covenants within 12 months after the reporting date.	1 January 2024

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

IFRS S1, General requirements for disclosure of sustainability related financial information	IFRS S1 requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. These comprise all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects'). It also prescribes how an entity prepares and reports its sustainability-related financial disclosures.	1 January 2024
IFRS S2, Climate related disclosures	IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. These comprise information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects'). It provides guidance on the requirements for disclosing information about an entity's climate-related risks and opportunities.	1 January 2024
IAS 21, The effect of changes in foreign exchange rates	The amendment provides guidance to an entity to determine whether or not a currency is exchangeable and to determine an applicable spot rate when it is not.	1 January 2025

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts.

6.3.1 Interest and similar income and expense

The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.1 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.6.2 Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised."

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

6.6.3 Current and deferred taxes for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	**Useful life**
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

6.7 Property, plant and equipment

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

6.11.1 Financial assets

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- 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.

Fair value through other comprehensive income: financial assets are classified and measured at fair value through other comprehensive income where the Company's business model is both to collect contractual cash flows and selling the financial assets when opportunities arise. The contractual cash flows are represented by principal and interest repayments on the financial assets.

Fair value through profit or loss: any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Appropriate reclassifications are made to financial assets when the Company changes its business model for managing a financial asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

Equity investments are measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the Company has elected to present value changes in 'other comprehensive income' without any cost exception for unquoted equities. Where an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at FVTOCI with only dividend income recognised in profit or loss.

6.11.2 Recognition and measurement

Regular-way purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

6.11.3 De-recognition and measurement

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

6.11.4 Reclassifications

The Company reclassifies a financial asset from one class to another only when its business model objective for holding the asset changes such that its previous model assessment would no longer apply. Reclassification, where appropriate is carried out prospectively from the reclassification date which is the first day of the first reporting period following the change in business model. The Company does not restate any previously recognised gains, losses, or interest regarding the reclassified financial asset.

Reclassification of financial assets are not permitted in the following circumstances in accordance with IFRS 9:

- Equity investments measured at fair value through other comprehensive income

- where the fair value option has been exercised in any circumstance for a financial assets.

6.11.5 Impairment of financial assets

Impairment of financial assets is based on the application of the expected credit loss model (ECL). The measurement of expected credit loss by the Company reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the Company considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings. the Company considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

The Company considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

Under IFRS 9, there are three approaches to the measurement of ECL as follows:

a. General approach

b. Purchased or originated credit impaired approach

c. Simplied approach

Under the general approach considerations are given to whether there has been a significant increase in credit risks on the financial assets since initial recognition in which case an impairment loss for lifetime ECL is recognised. Otherwise, if at the reporting date management assesses that the credit risk on the financial asset has not increased significantly since initial recognition, impairment loss for 12 month ECL is recognised. Significamt increase in credit risk is measured using the lifetime probability of default. Financial assets are grouped into 3 stages based on the increase credit risks:

Stage 1: Where credit risk on the financial asset has not increased significantly since intial recognition, 12 month ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 2: Where credit risk on the financial asset has increased significantly since intial recognition, lifetime ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 3: Where there is evidence that the financial asset is credit impaired based on the occurence of a loss event, lifetime ECL is recognised on the financial asset and interest income is recognised on a net basis.

Purchased or originated credit impaired approach is applied to those financial assets that are credit impaired on initial recognition. These class of assets are categorised as stage 3 and lifetime ECL is calculated. The ECL is adjusted using the credit adjusted effective interest rate.

The simplied approach under the ECL model is based on a provision matrix and involves the following steps:

- Creating groups for trade receivables based on similar credit risks characteristics.
- Collection of historical loss rates data and determining the period of applicability of the data
- Determination of the expected loss rates for each of the Companys of trade receivables created based on established periods for whch receivables are past due.
- Carry out necessary adjustments on the expected loss rates to reflect the effect of forward looking macro economic conditions expected to exist at the reporting date.
- Determination of the expected credit losses

6.11.6 Financial liabilities

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the Company has elected to apply the fair value option.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

Trade and other payables constitute part of the Company's sources of funding. Trade and Other Payables are measured at fair value plus transaction costs and subsequently measured at their amortised cost using the effective interest method, except where the Company chooses to carry the liabilities at fair value through profit or loss.

Interest bear borrowings, inclusive of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised costs using the effective interest rate method; any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

6.11.6 Financial liabilities

6.11.7 Effective interest rate method

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

6.11.8 Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the Original liability and the recognition of a new liability and the difference in the respective carrying amounts are recognized in profit or loss.

6.11.9 Offsetting financial instruments

Financial assets and 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 asset and settle the liability simultaneously.

6.11.10 Cash and cash equivalents

Cash comprise cash in hand, cash balances with banks and bank overdraft . Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management with the exclusion of term loans are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and classified as liabilities in the statement of financial position.

6.11.11 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

6.12 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.13 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Company discloses transactions with related parties which includes the:

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

6.14 Leases

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

A contract is assessed to contain a lease if the following conditions are established:

- There is an identifiable asset in the contract.
- The customer has the right to control the use of the asset throughout the period of the lease in exchange for a consideration to the supplier.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

- The customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use.
- The supplier does not have a sunstantive right to substitute the use of the asset throughout the period of use of the asset.

Where the Company is a lessee in the lease contract, the Company recognises a right of use asset and a lease liability at the inception of the contract. The right of use asset is measured using the cost model provided it:

- is not an investment property and the lessee fair values its investment properties.
- does not relate to a class of propety, plant and equipment to which the lessee applies revaluation model, in which case all right-of-use assets relating to that class of property, plant and equipment can be revalued.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. Where the lease is for a term of 12 months or less and containing no purchase options or the underlying asset has a low value when new such as personal computers or small items of office furniture, the Company accounts for lease payments as an expense on a straight-line basis over the term of the lease except another systematic basis is more reflective of the economic benefits obtainable from utilisation of the leased asset.

The right of use asset and the lease liability are initially measured at the present value of the lease payments payable over the lease term by discounting with the implicit rate of the lease. Where the implicit rate cannot be readily determined, the Company shall apply its incremental borrowing rate.

Management has opted to exempt rental payments for its office as they are of a short term nature and not considered material. Also the Company has not entered into any lease contract where it is the lessor.

		Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		N'000	N'000	N'000	N'000
7.	**Revenue**				
	Fees, trading and asset management activities				
	Income from trading securities	181,925	109,520	-	-
		181,925	**109,520**	**-**	**-**
8.	**Other income**				
	Dividend Income	519	59,798	11	59,384
	Brokerage income	7,187	20,899	7,187	20,899
	Sundry income	7,222,761	2,359	7,222,761	2,359
	Profit on disposal of property, plant and equipment	25,144	-	25,144	-
	Fair value changes in equity investments	2,409,659	-	2,409,659	-
	Foreign exhange gain	604,520	569,333	604,520	569,333
		10,269,790	**652,389**	**10,269,282**	**651,975**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

		Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		N'000	N'000	N'000	N'000
9.	**Administrative expenses**				
	Employee cost	72,061	75,768	66,253	64,105
	Repairs and maintenance	5,337	10,045	5,337	10,045
	Bank charges	20	184	20	184
	Fuel	-	97	-	97
	Electricity	70	510	70	510
	Rents	35,994	32,982	21,842	13,684
	Transport, travelling and hotel accomodation	49,829	78,478	45,574	65,935
	Business development	815	-	815	-
	Dues and subscriptions	7	852	7	852
	Staff welfare	1,577	21,878	1,577	21,878
	Professional charges	8,512	10,651	8,482	10,401
	Audit fees	4,000	4,000	1,000	1,000
	Security expenses	1,595	1,167	1,595	1,167
	Advertisement	3,397	-	3,397	-
	Printing and stationery	1,609	1,500	1,609	1,500
	Office expenses	11,568	2,197	10	-
	Loss on disposal of investments	-	43,442	-	-
	Penalties	49,112	15,000	49,112	15,000
		245,503	**298,751**	**206,700**	**206,358**
9.1	**Employee cost**				
	Salaries and allowances	55,373	54,278	51,940	46,300
	Pension contribution	3,867	4,610	3,286	3,286
	Medicals	6,746	8,363	6,002	6,002
	Training	6,075	8,517	5,025	8,517
		72,061	**75,768**	**66,253**	**64,105**
9.2	**Impairment charge**				
	Amount due from related parties	-	3,052	-	3,052
	Trade and other receivables	163,364	9,431	163,364	9,431
	Other assets	184,332	-	184,332	-
		347,696	**12,483**	**347,696**	**12,483**
9.3	**Profit/(loss) before tax is arrived at after charging the following:**				
	Audit fees	4,000	4,000	1,000	1,000
	Employee cost	72,061	75,768	66,253	64,105

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

		Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		N'000	N'000	N'000	N'000
10.	Cash and cash equivalents				
	Bank balances	12,955	939,220	12,687	7,166
	Placement with Nigerian banks	120	120	120	120
		13,075	939,340	12,807	7,286
	Allowance for doubtful bank balance	-	-	-	-
	Total cash and cash equivalents	13,075	939,340	12,807	7,286

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances comprise cash and bank deposits. The carrying amount of these assets is approximately equal to their fair value.

11.	**Loans and advances**				
	Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
	Impairment allowance(11.1)	(3,853,866)	(3,853,866)	(3,853,866)	(3,853,866)
		-	-	-	-
11.1	**Impairment allowance**				
	At 1 January	3,853,866	3,844,435	3,853,866	3,844,435
	Additional impairment charge	-	9,431	-	9,431
	At 31 December	3,853,866	3,853,866	3,853,866	3,853,866
12.	**Trade and other receivables**				
	Trade debtors	572,236	816,559	572,236	151,495
	Staff loans	34,313	48,394	34,313	34,313
	Staff mortgage loans	8,535	9,464	8,535	9,464
		615,084	874,417	615,084	195,272
	Impairment allowance on trade and other receivables	(615,084)	(634,798)	(615,084)	(195,272)
		-	239,619	-	-
12.1	**Impairment allowance on trade and other receivables**				
	At 1 January	634,798	635,246	195,272	195,720
	Transferred from subsidiaries	-	-	439,526	-
	Impairment charge/(write back) during the year	42,737	-	42,737	-
	Write back of impairment allowance during the year	(62,451)	(448)	(62,451)	(448)
	At 31 December	615,084	634,798	615,084	195,272

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

		Group		Company	
		31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
13.	**Financial investments**				
13.1	**Financial investments comprise:**				
	Equity investments at fair value through profit of loss	17,507,919	14,493,740	17,689,938	14,076,231
		17,507,919	14,493,740	17,689,938	14,076,231
13.1.1	**Quoted equity investments**				
	Afromedia Plc	13,561	33,902	13,561	-
	DAAR Communications Plc	86,885	86,885	86,885	-
		100,446	120,787	100,446	-
13.1.2	**Unquoted equity investment**				
	Peak Petroleum Limted	7,625,350	7,020,830	7,625,350	7,020,830
	FCMB	3,976,644	3,976,644	3,976,644	3,976,644
	Schartz Resources Limited	5,921,044	5,921,044	5,921,044	5,921,044
	Joint Komputer Kompany Limited	545,280	545,280	545,280	-
	Aquila Capital Limited	50,000	50,000	50,000	50,000
	Wingsong M House Palm Oil Investment	2,430,000	332,802	2,430,000	-
		20,548,318	17,846,600	20,548,318	16,968,518
	Fair value changes in unquoted equity investment	(3,140,845)	(3,473,647)	(2,958,826)	(2,892,287)
		17,407,473	14,372,953	17,589,492	14,076,231
	Carrying amount	17,507,919	14,493,740	17,689,938	14,076,231

13.1.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

13.1.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

		Group		Company	
		31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
14.	**Other assets**				
	Sundry receivables	595,592	36,674	584,827	23,050
	Impairment allowance	(184,332)	-	(184,332)	-
		411,260	36,674	400,495	23,050
15.	**Prepayments**				
	Rent	-	5,033	-	5,033
	Staff housing	464	464	464	464
		464	5,497	464	5,497
16.	**Amount due from related party**				
	Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
		2,000,000	2,000,000	2,000,000	2,000,000
	Impairment allowance	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
		-	-	-	-
17.	**Investment in subsidiaries**				
	BGL Securities Limited	-	-	7,492,212	7,492,212
	BGL Asset Management Limited	-	-	4,078,540	4,078,540
	BGL Capital Limited	-	-	500,000	500,000
		-	-	12,070,752	12,070,752

17.1 Subsidiary undertakings

Subsidiary	Location	Interest %	Principal activities
BGL Securities Limited	Nigeria	100.00	Stock broking activities
BGL Asset Management Limited	Nigeria	100.00	Asset management services
BGL Capital Limited	Nigeria	100.00	Investment banking & advisory

17.2 Summary of operating results and financial position

	BGL Securities Limited N'000	BGL Asset Management Limited N'000	BGL Capital Limited N'000
31 December 2022			
Gross revenue	182,433	-	-
Profit/(loss) after tax	164,032	(9,674)	(10,727)
Total assets	1,107,595	3,349,276	45,284
Total equity	1,107,595	3,349,276	45,284
31 December 2021			
Gross revenue	109,934	-	-
Profit/(loss) after tax	77,840	(8,483)	(51,817)
Total assets	5,791,916	14,134,023	265,625
Total liabilities	4,848,353	10,775,073	209,614
Total equity	943,563	3,358,950	56,011

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

18. Property, plant and equipment

18.1 Group	Leasehold improvement N'000	Plant and equpment N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
Cost or Valuation						
At 1 January 2021	46,587	683	76,880	120,119	-	244,269
At 31 December 2021	46,587	683	76,880	120,119	-	244,269
At 1 January 2022	46,587	683	76,880	120,119	-	244,269
Disposals	(46,587)	(683)	(76,880)	(120,119)	-	(244,269)
At 31 December 2022	-	-	-	-	-	-
Depreciation						
At 1 January 2021	46,586	683	76,878	120,117	-	244,264
At 31 December 2021	46,586	683	76,878	120,117	-	244,264
At 1 January 2022	46,586	683	76,878	120,117	-	244,264
Eliminated on disposals	(46,586)	(683)	(76,878)	(120,117)	-	(244,264)
At 31 December 2022	-	-	-	-	-	-
Carrying amount						
At 31 December 2021	1	-	2	2	-	5
At 31 December 2022	-	-	-	-	-	-

18.2 Company	Leasehold improvement N'000	Plant and equpment N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
Cost or Valuation						
At 1 January 2022	-	-	-	-	-	-
Transferred from subsidiaries	46,587	683	76,880	120,119	-	244,269
Disposals	(46,587)	(683)	(76,880)	(120,119)	-	(244,269)
At 31 December 2022	-	-	-	-	-	-
Depreciation						
At 1 January 2022	-	-	-	-	-	-
Transferred from subsidiaries	46,586	683	76,878	120,117	-	244,264
Eliminated on disposals	(46,586)	(683)	(76,878)	(120,117)	-	(244,264)
At 31 December 2022	-	-	-	-	-	-
Carrying amount						
At 31 December 2022	-	-	-	-	-	-

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

		Group		Company	
		31-Dec-22	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
		N'000	**N'000**	**N'000**	**N'000**
19.	**Deposit liabilities**	900,421	15,092,914	900,421	1,293,387
20.	**Bank borrowings**				
	Bank overdrafts	562,204	562,704	562,204	562,704
		562,204	562,704	562,204	562,704
20.1	**Movement**				
	At 1 January	562,704	554,151	562,704	554,151
	Additions/(repayments)	(500)	8,553	(500)	8,553
	At 31 December	562,204	562,704	562,204	562,704

Bank overdrafts comprises the outstanding balance of N500 million from a margin facility of N1.287 billion from First Bank Plc and overdrawn account of N62.2 million with UBA Plc (31 December 2021: N500 million and N62.7 million respectively).

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
21.	**Other liabilities**				
	Trade creditors	-	1,009,722	-	-
	Staff Mortgage	-	351,354	-	351,354
	Dividend payable (Note 21.1)	4,813	5,887	4,813	4,813
	Short term employee benefit obligation	559,083	503,660	559,083	360,114
	Other taxes payable	511,011	381,931	511,011	310,393
	Interest payable	-	585,213	-	585,213
	Other sundry creditors	539,232	482,771	539,232	432,771
	Contract stamp payable	177,641	177,641	177,641	-
	Accruals	1,589,500	1,481,028	1,579,500	1,117,077
	Guaranteed consolidated and premium notes	3,518,805	-	3,518,805	-
		6,900,085	**4,979,207**	**6,890,085**	**3,161,735**
21.1	**Dividend payable**				
	At 1 January	4,813	5,887	4,813	4,813
	At 31 December	4,813	5,887	4,813	4,813
22.	Amount due to related parties				
	Due to subsidiaries	-	-	4,501,888	18,346,074
		-	-	4,501,888	18,346,074
23.	**Taxation**				
23.1	**Tax payable**				
	At 1 January	252,144	252,144	157,909	157,909
	Tax liabilities transferred from subsidiaries	-	-	112,348	-
	Prior years tax overprovision	-	-	(18,113)	-
		252,144	252,144	252,144	157,909
	Paid during the year	-	-	-	-
	At 31 December	252,144	252,144	252,144	157,909

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

		Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		N'000	N'000	N'000	N'000
23.3	**Deferred tax**				
	At 1 January	(10,889)	(10,889)	-	-
	Deferred tax assets transferred from subsidiaries	-	-	(21,425)	
	Prior year's adjustment	-	-	10,536	-
	At 31 December	(10,889)	(10,889)	(10,889)	-

24. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

		Group 31-Dec-22 N'000	Group 31-Dec-21 N'000	Company 31-Dec-22 N'000	Company 31-Dec-21 N'000
24.1	Present value of unfunded defined benefit obligations	636,512	636,512	636,512	520,414
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	**636,512**	**636,512**	**636,512**	**520,414**
24.2	Movement in the present value of defined benefit obligation is as follows:				
	At 1 January	636,512	636,512	520,414	520,414
	Gratuity liability transferred from subsidiary	-	-	63,691	-
	Prior years underprovision	-	-	52,407	-
	At 31 December	**636,512**	**636,512**	**636,512**	**520,414**
25.	**Share capital**				
25.1	**Issued and fully paid**				
	At 1 January				
	15,000,000,000 ordinary shares of 50 kobo each	7,500,000	7,500,000	7,500,000	7,500,000
	Conversion of debt instruments				
	1,543,814,029 ordinary shares of 50 kobo each	771,907	-	771,907	-
	At 31 December				
	16,543,814,029 ordinary shares of 50 kobo each				
	(31 December 2021: 15,000,000 ordinary shares of N1 each)	8,271,907	7,500,000	8,271,907	7,500,000

The conversion of debts instruments to equity is based on a court sanctioned scheme of arrangement between a subsidiary of the Company and specified willing Notes Holders for the conversion of their guaranteed consolidated and premium notes to equity. Subsequent agreements between the subsidiaries and investors provided for the transfer of all assets and liabilities of the subsidiaries to BGL Plc, hence the scheme of arrangement was deemed to be executed between BGL Plc and the Notes Holders.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

		Group		Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		N'000	N'000	N'000	N'000
26.	**Share premium**				
	At 1 January	36,173,548	36,173,548	36,173,548	36,173,548
	Premium on conversion of debt instruments	3,859,535	-	3,859,535	-
		40,033,083	36,173,548	40,033,083	36,173,548
27.	**Retained earnings**				
	At 1 January	(50,065,633)	(50,516,308)	(41,977,843)	(42,410,977)
	Prior years adjustment	-	-	(44,830)	-
	Profit/(loss) for the year	9,858,516	450,675	9,714,886	433,134
	At 31 December	(40,207,117)	(50,065,633)	(32,307,787)	(41,977,843)
28.	**Reserves**				
28.1	**Actuarial reserve**				
	At 1 January	594,368	594,368	444,888	444,888
	At 31 December	594,368	594,368	444,888	444,888
29.	**Directors and employees**				
29.1	**Chairman and Directors' emoluments**				
	Fees	-	-	-	-
	Emoluments of executive Directors	-	-	-	-
		-	-	-	-

No allowances were accrued for the Directors during the year (31 December 2021: Nil).

29.2 The number of employees whose emoluments fall within the following ranges were:

			Group		Company	
			31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
			N'000	N'000	N'000	N'000
N		N				
60,000	-	999,999	8	8	3	3
1,000,000	-	1,999,999	1	1	1	1
2,000,000	-	2,999,999	-	-	-	-
3,000,000	-	3,999,999	-	-	-	-
4,000,000	-	4,999,999	-	-	-	-
5,000,000	-	5,999,999	-	-	-	-
6,000,000	-	6,999,999	-	-	-	-
	-		9	9	4	4

29.3	**Average number of persons employed during the year**				
	Managerial	1	1	1	1
	Non-managerial	8	8	3	3
		9	9	4	4

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

29.4 Staff costs excluding Directors relating to the above:

Salaries and allowances	55,373	46,300	51,940	46,300
Staff welfare expenses	16,689	17,805	14,313	17,805
	72,062	64,105	66,253	64,105

30. Related party disclosures

30.1 Related party relationships

Entity	*Nature of relationships*
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related Party
Lexcap Partners Limited	Related Party

30.1.1 Group

Balances and transactions with related parties	Nature of transaction	Amount of transaction N'000	Amount due from related party N'000	Amount due to related party N'000
Entity				
31 December 2022				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	2,000,000	-
31 December 2021				
Lexcap Partners Limited	Debt offset	-	2,000,000	
		-	2,000,000	-

30.1.2 Company

Entity				
31 December 2022				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	(10,588,617)	-	3,349,276
BGL Capital Limited	Reimbursable expenses	(85,518)	-	45,016
BGL Securities Limited	Reimbursable expenses	(3,170,049)	-	1,107,596
		(13,844,184)	2,000,000	4,501,888
31 December 2021				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Reimbursable expenses	(6,433)	-	13,937,893
BGL Capital Limited	Reimbursable expenses	(7,258)	-	130,535
BGL Securities Limited	Reimbursable expenses	(6,180)	-	4,277,646
		(19,871)	**2,000,000**	**18,346,074**

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 16 and 22 respectively of the financial statements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

30.1.3 Remumeration of key management personnel

The Directors comprise the key management personnel of the Group. No remuneration was paid to the Directors and neither was any remuneration accrued for their benefits.

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

31. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

32. Financial risk management

32.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks

- Liquidity risks

- Operational risks

Risk management objectives

The broad risk management objectives of the Group are to:
- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruptionand cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

32.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

32.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

i Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.

ii Companies that have capacity to add substantially to industrial output.

32.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk

e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.

f Appoint credit officers and delegate approval authorities to individuals and committees.

The Group also as an Executive Management Committee charged with the responsibility of:

a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c Recommending to the Board Credit and Investment Committee those projects above its limits.

Financial assets past due but not individually impaired

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

	Group		Company	
	31-Dec-22 Loans & advances to customers N'000	31-Dec-21 Loans & advances to customers N'000	31-Dec-22 Loans & advances to customers N'000	31-Dec-21 Loans & advances to customers N'000
Past due by more than 1 year	-	-	-	-
	-	-	-	-
Financial assets individually impaired				
Gross amount	3,853,866	3,853,866	3,853,866	3,853,866
Allowance for impairment	(3,853,866)	(3,853,866)	(3,853,866)	(3,853,866)
	-	-	-	-

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

32.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

32.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

32.3.2 Group residual contractual maturities of financial assets and liabilities

	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
Group							
31 December 2022							
Non-derivative assets:							
Cash and cash equivalents	13,075	13,075	13,075	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	3,853,866	3,853,866	3,853,866	-	-	-	-
Financial investments	17,507,919	17,507,919	17,507,919	-	-	-	-
Other assets	411,260	411,260	411,260	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	21,786,120	**21,786,120**	**21,786,120**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	900,421	900,421	900,421	-	-	-	-
Loans and advances	562,204	562,204	562,204	-	-	-	-
Other liabilities	6,900,085	6,900,085	6,900,085	-	-	-	-
Amount due to related parties	4,813	4,813	4,813	-	-	-	-
	8,367,523	8,367,523	8,367,523	-	-	-	-
Gap (assets - liabilities)	**13,418,597**	**13,418,597**	**13,418,597**	**-**	**-**	**-**	**-**
31 December 2021							
Non-derivative assets:							
Cash and cash equivalents	939,340	939,340	939,340	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	239,619	239,619	239,619	-	-	-	-
Financial investments	14,493,740	14,493,740	14,493,740	-	-	-	-
Other assets	36,674	36,674	36,674	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	15,709,373	**15,709,373**	**15,709,373**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	900,421	900,421	900,421	-	-	-	-
Loans and advances	562,704	562,704	562,704	-	-	-	-
Other liabilities	4,979,207	4,979,207	4,979,207	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	6,442,333	6,442,333	6,442,333	-	-	-	-
Gap (assets - liabilities)	**9,267,040**	**9,267,040**	**9,267,040**	**-**	**-**	**-**	**-**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

Company 31 December 2022	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
Non-derivative assets:							
Cash and cash equivalents	12,807	12,807	12,807	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-
Financial investments	17,689,938	17,689,938	17,689,938	-	-	-	-
Other assets	400,495	400,495	400,495	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	18,103,240	**18,103,240**	**18,103,240**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	900,421	900,421	900,421	-	-	-	-
Loans and advances	562,204	562,204	562,204	-	-	-	-
Other liabilities	6,890,085	6,890,085	6,890,085	-	-	-	-
Amount due to related parties	4,501,888	4,501,888	4,501,888				
	12,854,599	12,854,599	8,352,711	-	-	-	-
Gap (assets - liabilities)	**5,248,641**	**5,248,641**	**9,750,529**	**-**	**-**	**-**	**-**
31 December 2021							
Non-derivative assets:							
Cash and cash equivalents	7,286	7,286	7,286	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-
Financial investments	14,076,231	14,076,231	14,076,231	-	-	-	-
Other assets	23,050	23,050	23,050	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	14,106,567	**14,106,567**	**14,106,567**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	900,421	900,421	900,421	-	-	-	-
Loans and advances	562,704	562,704	562,704	-	-	-	-
Other liabilities	3,161,735	3,161,735	3,161,735	-	-	-	-
Amount due to related parties	18,346,074	18,346,074	18,346,074				
	22,970,934	22,970,934	4,624,860	-	-	-	-
Gap (assets - liabilities)	**(8,864,368)**	**(8,864,368)**	**9,481,706**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

32.4 Valuation of financial instruments

32.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilties.

Level 2:

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indrectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
31 December 2022					
Quoted investments	13.1.1	100,446	-	-	100,446
Unquoted investments	13.1.2	-	-	17,407,473	17,407,473
		100,446	**-**	**17,407,473**	**17,507,919**
31 December 2021					
Quoted investments	13.1.1	120,787	-	-	120,787
Unquoted investments	13.1.2	-	-	14,372,953	14,372,953
		120,787	**-**	**14,372,953**	**14,493,740**
Company					
31 December 2022					
Quoted investments	13.1.1	100,446	-	-	100,446
Unquoted investments	13.1.2	-	-	17,589,492	17,589,492
		100,446	**-**	**17,589,492**	**17,689,938**
31 December 2021					
Unquoted investments	13.1.2	-	-	14,076,231	14,076,231
		-	**-**	**14,076,231**	**14,076,231**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

32.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

Group	Equity investments N'000	Cash and Cash equivalent N'000	Loans & receivable N'000	Total carrying amount N'000	Favour Value N'000	Amortised Cost N'000
31 December 2022						
Assets						
Cash and cash equivalents	-	13,075	-	13,075	13,075	26,151
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-
Financial investments	17,507,919	-	-	17,507,919	17,507,919	-
Amount due from related parties	-	-	-	-	-	-
	17,507,919	**13,075**	**-**	**17,520,994**	**17,520,994**	**26,151**
Liabilities						
Deposit liabilities	-	-	-	900,421	-	900,421
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	6,900,085	-	6,900,085
Amounts due to related parties	-	-	-	-	-	-
	-	**-**	**-**	**8,362,711**	**-**	**8,362,711**
31 December 2021						
Assets						
Cash and cash equivalents	-	939,340	-	939,340	939,340	1,878,679
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	239,619	239,619	-	239,619
Financial investments	14,493,740	-	-	14,493,740	14,493,740	-
Amount due from related parties	-	-	-	-	-	-
	14,493,740	**939,340**	**239,619**	**15,672,699**	**15,433,079**	**2,118,299**
Liabilities						
Deposit liabilities	-	-	-	-	-	-
Loans and advances	-	-	-	562,704	-	562,704
Other liabilities	-	-	-	4,979,207	-	4,979,207
Amounts due to related parties	-	-	-	-	-	-
	-	**-**	**-**	**5,541,912**	**-**	**5,541,912**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

	Equity investments N'000	Cash and Cash equivalent N'000	Loans & receivable N'000	Total carrying amount N'000	Favour Value N'000	Amortised Cost N'000
Company						
31 December 2022						
Assets						
Cash and cash equivalents	-	12,807	-	12,807	12,807	-
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-
Financial investments	17,689,938	-	-	17,689,938	17,689,938	-
Amount due from related parties	-	-	-	-		-
	17,689,938	**12,807**	**-**	**17,702,745**	**17,702,745**	**-**
Liabilities						
Deposit liabilities	-	-	-	900,421	-	900,421
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	6,890,085	-	6,890,085
Amounts due to related parties	-	-	-	351,354	-	351,354
	-	**-**	**-**	**8,704,065**	**-**	**8,704,065**
31 December 2021						
Assets						
Cash and cash equivalents	-	7,286	-	7,286	7,286	-
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-
Financial investments	14,076,231	-	-	14,076,231	14,076,231	-
Amount due from related parties	-	-	-	-		-
	14,076,231	**7,286**	**-**	**14,083,517**	**14,083,517**	**-**
Liabilities						
Deposit liabilities	-	-	-	900,421	-	900,421
Loans and advances	-	-	-	562,704	-	562,704
Other liabilities	-	-	-	3,161,735	-	3,161,735
Amounts due to related parties	-	-	-	18,346,074	-	18,346,074
	-	**-**	**-**	**22,970,934**	**-**	**22,970,934**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

32.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified.
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

32.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2022 *(Cont'd)*

32.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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 maximisation 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 is also 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.

33. Events after the reporting period

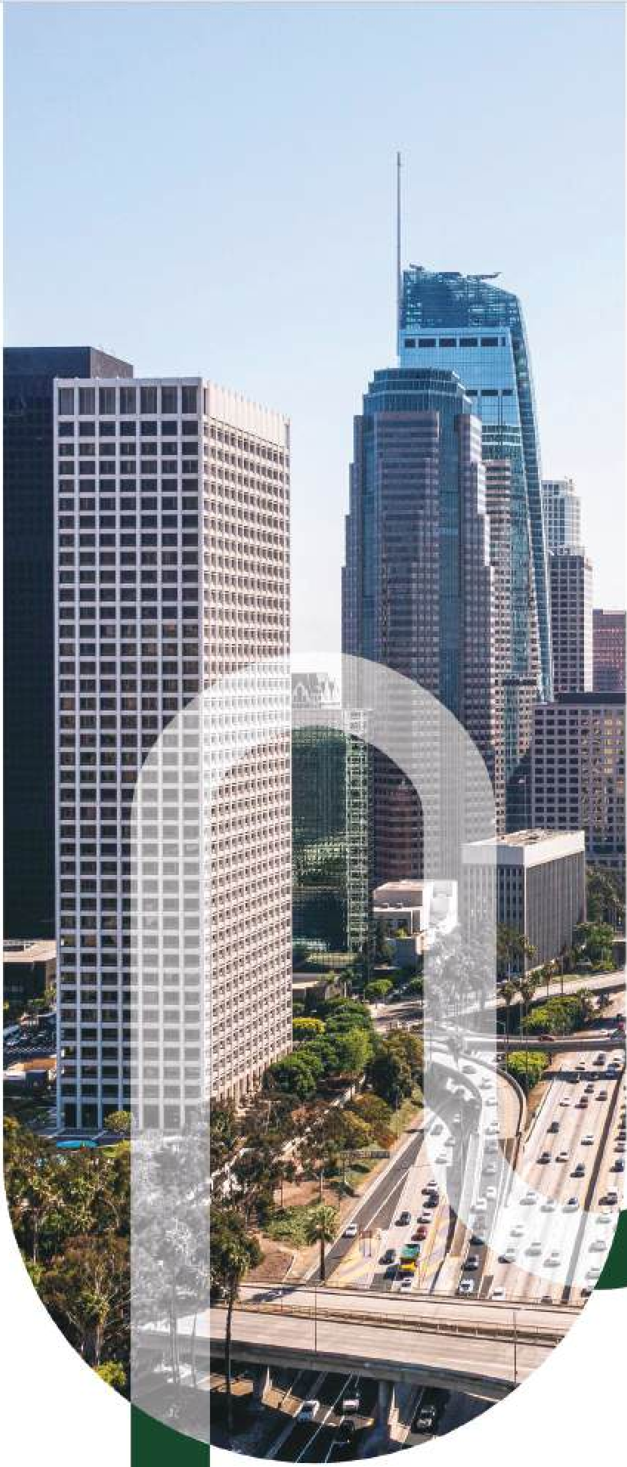
The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.

34. Going concern

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions, thereby resulting in the Group reporting persistent negative net assets. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC and note holders to address all areas of regulatory infringements and to secure the release of the licenses of the subsidiaries.

35. Restructuring

To address the going concern threat, the Group entered into a scheme of arrangement with its note holders upon an order of the court. The terms of the scheme included a restructuring of the debt to the note holders by a combination of waivers and debt to equity conversion in its BGL Plc. Subsequent negotiations with new investors requires the investors injecting funds into the business and the subsidiaries transferring their assets and liabilities to BGL Plc at their book values. Consequently, all assets and liabilities of the subsidiaries were transferred to BGL Plc on 31 December 2022.



bgl

2023
Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 1.00 p.m. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2023 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

Notice of Annual General Meeting *(Cont'd)*

4. **Closure of Register of Members**

   The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. **Questions from Shareholders**

   Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Ishmael Ebhodaghe
Company Secretary/General Counsel
FRC/2013/NBA0000002870

Report of the Independent Auditors to the members of BGL Plc - 2023

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2023 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja
E-mail: info@ahmedzakari.com Url: www.ahmedzakari.com

Directors' responsibility for the financial statements
The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2023

		Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Note	N'000	N'000	N'000	N'000
Revenue					
Fees, trading and asset management activities	7.	-	181,925	-	-
Other income	8.	454,282	10,269,790	417,296	10,269,282
Gross revenue		**454,282**	**10,451,715**	**417,296**	**10,269,282**
Operating expenses					
Depreciation	9.3	1,358	-	-	-
Administrative expenses	9.	77,660	245,503	3,012,449	206,700
Impairment charges	9.2	-	347,696	-	347,696
Total expenses		79,018	593,199	3,012,449	554,396
Profit/(loss) before tax		375,264	9,858,516	(2,595,153)	9,714,886
Taxation	24.	-	-	-	-
Profit/(loss) for the year		**375,264**	**9,858,516**	**(2,595,153)**	**9,714,886**
Profit/(loss) for the year attributable to:					
The parent company		380,758		9,858,516	
(2,595,153)		9,714,886			
Non-controlling interest	30.	(5,494)	-	-	-
		375,264	**9,858,516**	**(2,595,153)**	**9,714,886**
Other comprehensive income for the year		-	-	-	-
Total comprehensive income/(loss) for the year		375,264	9,858,516	(2,595,153)	9,714,886
Total comprehensive income for the year attributable to:					
The parent company	28.	380,758	9,858,516	(2,595,153)	9,714,886
Non-controlling interest	30.	(5,494)	-	-	-
		375,264	9,858,516	(2,595,153)	9,714,886
Per share data					
Earnings/(loss) per share - Kobo		2.27	59.59	(15.69)	58.72

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at ended 31 December 2023

	Note	Group 31-Dec-21 N'000	Group 31-Dec-20 N'000	Company 31-Dec-21 N'000	Company 31-Dec-20 N'000
Assets					
Cash and cash equivalents	10.	929,100	13,075	10,012	12,807
Trade and other receivables	12.	17,015	-	-	-
Financial investments	13.	17,814,726	17,507,919	17,996,745	17,689,938
Other assets	14.	15,454	411,260	4,689	400,495
Prepayments	15.	13,154	464	464	464
Investment in subsidiaries	17.	-	-	9,067,368	12,070,752
Intangible assets	18.	39,132	-	-	-
Property and equipment	19.1	16,350	-	-	-
Deferred taxation	24.3	10,889	10,889	10,889	10,889
Total assets		**18,855,820**	**17,943,607**	**27,090,167**	**30,185,345**
Liabilities and equity					
Liabilities					
Deposit liabilities	20.	1,068,402	900,421	1,068,402	900,421
Bank borrowings	21.	562,204	562,204	562,204	562,204
Other liabilities	22.	6,269,053	6,900,085	6,222,034	6,890,085
Amount due to related parties	23.	-	-	4,501,933	4,501,888
Tax payable	24.1	252,144	252,144	252,144	252,144
Defined benefit obligation	25.2	636,512	636,512	636,512	636,512
Total liabilities		**8,788,315**	**9,251,366**	**13,243,229**	**13,743,254**
Equity					
Share capital	26.	8,271,907	8,271,907	8,271,907	8,271,907
Share premium	27.	40,033,083	40,033,083	40,033,083	40,033,083
Retained earnings	28.	(42,242,509)	(40,207,117)	(34,902,940)	(32,307,787)
Actuarial reserve	29.1	594,368	594,368	444,888	444,888
Equity attributable to the parent company		6,656,849	8,692,241	13,846,938	16,442,091
Non-controlling interest	30.	3,410,656	-	-	-
Total equity		10,067,505	8,692,241	13,846,938	16,442,091
Total liabilities and equity		18,855,820	17,943,607	27,090,167	30,185,345

The group financial statements were approved by the Directors on 17 December 2024 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
Managing Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Changes in Equity for the year ended 31 December 2023

	Share capital N'000	Share Premium N'000	Retained earnings N'000	Actuarial Reserve N'000	Equity attributable to the parent N'000	Non-controlling interest N'000	Total Equity N'000
At 1 January 2022	7,500,000	36,173,548	(50,065,633)	594,368	(5,797,717)	-	(5,797,717)
Comprehensive income for the year:							
Profit for the year	-	-	9,858,516	-	9,858,516	-	9,858,516
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	9,858,516	-	9,858,516	-	9,858,516
Transactions with owners:							
Debt-equity conversion	771,907	3,859,535	-	-	4,631,442	-	4,631,442
At 31 December 2022	8,271,907	40,033,083	(40,207,117)	594,368	8,692,241	-	8,692,241
At 1 January 2023	8,271,907	40,033,083	(40,207,117)	594,368	8,692,241	-	8,692,241
Comprehensive income for the year:							
Profit/(loss) for the year	-	-	380,758	-	380,758	(5,494)	375,264
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	380,758	-	380,758	(5,494)	375,264
Transactions with owners:							
Issue of ordinary shares at premium in subsidiaries attributable to NCI	-	-	-	-	-	1,000,000	1,000,000
BGL Plc share disposal by offer for sale	-	-	(2,416,150)	-	(2,416,150)	2,416,150	-
At 31 December 2023	**8,271,907**	**40,033,083**	**(42,242,509)**	**594,368**	**6,656,849**	**3,410,656**	**10,067,505**

	Share capital N'000	Share Premium N'000	Retained earnings N'000	Actuarial Reserve N'000	Equity attributable to the parent N'000
Company					
At 1 January 2022	7,500,000	36,173,548	(41,977,843)	444,888	2,140,593
Prior year's adjustment	-	-	(44,830)	-	(44,830)
	7,500,000	36,173,548	(42,022,672)	444,888	2,095,763
Comprehensive income for the year:					
Profit for the year	-	-	9,714,886	-	9,714,886
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	9,714,886	-	9,714,886
Transactions with owners:					
Debt-equity conversion	771,907	3,859,535	-	-	4,631,442
At 31 December 2022	**8,271,907**	**40,033,083**	**(32,307,787)**	**444,888**	**16,442,091**
At 1 January 2023	8,271,907	40,033,083	(32,307,787)	444,888	16,442,091
Comprehensive income for the year:					
Loss for the year	-	-	(2,595,153)	-	(2,595,153)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	(2,595,153)	-	(2,595,153)
At 31 December 2023	**8,271,907**	**40,033,083**	**(34,902,940)**	**444,888**	**13,846,938**

Consolidated & Separate Statements of Cash Flows for the year ended 31 December 2023

	Note	Group 31-Dec-23 N'000	Group 31-Dec-22 N'000	Company 31-Dec-23 N'000	Company 31-Dec-22 N'000
Cash flows from operating activities					
Profit/(loss) before tax		375,264	9,858,516	(2,595,153)	9,714,886
Adjustments for non cash items:					
Depreciation	19.1	1,358	-	-	-
Profit on disposal of property, plant and equipment	8.	-	(25,144)	-	(25,144)
Loss on disposal of investments	9.	-	-	3,003,384	-
Dividend income	8.	(58)	(519)	(58)	(11)
Fair value changes in equity investments	8.	(306,807)	(2,409,659)	(306,807)	(2,409,659)
Conversion of debt instruments	26.1	-	4,631,442	-	4,631,442
Cash flows before working capital changes		69,757	12,054,636	101,366	11,911,514
Changes in working capital:					
(Increase)/decrease in trade and other receivables	12.	(17,015)	239,619	-	-
(Increase)/decrease in other assets	14.	395,806	(374,586)	395,805	(377,445)
Decrease in prepayments	15.	(12,690)	5,032	-	5,032
Increase/(decrease) in deposit liabilities	20.	167,981	(14,192,495)	167,981	(392,966)
Increase/(decrease) in other liabilites	22.	(631,032)	1,920,878	(668,051)	3,728,350
Increase/(decrease) in amount due to related party	23.	-	-	46	(13,844,186)
Increase/(decrease) in gratuity	25.	-	-	-	116,099
Elimination of prior year's adjustment	28.	-	-	-	44,830
		(27,193)	(346,916)	(2,853)	1,191,228
Tax paid	24.1	-	-	-	-
Net cash provided/(used) by operating activities		(27,193)	(346,916)	(2,853)	1,191,228
Cash flows from investing activities					
Changes in financial assets	13.	-	(604,519)	-	(1,210,367)
Purchase of property, plant and equipment	19.	(17,708)	-	-	-
Purchase of intangible assets	18.	(39,132)	-	-	-
Proceeds of property, plant and equipment disposed		-	25,149	-	25,149
Dividend received	8.	58	519	58	11
Net cash used by investment activities		(56,782)	(578,849)	58	(1,185,207)
Cash flows from financing activities					
Borrowings repaid	21.1	-	(500)	-	(500)
Issue of ordinary shares	30.	1,000,000	-	-	-
Net cash provided by financing activities		1,000,000	(500)	-	(500)
Net increase in cash and cash equivalents		916,025	(926,265)	(2,795)	5,521
Cash and cash equivalents at the beginning of the year	10.	13,075	939,340	12,807	7,286
Cash and cash equivalents at the end of the year	10.	**929,100**	**13,075**	**10,012**	**12,807**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange. The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission. In July 2023, under a restructuring arrangement ALS Capital Limited acquired interests in each of the subsidiaries by a combination of an offer for subscription and offer for sale, thereby resulting in a total interest of 40% in each of the subsidiaries and reduction of BGL Plc's interest to 60% without loss of control.

1.2 Corporate office

The registered address of the company is located at 5, Idowu Taylor Street, Victoria Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Standard and amendments	Nature of change	effective period of implementation
IAS 7 & IFRS 7, Statement of cash flows and Financial Instruments disclosures **Supplier finance arrangements**	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
IFRS 16, Sale and leaseback **Lease liability in a sale and leaseback**	Lease Liability in a Sale and Leaseback requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.	1 January 2024
IAS 1, Presentation of financial statements:	The amendment provides clarification on when a an entity can classify a liability as current or non-current. An entity shall classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. This right may be subject to the entity complying with conditions (covenants) specified in a loan arrangement.	1 January 2024
IAS 1, Presentation of financial statements	The amendment requires an entity to disclose information that enables investors to assess the risk that the liability could become repayable within 12 months, including: (i) the covenants (their nature and date on which the entity must comply with them); (ii) whether the entity would have complied with the covenants at the reporting date; and (iii) whether and how the entity expects to comply with the covenants in the future. It also requires an entity to present separately, in its statement of financial position, non-current liabilities subject to compliance with covenants within 12 months after the reporting date.	1 January 2024

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

IFRS S1, General requirements for disclosure of sustainability related financial information	IFRS S1 requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. These comprise all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects'). It also prescribes how an entity prepares and reports its sustainability-related financial disclosures.	1 January 2024
IFRS S2, Climate related disclosures	IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. These comprise information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects'). It provides guidance on the requirements for disclosing information about an entity's climate-related risks and opportunities.	1 January 2024
IAS 21, The effect of changes in foreign exchange rates	The amendment provides guidance to an entity to determine whether or not a currency is exchangeable and to determine an applicable spot rate when it is not.	1 January 2025

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts.

6.3.1 Interest and similar income and expense

The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.1 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.6.2 Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. "

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

6.6.3 Current and deferred taxes for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	Useful life
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

6.7 Property, plant and equipment

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

6.11.1 Financial assets

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- 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.

Fair value through other comprehensive income: financial assets are classified and measured at fair value through other comprehensive income where the Company's business model is both to collect contractual cash flows and selling the financial assets when opportunities arise. The contractual cash flows are represented by principal and interest repayments on the financial assets.

Fair value through profit or loss: any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Appropriate reclassifications are made to financial assets when the Company changes its business model for managing a financial asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

Equity investments are measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the Company has elected to present value changes in 'other comprehensive income' without any cost exception for unquoted equities. Where an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at FVTOCI with only dividend income recognised in profit or loss.

6.11.2 Recognition and measurement

Regular-way purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

6.11.3 De-recognition and measurement

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

6.11.4 Reclassifications

The Company reclassifies a financial asset from one class to another only when its business model objective for holding the asset changes such that its previous model assessment would no longer apply. Reclassification, where appropriate is carried out prospectively from the reclassification date which is the first day of the first reporting period following the change in business model. The Company does not restate any previously recognised gains, losses, or interest regarding the reclassified financial asset.

Reclassification of financial assets are not permitted in the following circumstances in accordance with IFRS 9:

- Equity investments measured at fair value through other comprehensive income

- where the fair value option has been exercised in any circumstance for a financial assets.

6.11.5 Impairment of financial assets

Impairment of financial assets is based on the application of the expected credit loss model (ECL). The measurement of expected credit loss by the Company reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the Company considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings. the Company considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

The Company considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

Under IFRS 9, there are three approaches to the measurement of ECL as follows:

a. General approach

b. Purchased or originated credit impaired approach

c. Simplied approach

Under the general approach considerations are given to whether there has been a significant increase in credit risks on the financial assets since initial recognition in which case an impairment loss for lifetime ECL is recognised. Otherwise, if at the reporting date management assesses that the credit risk on the financial asset has not increased significantly since initial recognition, impairment loss for 12 month ECL is recognised. Significamt increase in credit risk is measured using the lifetime probability of default. Financial assets are grouped into 3 stages based on the increase credit risks:

Stage 1: Where credit risk on the financial asset has not increased significantly since intial recognition, 12 month ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 2: Where credit risk on the financial asset has increased significantly since intial recognition, lifetime ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 3: Where there is evidence that the financial asset is credit impaired based on the occurence of a loss event, lifetime ECL is recognised on the financial asset and interest income is recognised on a net basis.

Purchased or originated credit impaired approach is applied to those financial assets that are credit impaired on initial recognition. These class of assets are categorised as stage 3 and lifetime ECL is calculated. The ECL is adjusted using the credit adjusted effective interest rate.

The simplied approach under the ECL model is based on a provision matrix and involves the following steps:

- Creating groups for trade receivables based on similar credit risks characteristics.
- Collection of historical loss rates data and determining the period of applicability of the data.
- Determination of the expected loss rates for each of the Companys of trade receivables created based on established periods for whch receivables are past due.
- Carry out necessary adjustments on the expected loss rates to reflect the effect of forward looking macro economic conditions expected to exist at the reporting date.
- Determination of the expected credit losses

6.11.6 Financial liabilities

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the Company has elected to apply the fair value option.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

Trade and other payables constitute part of the Company's sources of funding. Trade and Other Payables are measured at fair value plus transaction costs and subsequently measured at their amortised cost using the effective interest method, except where the Company chooses to carry the liabilities at fair value through profit or loss.

Interest bear borrowings, inclusive of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised costs using the effective interest rate method; any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

6.11.7 Effective interest rate method

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

6.11.8 Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the Original liability and the recognition of a new liability and the difference in the respective carrying amounts are recognized in profit or loss.

6.11.9 Offsetting financial instruments

Financial assets and 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 asset and settle the liability simultaneously.

6.11.10 Cash and cash equivalents

Cash comprise cash in hand, cash balances with banks and bank overdraft . Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management with the exclusion of term loans are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and classified as liabilities in the statement of financial position.

6.11.11 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

6.12 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.13 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Company discloses transactions with related parties which includes the:

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

6.14 Leases

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

A contract is assessed to contain a lease if the following conditions are established:

- There is an identifiable asset in the contract.
- The customer has the right to control the use of the asset throughout the period of the lease in exchange for a consideration to the supplier.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

- The customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use.
- The supplier does not have a sunstantive right to substitute the use of the asset throughout the period of use of the asset.

Where the Company is a lessee in the lease contract, the Company recognises a right of use asset and a lease liability at the inception of the contract. The right of use asset is measured using the cost model provided it:

- is not an investment property and the lessee fair values its investment properties.
- does not relate to a class of propety, plant and equipment to which the lessee applies revaluation model, in which case all right-of-use assets relating to that class of property, plant and equipment can be revalued.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. Where the lease is for a term of 12 months or less and containing no purchase options or the underlying asset has a low value when new such as personal computers or small items of office furniture, the Company accounts for lease payments as an expense on a straight-line basis over the term of the lease except another systematic basis is more reflective of the economic benefits obtainable from utilisation of the leased asset.

The right of use asset and the lease liability are initially measured at the present value of the lease payments payable over the lease term by discounting with the implicit rate of the lease. Where the implicit rate cannot be readily determined, the Company shall apply its incremental borrowing rate.

Management has opted to exempt rental payments for its office as they are of a short term nature and not considered material. Also the Company has not entered into any lease contract where it is the lessor.

		Group		Company	
		31-Dec-23	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
		N'000	**N'000**	**N'000**	**N'000**
7.	**Revenue**				
	Fees, trading and asset management activities				
	Income from trading securities	-	181,925	-	-
		-	181,925	-	-
8.	**Other income**				
	Dividend Income	58	519	58	11
	Brokerage income	-	7,187	-	7,187
	Interest Income	36,986	-	-	-
	Sundry income	110,431	7,222,761	110,431	7,222,761
	Profit on disposal of property, plant and equipment	-	25,144	-	25,144
	Fair value changes in equity investments	306,807	2,409,659	306,807	2,409,659
	Foreign exhange gain	-	604,520	-	604,520
		454,282	**10,269,790**	**417,296**	**10,269,282**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

		Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		N'000	N'000	N'000	N'000
9.	**Administrative expenses**				
	Employee cost	-	72,061	-	66,253
	Repairs and maintenance	2,628	5,337	-	5,337
	Bank charges	101	20	2	20
	Fuel	4,819	-	-	
	-				
	Electricity	1,173	70	176	70
	Rents	6,345	35,994	-	21,842
	Transport, travelling and hotel accomodation	22,316	49,829	2,720	45,574
	Business development	500	815	500	815
	Dues and subscriptions	3,181	7	2,839	7
	Staff welfare	-	1,577	-	1,577
	Professional charges	15,588	8,512	-	8,482
	Audit fees	4,000	4,000	1,000	1,000
	Security expenses	95	1,595	95	1,595
	Advertisement	368	3,397	368	3,397
	Printing and stationery	757	1,609	155	1,609
	Office expenses	750	11,568	210	10
	Insurance	1,350	-	-	-
	Regulatory expenses	12,689	-	-	-
	Loss on disposal of investments	-	-	3,003,384	-
	Penalties	1,000	49,112	1,000	49,112
		77,660	**245,503**	**3,012,449**	**206,700**
9.1	**Employee cost**				
	Salaries and allowances	-	55,373	-	51,940
	Pension contribution	-	3,867	-	3,286
	Medicals	-	6,746	-	6,002
	Training	-	6,075	-	5,025
		-	**72,061**	**-**	**66,253**
9.2	Impairment charge				
	Amount due from related parties	-	-	-	-
	Trade and other receivables	-	163,364	-	163,364
	Other assets	-	184,332	-	184,332
		-	**347,696**	**-**	**347,696**
9.3	Profit/(loss) before tax is arrived at after charging the following:				
	Audit fees	4,000	4,000	1,000	1,000
	Depreciation	1,357	-	-	-
	Employee cost	-	72,061	-	66,253

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

		Group		Company	
		31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
10.	**Cash and cash equivalents**				
	Bank balances	29,100	12,955	10,012	12,687
	Placement with Nigerian banks	900,000	120	-	120
		929,100	13,075	10,012	12,807
	Allowance for doubtful bank balance	-	-	-	-
	Total cash and cash equivalents	929,100	13,075	10,012	12,807

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances comprise cash and bank deposits. The carrying amount of these assets is approximately equal to their fair value

		Group 31-Dec-23	Group 31-Dec-22	Company 31-Dec-23	Company 31-Dec-22
11.	**Loans and advances**				
	Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
	Impairment allowance(11.1)	(3,853,866)	(3,853,866)	(3,853,866)	(3,853,866)
		-	-	-	-
11.1	**Impairment allowance**				
	At 1 January	3,853,866	3,853,866	3,853,866	3,853,866
	At 31 December	3,853,866	3,853,866	3,853,866	3,853,866
12.	**Trade and other receivables**				
	Trade debtors	589,251	572,236	572,236	572,236
	Staff loans	34,313	34,313	34,313	34,313
	Staff mortgage loans	8,535	8,535	8,535	8,535
		632,099	615,084	615,084	615,084
	Impairment allowance on trade and other receivables	(615,084)	(615,084)	(615,084)	(615,084)
		17,015	**-**	**-**	**-**
12.1	**Impairment allowance on trade and other receivables**				
	At 1 January	615,084	634,798	615,084	195,272
	Transferred from subsidiaries	-	-	-	439,526
	Impairment charge during the year	-	42,737	-	42,737
	Write back of impairment allowance during the year	-	(62,451)	-	(62,451)
	At 31 December	**615,084**	**615,084**	**615,084**	**615,084**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

		Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		N'000	N'000	N'000	N'000
13.	**Financial investments**				
13.1	**Financial investments comprise:**				
	Equity investments at fair value through profit or loss	17,814,726	17,507,919	17,996,745	17,689,938
		17,814,726	17,507,919	17,996,745	17,689,938
13.1.1	**Quoted equity investments**				
	Afromedia Plc	16,273	13,561	16,273	13,561
	DAAR Communications Plc	390,980	86,885	390,980	86,885
		407,253	**100,446**	**407,253**	**100,446**
13.1.2	**Unquoted equity investments**				
	Peak Petroleum Limted	7,625,350	7,625,350	7,625,350	7,625,350
	FCMB	3,976,644	3,976,644	3,976,644	3,976,644
	Schartz Resources Limited	5,921,044	5,921,044	5,921,044	5,921,044
	Joint Komputer Kompany Limited	545,280	545,280	545,280	545,280
	Aquila Capital Limited	50,000	50,000	50,000	50,000
	Wingsong M House Palm Oil Investment	2,430,000	2,430,000	2,430,000	2,430,000
		20,548,318	20,548,318	20,548,318	20,548,318
	Fair value changes in unquoted equity investments	(3,140,845)	(3,140,845)	(2,958,826)	(2,958,826)
		17,407,473	17,407,473	17,589,492	17,589,492
		17,814,726	**17,507,919**	**17,996,745**	**17,689,938**

13.1.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

13.1.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at N10,583,783,000 using the opening market value basis on 9 September 2009.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

		Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
14.	**Other assets**	**N'000**	**N'000**	**N'000**	**N'000**
	Sundry receivables	197,343	595,592	186,578	584,827
	Impairment allowance	(181,889)	(184,332)	(181,889)	(184,332)
		15,454	411,260	4,689	400,495
15.	**Prepayments**				
	Rent	12,690	-	-	-
	Staff housing	464	464	464	464
		13,154	464	464	464
16.	**Amount due from related party**				
	Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
		2,000,000	2,000,000	2,000,000	2,000,000
	Impairment allowance	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
		-	-	-	-
17.	**Investment in subsidiaries**				
	BGL Securities Limited	-	-	5,633,463	7,492,212
	BGL Asset Management Limited	-	-	3,058,905	4,078,540
	BGL Capital Limited	-	-	375,000	500,000
		-	-	**9,067,368**	**12,070,752**

BGL Plc carried out a partial disposal of its interests in the subsidiaries to an investor, ALS Capital Limited under a restructing arrangement by an offer for sale to partly address matters relating to the going concern of the Company. The disposals resulted in the reduction of BGL Plc's interests in the each of the subsidiaries without loss of control. Further explanations are provided in Note 37.

17.1 Subsidiary undertakings

Subsidiary	Location	Interest %	Principal activities
BGL Securities Limited	Nigeria	60.00	Stock broking activities
BGL Asset Management Limited	Nigeria	60.00	Asset management services
BGL Capital Limited	Nigeria	60.00	Investment banking & advisory

17.2 Summary of operating results and financial position

	BGL Securities Limited	BGL Asset Management Limited	BGL Capital Limited
31 December 2023	**N'000**	**N'000**	**N'000**
Gross revenue	18,493	7,397	11,096
Profit/(loss) after tax	(8,855)	(8,213)	(15,898)
Total assets	1,628,770	3,550,603	336,939
Total liabilities	30,030	9,540	7,552
Total equity	1,598,740	3,541,063	329,386
31 December 2022			
Gross revenue	182,433	-	-
Profit/(loss) after tax	164,032	(9,674)	(10,727)
Total assets	1,107,595	3,349,276	45,284
Total equity	1,107,595	3,349,276	45,284

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

		Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		N'000	N'000	N'000	N'000
18.	**Intangible assets**				
	Cost				
	At 1 January	-	-	-	-
	Additions	39,132	-	-	-
	At 31 December	39,132	-	-	-
	Amortisation				
	At 1 January	-	-	-	-
	Charge for the year	-	-	-	-
	At 31 December	-	-	-	-
	Carrying amount				
	At 31 December	**39,132**	**-**	**-**	**-**

19. Property, plant and equipment

19.1	**Group**	**Leasehold improvement N'000**	**Plant and equpment N'000**	**Furniture and fittings N'000**	**Computer equipment N'000**	**Motor vehicles N'000**	**Total N'000**
	Cost or Valuation						
	At 1 January 2022	46,587	683	76,880	120,119	-	244,269
	Disposals	(46,587)	(683)	(76,880)	(120,119)	-	(244,269)
	At 31 December 2022	-	-	-	-	-	-
	At 1 January 2023	-	-	-	-	-	-
	Additions	-	4,381	13,097	230	-	17,708
	At 31 December 2023	-	4,381	13,097	230	-	17,708
	Depreciation						
	At 1 January 2022	46,586	683	76,878	120,117	-	244,264
	Eliminated on disposals	(46,586)	(683)	(76,878)	(120,117)	-	(244,264)
	At 31 December 2022	-	-	-	-	-	-
	At 1 January 2023	-	-	-	-	-	-
	Charge for the year	-	366	973	19	-	1,358
	At 31 December 2023	-	366	973	19	-	1,358
	Carrying amount						
	At 31 December 2022	-	-	-	-	-	-
	At 31 December 2023	**-**	**4,015**	**12,124**	**211**	**-**	**16,350**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

19.2	**Company**	**Leasehold improvement N'000**	**Plant and equpment N'000**	**Furniture and fittings N'000**	**Computer equipment N'000**	**Motor vehicles N'000**	**Total N'000**
	Cost or Valuation						
	At 1 January 2022	-	-	-	-	-	-
	Transferred from subsidiaries	46,587	683	76,880	120,119	-	244,269
	Disposals	(46,587)	(683)	(76,880)	(120,119)	-	(244,269)
	At 31 December 2022	-	-	-	-	-	-
	At 1 January 2023	-	-	-	-	-	-
	At 31 December 2023	-	-	-	-	-	-
	Depreciation						
	At 1 January 2022	-	-	-	-	-	-
	Transferred from subsidiaries	46,586	683	76,878	120,117	-	244,264
	Eliminated on disposals	(46,586)	(683)	(76,878)	(120,117)	-	(244,264)
	At 31 December 2022	-	-	-	-	-	-
	At 1 January 2023	-	-	-	-	-	-
	At 31 December 2023	-	-	-	-	-	-
	Carrying amount						
	At 31 December 2022	-	-	-	-	-	-
	At 31 December 2023	-	-	-	-	-	-

		Group		Company	
		31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-23 N'000	31-Dec-22 N'000
20.	**Deposit liabilities**	1,068,402	900,421	1,068,402	900,421
21.	**Bank borrowings**				
	Bank overdrafts	562,204	562,204	562,204	562,204
		562,204	**562,204**	**562,204**	**562,204**
21.1	**Movement**				
	At 1 January	562,204	562,704	562,204	562,704
	Additions/(repayments)	-	(500)	-	(500)
	At 31 December	562,204	562,204	562,204	562,204

Bank overdrafts comprises the outstanding balance of N500 million from a margin facility of N1.287 billion from First Bank Plc and overdrawn account of N62.2 million with UBA Plc (31 December 2022: N500 million and N62.2 million respectively).

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

		Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		N'000	N'000	N'000	N'000
22.	**Other liabilities**				
	Dividend payable (Note 22.1)	4,813	4,813	4,813	4,813
	Short term employee benefit obligation	559,083	559,083	559,083	559,083
	Other taxes payable	511,011	511,011	511,011	511,011
	Other sundry creditors	540,232	539,232	540,232	539,232
	Contract stamp payable	177,641	177,641	177,641	177,641
	Accruals	1,627,520	1,589,500	1,580,501	1,579,500
	Guaranteed consolidated and premium notes	2,848,753	3,518,805	2,848,753	3,518,805
		6,269,053	**6,900,085**	**6,222,034**	**6,890,085**
22.1	**Dividend payable**				
	At 1 January	4,813	4,813	4,813	4,813
	At 31 December	4,813	4,813	4,813	4,813
23.	**Amount due to related parties**				
	Amount due to subsidiaries	-	-	4,501,933	4,501,888
		-	**-**	**4,501,933**	**4,501,888**
24.	**Taxation**				
24.1	**Tax payable**				
	At 1 January	252,144	252,144	252,144	157,909
	Tax liabilities transferred from subsidiaries	-	-	-	112,348
	Prior years tax overprovision	-	-	-	(18,113)
		252,144	252,144	252,144	252,144
	Paid during the year	-	-	-	-
	At 31 December	**252,144**	**252,144**	**252,144**	**252,144**
24.3	**Deferred tax**				
	At 1 January	(10,889)	(10,889)	(10,889)	-
	Deferred tax assets transferred from subsidiaries	-	-	-	(21,425)
	Prior year's adjustment	-	-	-	10,536
	At 31 December	**(10,889)**	**(10,889)**	**(10,889)**	**(10,889)**

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

25. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

		Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		N'000	N'000	N'000	N'000
25.1	Present value of unfunded defined benefit obligations	636,512	636,512	636,512	636,512
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	**636,512**	**636,512**	**636,512**	**636,512**
25.2	Movement in the present value of defined benefit obligation is as follows:				
	At 1 January	636,512	636,512	636,512	520,414
	Gratuity liability transferred from subsidiary	-	-	-	63,691
	Prior years underprovision	-	-	-	52,407
		636,512	636,512	636,512	636,512
26.	**Share capital**				
26.1	**Issued and fully paid**				
	At 1 Jan 23: 16,543,814,029 ordinary shares of 50 kobo each (31 Dec 22: 15,000,000,000 ordinary shares of 50 kobo each)	8,271,907	7,500,000	8,271,907	7,500,000
	Conversion of debt instruments - 31 Dec 22 1,543,814,029 ordinary shares of 50 kobo each	-	771,907	-	771,907
	At 31 December 16,543,814,029 ordinary shares of 50 kobo each	**8,271,907**	**8,271,907**	**8,271,907**	**8,271,907**

The conversion of debts instruments to equity is based on a court sanctioned scheme of arrangement between a subsidiary of the Company and specified willing Notes Holders for the conversion of their guaranteed consolidated and premium notes to equity. Subsequent agreements between the subsidiaries and investors provided for the transfer of all assets and liabilities of the subsidiaries to BGL Plc, hence the scheme of arrangement was deemed to be executed between BGL Plc and the Notes Holders.

27.	**Share premium**				
	At 1 January	40,033,083	36,173,548	40,033,083	36,173,548
	Premium on conversion of debt instruments	-	3,859,535	-	3,859,535
	At 31 December	**40,033,083**	**40,033,083**	**40,033,083**	**40,033,083**
28.	**Retained earnings**				
	At 1 January	(40,207,117)	(50,065,633)	(32,307,787)	(41,977,843)
	Prior years adjustment	-	-	-	(44,830)
	Attributable to NCI on disposal of investments in subsidiaries	(2,416,150)	-	-	-
	Profit/(loss) for the year	380,758	9,858,516	(2,595,153)	9,714,886
	At 31 December	**(42,242,509)**	**(40,207,117)**	**(34,902,940)**	**(32,307,787)**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

		Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		N'000	N'000	N'000	N'000
29.	**Reserves**				
29.1	**Actuarial reserve**				
	At 1 January	594,368	594,368	444,888	444,888
	At 31 December	594,368	594,368	444,888	444,888
30.	**Non-controlling interest (NCI)**				
	At 1 January	-	-	-	-
	Attributable to NCI on acquisition of interests by subscription	1,000,000	-	-	-
	Attributable to NCI on disposal of investments in subsidiaries	2,416,150	-	-	-
	Share of current year's retained earnings	(5,494)	-	-	-
	At 31 December	3,410,656	-	-	-
31.	**Directors and employees**				
31.1	**Chairman and Directors' emoluments**				
	Fees	-	-	-	-
	Emoluments of executive Directors	-	-	-	-
		-	**-**	**-**	**-**

No allowances were accrued for the Directors during the year (31 December 2022: Nil).

31.2 The number of employees whose emoluments fall within the following ranges were:

N		N				
60,000	-	999,999	8	8	3	3
1,000,000	-	1,999,999	1	1	1	1
2,000,000	-	2,999,999	-	-	-	-
3,000,000	-	3,999,999	-	-	-	-
4,000,000	-	4,999,999	-	-	-	-
5,000,000	-	5,999,999	-	-	-	-
6,000,000	-	6,999,999	-	-	-	-
	-		**9**	**9**	**4**	**4**

31.3	Average number of persons employed during the year				
	Managerial	1	1	1	1
	Non-managerial	8	8	3	3
		9	**9**	**4**	**4**
31.4	Staff costs excluding Directors relating to the above:				
	Salaries and allowances	-	55,373	-	51,940
	Staff welfare expenses	-	16,689	-	14,313
		-	**72,062**	**-**	**66,253**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

32. Related party disclosures

32.1 Related party relationships

Entity	*Nature of relationships*
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related Party
Lexcap Partners Limited	Related Party

32.1.1 Group

Balances and transactions with related parties *Entity*	Nature of transaction	Amount of transaction party N'000	Amount due from related party N'000	Amount due to related party N'000
31 December 2023				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	**2,000,000**	**-**
31 December 2022				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	**2,000,000**	**-**

32.1.2 Company

Entity				
31 December 2023				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Restructuring	-	-	3,349,276
BGL Capital Limited	Restructuring	45	-	45,061
BGL Securities Limited	Restructuring	-	-	1,107,596
		-	**2,000,000**	**4,501,933**
31 December 2022				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Restructuring	(10,588,617)	-	3,349,276
BGL Capital Limited	Restructuring	(85,518)	-	45,016
BGL Securities Limited	Restructuring	(3,170,049)	-	1,107,596
		(13,844,184)	**2,000,000**	**4,501,888**

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 11 and 23 respectively of the financial statements.

32.1.3 Remumeration of key management personnel

The Directors comprise the key management personnel of the Group. No remuneration was paid to the Directors and neither was any remuneration accrued for their benefits.

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

33. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

34. Financial risk management

34.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Operational risks

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruptionand cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

34.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

34.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

i Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.

ii Companies that have capacity to add substantially to industrial output.

34.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk.

e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.

f Appoint credit officers and delegate approval authorities to individuals and committees.

The Group also as an Executive Management Committee charged with the responsibility of:

a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c Recommending to the Board Credit and Investment Committee those projects above its limits.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

Financial assets past due but not individually impaired

	Group		Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Loans & advances to customers	Loans & advances to customers	Loans & advances to customers	Loans & advances to customers
	N'000	N'000	N'000	N'000
Past due by more than 1 year	-	-	-	-
	-	-	-	-
Financial assets individually impaired				
Gross amount	3,853,866	3,853,866	3,853,866	3,853,866
Allowance for impairment	(3,853,866)	(3,853,866)	(3,853,866)	(3,853,866)
	-	-	-	-

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

34.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

34.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established in appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

34.3.2 Group residual contractual maturities of financial assets and liabilities

Group 31 December 2023	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
Non-derivative assets:							
Cash and cash equivalents	1,858,200	929,100	929,100	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	34,029	17,015	17,015	-	-	-	-
Financial investments	35,629,453	17,814,726	17,814,726	-	-	-	-
Other assets	30,908	15,454	15,454	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	37,552,590	**18,776,295**	**18,776,295**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	2,136,804	1,068,402	1,068,402	-	-	-	-
Loans and advances	1,124,409	562,204	562,204	-	-	-	-
Other liabilities	12,538,106	6,269,053	6,269,053	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	15,799,318	7,899,659	7,899,659	-	-	-	-
Gap (assets - liabilities)	**21,753,272**	**10,876,636**	**10,876,636**	**-**	**-**	**-**	**-**
31 December 2022							
Non-derivative assets:							
Cash and cash equivalents	13,075	13,075	13,075	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-
Financial investments	35,015,837	17,507,919	17,507,919	-	-	-	-
Other assets	822,520	411,260	411,260	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	35,851,433	**17,932,254**	**17,932,254**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	900,421	900,421	900,421	-	-	-	-
Loans and advances	562,204	562,204	562,204	-	-	-	-
Other liabilities	6,900,085	6,900,085	6,900,085	-	-	-	-
Amount due to related parties	4,813	4,813	4,813	-	-	-	-
	8,367,523	8,367,523	8,367,523	-	-	-	-
Gap (assets - liabilities)	**27,483,909**	**9,564,730**	**9,564,730**	**-**	**-**	**-**	**-**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

34.3.3 Company's residual contractual maturities of financial assets and liabilities

Company 31 December 2023	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
Non-derivative assets:							
Cash and cash equivalents	20,023	10,012	10,012	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-
Financial investments	35,993,491	17,996,745	17,996,745	-	-	-	-
Other assets	9,379	4,689	4,689	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	36,022,893	**18,011,447**	**18,011,447**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	2,136,804	1,068,402	1,068,402	-	-	-	-
Loans and advances	1,124,409	562,204	562,204	-	-	-	-
Other liabilities	12,444,067	6,222,034	6,222,034	-	-	-	-
Amount due to related parties	9,003,867	4,501,933	4,501,933	-	-	-	-
	24,709,147	12,354,573	12,354,573	-	-	-	-
Gap (assets - liabilities)	11,313,746	5,656,873	5,656,873	-	-	-	-
31 December 2022							
Non-derivative assets:							
Cash and cash equivalents	12,807	12,807	12,807	-	-	-	-
Financial investments	17,689,938	17,689,938	17,689,938	-	-	-	-
Other assets	400,495	400,495	400,495	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	18,103,240	18,103,240	18,103,240	-	-	-	-
Non-derivative liabilities:							
Deposit liabilities	900,421	900,421	900,421	-	-	-	-
Loans and advances	562,204	562,204	562,204	-	-	-	-
Other liabilities	6,890,085	6,890,085	6,890,085	-	-	-	-
Amount due to related parties	4,501,888	4,501,888	4,501,888				
	12,854,599	12,854,599	8,352,711	-	-	-	-
Gap (assets - liabilities)	**5,248,641**	**5,248,641**	**9,750,529**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

34.4 Valuation of financial instruments

34.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

Level 2:
Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indrectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group	**Note**	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
31 December 2023					
Quoted investments	13.1.1	407,253	-	-	407,253
Unquoted investments	13.1.2	-	-	17,407,473	17,407,473
		407,253	**-**	**17,407,473**	**17,814,726**
31 December 2022					
Quoted investments	13.1.1	100,446	-	-	100,446
Unquoted investments	13.1.2	-	-	17,407,473	17,407,473
		100,446	**-**	**17,407,473**	**17,507,919**
Company					
31 December 2023					
Quoted investments	13.1.1	407,253	-	-	407,253
Unquoted investments	13.1.2	-	-	17,589,492	17,589,492
		407,253	**-**	**17,589,492**	**17,996,745**
31 December 2022					
Quoted investments	13.1.1	100,446	-	-	100,446
Unquoted investments	13.1.2	-	-	17,589,492	17,589,492
		100,446	**-**	**17,589,492**	**17,689,938**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

34.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

Group	Equity investments N'000	Cash and Cash equivalent N'000	Loans & receivable N'000	Total carrying amount N'000	Favour Value N'000	Amortised Cost N'000
31 December 2023						
Assets						
Cash and cash equivalents	-	929,100	-	929,100	929,100	1,858,200
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	17,015	17,015	-	17,015
Financial investments	17,814,726	-	-	17,814,726	17,814,726	-
Amount due from related parties	-	-	-	-	-	-
	17,814,726	**929,100**	**17,015**	**18,760,841**	**18,743,826**	**1,875,214**
Liabilities						
Deposit liabilities	-	-	-	1,068,402	-	1,068,402
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	6,269,053	-	6,269,053
Amounts due to related parties	-	-	-	-	-	-
	-	**-**	**-**	**7,899,659**	**-**	**7,899,659**
31 December 2022						
Assets						
Cash and cash equivalents	-	13,075	-	13,075	13,075	26,151
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-
Financial investments	17,507,919	-	-	17,507,919	17,507,919	-
Amount due from related parties	-	-	-	-	-	-
	17,507,919	**13,075**	**-**	**17,520,994**	**17,520,994**	**26,151**
Liabilities						
Deposit liabilities	-	-	-	900,421	-	900,421
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	6,900,085	-	6,900,085
Amounts due to related parties	-	-	-	-	-	-
	-	**-**	**-**	**8,362,711**	**-**	**8,362,711**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

Company	Equity investments N'000	Cash and Cash equivalent N'000	Loans & receivable N'000	Total carrying amount N'000	Favour Value N'000	Amortised Cost N'000
31 December 2023						
Assets						
Cash and cash equivalents	-	10,012	-	10,012	10,012	-
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-
Financial investments	17,996,745	-	-	17,996,745	17,996,745	-
Amount due from related parties	-	-	-	-		-
	17,996,745	**10,012**	**-**	**18,006,757**	**18,006,757**	**-**
Liabilities						
Deposit liabilities	-	-	-	1,068,402	-	1,068,402
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	6,222,034	-	6,222,034
Amounts due to related parties	-	-	-	4,501,933	-	4,501,933
	-	**-**	**-**	**12,354,573**	**-**	**12,354,573**
31 December 2022						
Assets						
Cash and cash equivalents	-	12,807	-	12,807	12,807	-
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-
Financial investments	17,689,938	-	-	17,689,938	17,689,938	-
Amount due from related parties	-	-	-	-		-
	17,689,938	**12,807**	**-**	**17,702,745**	**17,702,745**	**-**
Liabilities						
Deposit liabilities	-	-	-	900,421	-	900,421
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	6,890,085	-	6,890,085
Amounts due to related parties	-	-	-	4,501,888	-	4,501,888
	-	**-**	**-**	**12,854,599**	**-**	**12,854,599**

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

34.6 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

34.7 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

Notes to the Consolidated & Separate Financial Statements for the year ended 31 December 2023 *(Cont'd)*

34.7.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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 maximisation 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 is also 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.

35 Events after the reporting period

The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the financial statements which have not been adequately provided for or disclosed in the financial statements.

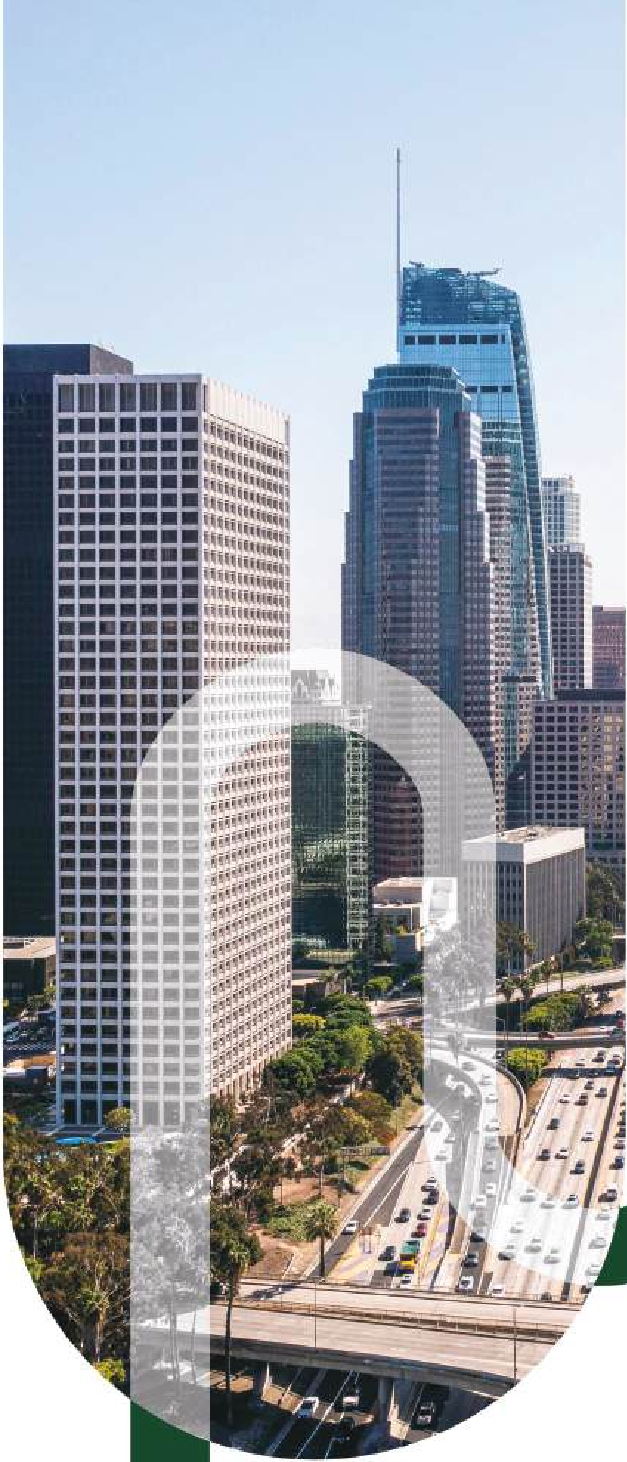
36. Going concern

The Company's operations were impacted by the non-renewal of the operating licences of its subsidiaries by the Securities and Exchange Commission (SEC) arising from the imposition of regulatory sanctions, thereby resulting in the Group reporting persistent negative net assets. The Directors have assessed this threat on the going concern of the Group and are in communications with SEC and note holders to address all areas of regulatory infringements and to secure the release of the licenses of the subsidiaries.

37. Restructuring

To address the going concern threat, the Group entered into a scheme of arrangement with its note holders upon an order of the court. The terms of the scheme included a restructuring of the debt to the note holders by a combination of waivers and debt to equity conversion in its BGL Plc. Subsequent negotiations with new investors requires the investors injecting funds into the business and the Company transferring its assets and liabilities to its holding Company at their book values. Consequently, all assets and liabilities of the Company were transferred to BGL Plc on 31 December 2022.

In July 2023, under the restructing arrangement, ALS Capital Limited acquired interests in each of the subsidiaries of BGL Plc by a combination of an offer for subscription and offer for sale, thereby resulting in the total interests of ALS Capital Limited in each of the subsidiaries after the completion of the acquisitions at 40% and a reduction in BGL Plc's interests in each of the subsidiaries to 60%. The offer for subscription involved the payment of a total sum of N1 billion to acquire the additional shares issued by the subsidiaries.



2024
Financial Report

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of BGL Plc (the "Company") will hold virtually on Friday 4th July 2025, at 1.20 p.m. You will be asked to consider and, if thought fit, to pass the following resolutions:

ORDINARY BUSINESS

1. To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2024 together with the Report of the Directors, External Auditors and Audit Committee thereon.
2. To authorize the Directors to fix the remuneration of the Independent Auditors.
3. To elect members of the Audit Committee.

SPECIAL BUSINESS

4. To fix the remuneration of the Directors
5. To Consider and if thought fit, Pass the following resolutions as Special Resolutions:
   - 5.1. Approval to convert the Company from Public Company to A Private limited liability company.
   - 5.2. That the Directors be and are hereby authorized to enter into any agreements and /or execute any documents, appoint such professional parties perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions and to approve sign and/or execute all such documents, agreements and other documents as may be necessary
6. To Consider and if thought fit, Pass the following resolutions as Special Resolutions:
   - 6.1. Approval for the Company to initiate a share buy-back / share cancellation exercise to comply with regulatory requirement to convert back to a private company
   - 6.2. That the Directors be and are hereby authorized to enter into any agreements and/or execute any documents, appoint such professional parties perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions and to approve sign and/or execute all such documents, agreements and other documents as may be necessary or incidental to the transaction subject to obtaining the approvals of relevant regulatory authorities
7. To Consider and if thought fit, Pass the following resolutions as Special Resolutions
   - 7.1. That shareholders approve that the Company's Share capital be and is hereby increased from ₦11,000,000,000 to ₦14,666,600,000 via the issuance of 7,332,000,000 additional shares of 0.50 kobo each.

Notice of Annual General Meeting *(Cont'd)*

8. To Consider and if thought fit, Pass the following resolutions as Special Resolutions:

   8.1. Approval of the special placement of 7,332,000,000 ordinary shares representing 25% of the increased share capital to identified strategic investor(s).

   8.2. That the Directors be and are hereby authorized to enter into any agreements and /or execute any documents, appoint such professional parties perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions and to approve sign and/or execute all such documents, agreements and other documents as may be necessary or incidental to the transaction subject to obtaining the approvals of relevant regulatory authorities

9. To Consider and if thought fit, Pass the following resolutions as Special Resolutions:

   9.1 Approval to raise debt capital of ₦5,000,000,000 (Five Billion Naira) towards meeting the commitment to liquidate the payment of outstanding Guaranteed Consolidated Notes and Guaranteed Product Notes obligations of the Company

   9.2 That the Directors be and are hereby authorized to enter into any agreements and /or execute any documents, appoint such professional parties perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions and to approve sign and/or execute all such documents, agreements and other documents as may be necessary or incidental to the transaction subject to obtaining the approvals of relevant regulatory authorities

NOTES

1. Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy in his/her stead. A Proxy need not be a member of the company. To be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Unity Registrar Limited, of 25, Ogunlana Drive, Surulere, Lagos not later than 48 hours prior to the time of the meeting.

2. Statutory Audit Committee

The Audit Committee consists of 2 shareholders and 2 directors. In accordance with S.404(6) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Kindly note that by virtue of the provisions of the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act, 2020, all members of the Statutory Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by an Act of the National Assembly and be knowledgeable in internal control processes.

In view of the foregoing, nominations to the Statutory Audit Committee should be supported by the Curricula Vitae of the nominees

Notice of Annual General Meeting *(Cont'd)*

3. Virtual Meeting Link

Further to the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this AGM would be held virtually. The virtual meeting link for the AGM is: **THE 19TH -29TH ANNUAL GENERAL MEETINGS OF BGL PLC | Zoom | Meetup-Join**. The virtual meeting link will also be available on the Company's website at http://www.bglgroup.ng.

4. Closure of Register of Members

The Register of members and Transfer Books will be closed on June 13th 2025 to enable the Registrar prepare the Register of Shareholders for the meeting

5. Questions from Shareholders

Shareholders and other holders of the company's securities reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Notice. Please send questions, comments or observations to companysecretariat@bglgroup.ng

Dated this 11th Day of June, 2025

BY ORDER OF THE BOARD

Basit Olawoyin
The Transaction Experts LP *(Company Secretary)*
FRC/2021/PRO/00000023841

Report of the Independent Auditors to the members of BGL Plc - 2024

AHMED ZAKARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BGL PLC

Opinion

We have audited the accompanying financial statements of BGL Plc which comprise the statement of financial position as at 31 December 2024 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of BGL Plc as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act of Nigeria, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and the International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and certification of the financial statements. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Partners: | Isma'ila M. Zakari | Najib Imam | Wazir Olukayode Lawal | Nafisat Awak | Olanrewaju Osayomi

Central Office: 5th Floor, African Alliance House, F1 Sani Abacha Way, P. O. Box 6500, Kano, Nigeria
Lagos Office: 22B, Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, P.O. Box 54478, Falomo, Ikoyi, Lagos
Abuja Office: 2nd Floor, Akintola Williams House, Plot 2048 Michael Opara Way, Wuse Zone 7, Abuja
E-mail: info@ahmedzakari.com Url: www.ahmedzakari.com

Report of the Independent Auditors to the members of BGL Plc - 2024

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Report of the Independent Auditors to the members of BGL Plc - 2024

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act of Nigeria, 2020

- In our opinion proper books of account have been kept by the Company.

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.

- The Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Wazir Olukayode Lawal
FRC/2013/PRO/ICAN/004/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)

11 June 2025

Consolidated & Separate Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2024

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Note	N'000	N'000	N'000	N'000
Revenue					
Fees, trading and asset management activities	7.	-	-	-	-
Other income	7.	796,858	454,282	670,602	417,296
Gross revenue		**796,858**	**454,282**	**670,602**	**417,296**
Operating expenses					
Depreciation	19.1	4,669	1,358	150	-
Administrative expenses	8.	464,773	77,660	341,171	3,012,449
Total expenses		469,442	79,018	341,321	3,012,449
Profit before tax		327,416	375,264	329,281	(2,595,153)
Tax credit	24.	6,047,278	-	5,584,176	-
Profit for the year		**6,374,694**	**375,264**	**5,913,457**	**(2,595,153)**
Profit for the year attributable to:					
The parent company	28.	6,190,199	380,758	5,913,457	(2,595,153)
Non-controlling interest	30.	(184,495)	(5,494)	-	-
		6,374,694	**375,264**	**5,913,457**	**(2,595,153)**
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		**6,374,694**	**375,264**	**5,913,457**	**(2,595,153)**
Total comprehensive income for the year attributable to:					
The parent company	28.	6,190,199	380,758	5,913,457	(2,595,153)
Non-controlling interest	30.	184,495	(5,494)	-	-
		6,374,693	375,264	5,913,457	(2,595,153)
Per share data					
Earnings/(loss) per share - Kobo		38.53	2.27	35.74	(15.69)

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Financial Position as at 31 December 2024

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Note	N'000	N'000	N'000	N'000
Assets					
Cash and cash equivalents	10.	961,672	929,100	27,412	10,012
Trade and other receivables	12.	24,366	17,015	-	-
Financial investments	13.	17,700,963	17,814,726	17,882,982	17,996,745
Other assets	14.	14,196	15,454	3,430	4,689
Prepayments	15.	11,816	13,154	464	464
Investment in subsidiaries	17.	-	-	9,067,368	9,067,368
Intangible assets	18.	39,132	39,132	-	-
Property and equipment	19.1	12,907	16,350	530	-
Deferred taxation	24.3	6,159,214	10,889	5,695,325	10,889
Total assets		**24,924,266**	**18,855,819**	**32,677,511**	**27,090,167**
Liabilities and equity					
Liabilities					
Deposit liabilities	20.	900,421	1,068,402	900,421	1,068,402
Bank borrowings	21.	562,204	562,204	562,204	562,204
Other liabilities	22.	6,035,578	6,269,053	5,963,642	6,222,034
Amount due to related parties	23.	-	-	4,501,933	4,501,933
Tax payable	24.2	252,144	252,144	252,144	252,144
Defined benefit obligation	25.2	636,512	636,512	636,512	636,512
Total liabilities		8,386,859	8,788,314	12,816,856	13,243,229
Equity					
Share capital	26.	8,271,907	8,271,907	8,271,907	8,271,907
Share premium	27.	40,033,083	40,033,083	40,033,083	40,033,083
Retained earnings	28.	(35,926,669)	(42,242,509)	(28,989,482)	(34,902,940)
Actuarial reserve	29.1	468,727	594,368	444,888	444,888
Equity attributable to the parent company		12,847,048	6,656,848	19,760,395	13,846,938
Non-controlling interest	30.	3,595,150	3,410,655	-	-
Total equity		16,442,198	10,067,504	19,760,395	13,846,938
Total liabilities and equity		**24,924,266**	**18,855,819**	**32,677,511**	**27,090,167**

The group financial statements were approved by the Directors on ………………………….. 2025 and signed on their behalf by:

Musa Kida
Chairman

Chibundu Edozie
anaging Director

Kingsley Odiana
Chief Financial Officer

The accompanying explanatory notes and the other national disclosures form an integral part of these financial statements.

Consolidated & Separate Statements of Changes in Equity for the year ended 31 December 2024

	Share capital N'000	Share Premium N'000	Retained earnings N'000	Actuarial Reserve N'000	Equity attributable to the parent N'000	Non-controlling interest N'000	Total Equity N'000
At 1 January 2023	8,271,907	40,033,083	(40,207,117)	594,368	8,692,241	-	8,692,241
Comprehensive income for the year:							
Profit/(loss) for the year	-	-	380,758	-	380,758	(5,494)	375,263
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	380,758	-	380,758	(5,494)	375,263
Transactions with owners:							
Issue of ordinary shares at premium in subsidiaries attributable to NCI	-	-	-	-	-	1,000,000	1,000,000
BGL Plc share disposal by offer for sale	-	-	(2,416,150)	-	(2,416,150)	2,416,150	-
At 31 December 2023	**8,271,907**	**40,033,083**	**(42,242,509)**	**594,368**	**6,656,849**	**3,410,655**	**10,067,504**
At 1 January 2024	8,271,907	40,033,083	(42,242,509)	594,368	6,656,849	3,410,655	10,067,504
Comprehensive income for the year:							
Profit/(loss) for the year	-	-	6,190,199	-	6,190,199	184,495	6,374,693
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	6,190,199	-	6,190,199	184,495	6,374,693
At 31 December 2024	**8,271,907**	**40,033,083**	**(36,052,310)**	**594,368**	**12,847,048**	**3,595,150**	**16,442,198**
Company							
At 1 January 2023	8,271,907	40,033,083	(32,307,787)	444,888	16,442,091		
Comprehensive income for the year:							
Loss for the year	-	-	(2,595,153)	-	(2,595,153)		
Other comprehensive income for the year	-	-	-	-	-		
Total comprehensive income for the year	-	-	(2,595,153)	-	(2,595,153)		
At 31 December 2023	**8,271,907**	**40,033,083**	**(34,902,940)**	**444,888**	**13,846,938**		
At 1 January 2024	8,271,907	40,033,083	(34,902,940)	444,888	13,846,938		
Comprehensive income for the year:							
Profit for the year	-	-	5,913,457	-	5,913,457		
Other comprehensive income for the year	-	-	-	-	-		
Total comprehensive income for the year	-	-	5,913,457	-	5,913,457		
At 31 December 2024	**8,271,907**	**40,033,083**	**(28,989,482)**	**444,888**	**19,760,396**		

Consolidated & Separate Statements of Cash Flows for the year ended 31 December 2024

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	Notes	N'000	N'000	N'000	N'000
Cash flows from operating activities					
Profit/(loss) before tax		327,416	375,264	329,281	(2,595,153)
Adjustments for non cash items:					
Depreciation	19.1	4,669	1,358	150	-
Profit on disposal of property, plant and equipment	7.	-	-	-	-
Loss on disposal of investments	8.	-	-	-	3,003,384
Dividend income	7.	-	(58)	-	(58)
Fair value changes in equity investments	7.	125,647	(306,807)	125,647	(306,807)
Conversion of debt instruments	26.1	-	-	-	-
Cash flows before working capital changes		457,732	69,757	455,078	101,366
Changes in working capital:					
(Increase)/decrease in trade and other receivables	12.	(7,351)	(17,015)	-	-
Decrease in other assets	14.	1,258	395,806	1,260	395,805
(Increase)/decrease in prepayments	15.	1,338	(12,690)	-	-
Increase/(decrease) in deposit liabilities	20.	(167,981)	167,981	(167,981)	167,981
Increase in other liabilites	22.	(239,313)	(631,032)	(258,392)	(668,051)
Increase/(decrease) in amount due to related party	23.	-	-	(0)	46
		45,683	(27,193)	29,965	(2,853)
Tax paid	24.2	-	-	-	-
Net cash provided/(used) by operating activities		45,683	(27,193)	29,965	(2,853)
Cash flows from Investing activities					
Changes in financial assets	13.	(11,884)	-	(11,885)	-
Purchase of property, plant and equipment	19.	(1,226)	(17,708)	(680)	-
Purchase of intangible assets	18.	-	(39,132)	-	-
Dividend received	7.	-	58	-	58
Net cash used by investment activities		(13,110)	(56,782)	(12,565)	58
Cash flows from financing activities					
Borrowings repaid	21.1	-	-	-	-
Issue of ordinary shares	30.	-	1,000,000	-	-
Net cash provided by financing activities		-	1,000,000	-	-
Net increase in cash and cash equivalents		32,572	916,025	17,400	(2,795)
Cash and cash equivalents at the beginning of the year	10.	929,100	13,075	10,012	12,807
Cash and cash equivalents at the end of the year	10.	**961,672**	**929,100**	**27,412**	**10,012**

Notes to the Financial Statements for the year ended 31 December 2024

1. Reporting entity

1.1 Description of business

BGL Plc was incorporated on May 19, 1993 as a private limited liability company and commenced operations in May 1995. It is wholly owned by Nigerians. The Company became a public limited liablity company in the year 2009. Its shares are not listed on the floor of the Nigerian Stock Exchange. The Company is a holding company to subsidiaries operating in the capital market and are all regulated by the Securities and Exchange Commission. In July 2023, under a restructuring arrangement ALS Capital Limited acquired interests in each of the subsidiaries by a combination of an offer for subscription and offer for sale, thereby resulting in a total interest of 40% in each of the subsidiaries and reduction of BGL Plc's interest to 60% without loss of control.

1.2 Corporate office

The registered address of the company is located at Okoi Arikpo House, 5, Idowu Taylor Street, Victoria Island.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

2.1 Statement of compliance

The Company has complied with the requirements of the International Financial Reporting Standards in the preparation of these financial statements.

2.2 Functional and presentation currency

The financial statements are presented in naira, which is the Company's functional and presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in naira, which is the functional currency of the Company and the presentational currency for the financial statements. All values are rounded to the nearest thousand naira, except when otherwise indicated.

2.3 Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets and liabilities which are subsequently measured at fair value.
- Financial assets and liabilities which are subsequently measured at amortised cost.
- Inventory measured at lower of cost and net realisable value.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1.1 Impairment of trade and other receivable

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

4.1.2 Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4.1.3 Useful lives of property, plant and equipment

As described above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of equipment should be same as previously determined.

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

5. Adoption of new and revised International Financial Reporting Standards (IFRSs)

5.1 Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements that are applicable to the company were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits, the company has elected not to apply them in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

Standard / amendments	Nature of change	effective period of implementation
IAS 21, The effect of changes in foreign exchange rates **Lack of exchangeablity**	The amendment provides guidance to an entity to determine whether or not a currency is exchangeable and to determine an applicable spot rate when it is not.	1 January 2025
IFRS 18, Presentation & disclosure in the financial statements	IFRS 18 aims to improve financial reporting by: requiring additional defined subtotals in the statement of profit or loss; requiring disclosures about management-defined performance measures; and adding new principles for the aggregation and disaggregation of items.	1 January 2027
IFRS 19, Subsidiaries without public accountability: ***Disclosures***	IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19.	1 January 2027
IFRS 9, Financial instruments & IFRS 7, Financial instruments disclosures: ***Amendments to the Classification and Measurement of Financial Instruments***	The amendments specify: when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date; how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.	1 January 2026

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

Standard / amendments	Nature of change	effective period of implementation
IFRS 9, Financial instruments & IFRS 7, Financial instruments disclosures: ***Contracts referencing Nature-dependent Electricity***	The amendment more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	1 January 2026

6. Significant accounting policies

6.1 The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of directors of the company.

6.2 Presentation of financial statements

BGL Plc 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.

6.3 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

6.3.1 Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Once the recorded value of a financial asset or a group

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

6.3.2 Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

6.3.3 Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

6.4 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

6.4 Foreign currencies

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

6.5 Retirement benefit costs

The entity maintains a Defined Contribution Pension Scheme in accordance with the Pension Reform Act, 2004. The contribution by the employer and employee is 7.5% and 7.5% of the employees' monthly basic salary, transport and housing allowances respectively.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

6.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

6.6.2 Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised."

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

6.6.3 Current and Deferred Taxes for the Year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

6.7 Property, plant and equipment

Freehold land is not depreciated. All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The basis for depreciation is as follows:

Item	**Useful life**
Furniture, fittings and equipment	4 years
Computer equipment	3 years
Leasehold improvement	4 years
Motor vehicles	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

6.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. As at the reporting period, the entity had only its accounting software as its intangible asset.

6.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

6.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

6.10.2 Restructuring

A restructuring provision is recognised when the entity has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

6.11 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.11.1 Financial Asset

The classification of financial assets is based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

Amortised cost: Financial assets are measured at amortised cost where:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- 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.

Fair value through other comprehensive income: financial assets are classified and measured at fair value through other comprehensive income where the Company's business model is both to collect contractual cash flows and selling the financial assets when opportunities arise. The contractual cash flows are represented by principal and interest repayments on the financial assets.

Fair value through profit or loss: any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Appropriate reclassifications are made to financial assets when the Company changes its business model for managing a financial asset.

6.11.1.1 Financial assets recognition and measurement

Regular-way purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value.

Equity investments are initially recognised at their transaction costs and subsequently measured at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortised cost using the effective interest method, less any impairment.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

6.11.1.2 Impairment of financial assets

Impairment of financial assets is based on the application of the expected credit loss model (ECL) in accordance with IFRS 9, Financial Instruments. The measurement of expected credit loss by the Company under IFRS 9 reflects an unbiased and probability-weighted amount that is determined by evaluating the

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

range of possible outcomes as well as incorporating the time value of money. Also, the Company considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings. the Company considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

Under IFRS 9, there are three approaches to the measurement of ECL as follows:

a. General approach
b. Purchased or originated credit impaired approach
c. Simplied approach

Under the general approach considerations are given to whether there has been a significant increase in credit risks on the financial assets since initial recognition in which case an impairment loss for lifetime ECL is recognised. Otherwise, if at the reporting date management assesses that the credit risk on the financial asset has not increased significantly since initial recognition, impairment loss for 12 month ECL is recognised. Significamt increase in credit risk is measured using the lifetime probability of default. Financial assets are grouped into 3 stages based on the increase credit risks:

Stage 1: Where credit risk on the financial asset has not increased significantly since intial recognition, 12 month ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 2: Where credit risk on the financial asset has increased significantly since intial recognition, lifetime ECL is recognised on the financial asset and interest income is recognised on a gross basis.

Stage 3: Where there is evidence that the financial asset is credit impaired based on the occurence of a loss event, lifetime ECL is recognised on the financial asset and interest income is recognised on a net basis.

Purchased or originated credit impaired approach is applied to those financial assets that are credit impaired on initial recognition. These class of assets are categorised as stage 3 and lifetime ECL is calculated. The ECL is adjusted using the credit adjusted effective interest rate.

The simplied approach under the ECL model is based on a provision matrix and involves the following steps:

- Creating groups for trade receivables based on similar credit risks characteristics.
- Collection of historical loss rates data and determining the period of applicability of the data
- Determination of the expected loss rates for each of the Companys of trade receivables created based on established periods for whch receivables are past due.
- Carry out necessary adjustments on the expected loss rates to reflect the effect of forward looking macro economic conditions expected to exist at the reporting date.
- Determination of the expected credit losses

The Company applies the simplified approach in the calculation of impairment loss on trade receivables.

6.11.1.3 Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

6.11.2 Financial liabilities and equity instruments

6.11.2.1 Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

6.11.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.12 Related parties

The Company designates an entity or a person a related party where it has identified that:

- The entity and the Company are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Company or the entity is a joint venture or associate of another member of the Company.
- The Company is controlled by the entity or person.
- The entity or the person has significant influence over the Company.
- The person is a key management personnel of the Company.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

The Company discloses transactions with related parties which includes the:

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Company discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

6.13 Leases

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

A contract is assessed to contain a lease if the following conditions are established:

- There is an identifiable asset in the contract.
- The customer has the right to control the use of the asset throughout the period of the lease in exchange for a consideration to the supplier.
- The customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use.
- The supplier does not have a sunstantive right to substitute the use of the asset throughout the period of use of the asset.

Where the Company is a lessee in the lease contract, the Company recognises a right of use asset and a lease liablity at the inception of the contract. The right of use asset is measured using the cost model provided it:

- is not an investment property and the lessee fair values its investment properties.
- does not relate to a class of propety, plant and equipment to which the lessee applies revaluation model, in which case all right-of-use assets relating to that class of property, plant and equipment can be revalued.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

Where the lease is for a term of 12 months or less and containing no purchase options or the underlying asset has a low value when new such as personal computers or small items of office furniture, the Company accounts for lease payments as an expenses on a straight line basis over the term of the lease except another systematic basis is more reflective of the economic benefits obtainable from utilisation of the leased asset.

The right of use asset and the lease liability are initially measured at the present value of the lease payments payable over the lease term by discounting with the implicit rate of the lease. Where the implicit rate can not be readility determined, the Company shall apply its incremental borrowing rate.

Management has opted to exempt rental payments for its office as they are of a short term nature and not considered material. Also the Company has not entered into any lease contract where it is the lessor.

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		N'000	N'000	N'000	N'000
7.	**Other income**				
	Dividend Income	-	58	-	58
	Interest Income	126,256	36,986	-	-
	Sundry income	670,602	110,431	670,602	110,431
	Fair value changes in equity investments	-	306,807	-	306,807
		796,858	**454,282**	**670,602**	**417,296**
8.	**Administrative expenses**				
	Repairs and maintenance	3,075	2,628	278	-
	Bank charges	335	101	264	2
	Fuel	-	4,819	-	-
	Electricity	3,677	1,173	-	176
	Rents	75,118	6,345	53,488	-
	Transport, travelling and hotel accomodation	84,671	22,316	40,666	2,720
	Business development	7,500	500	2,500	500
	Dues and subscriptions	473	3,181	12	2,839
	Professional charges	84,241	15,588	69,050	-
	Audit fees	4,000	4,000	1,000	1,000
	Security expenses	50	95	50	95
	Advertisement	-	368	-	368
	Printing and stationery	3,124	757	223	155
	Office expenses	2,056	750	1,220	210
	Insurance	1,350	1,350	-	-
	Regulatory expenses	22,683	12,689	-	-
	Loss on disposal of investments	-	-	-	3,003,384
	Fair value loss on equity investments	125,647	-	125,647	-
	Penalties	46,773	1,000	46,773	1,000
		464,773	**77,660**	**341,171**	**3,012,449**
9.1	**Impairment charge**				
	Amount due from related parties	-	-	-	-
	Trade and other receivables	-	-	-	-
	Other assets	-	-	-	-
		-	-	-	-
9.2	**Profit/(loss) before tax is arrived at after charging the following:**				
	Audit fees	4,000	4,000	1,000	1,000
	Depreciation	4,669	1,358	150	-

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
10.	**Cash and cash equivalents**				
	Bank balances	61,672	29,100	27,412	10,012
	Placement with Nigerian banks	900,000	900,000	-	-
	Total cash and cash equivalents	961,672	929,100	27,412	10,012

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position. The carrying amount of these assets is approximately equal to their fair value.

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
11.	**Loans and advances**	**N'000**	**N'000**	**N'000**	**N'000**
	Short term loans	3,853,866	3,853,866	3,853,866	3,853,866
	Impairment allowance (11.1)	(3,853,866)	(3,853,866)	(3,853,866)	(3,853,866)
		-	-	-	-
11.1	**Impairment allowance**				
	At 1 January	3,853,866	3,853,866	3,853,866	3,853,866
	At 31 December	**3,853,866**	**3,853,866**	**3,853,866**	**3,853,866**
12.	**Trade and other receivables**				
	Trade debtors	596,602	589,251	572,236	572,236
	Staff loans	34,313	34,313	34,313	34,313
	Staff mortgage loans	8,535	8,535	8,535	8,535
		639,450	632,099	615,084	615,084
	Impairment allowance on trade and other receivables	(615,084)	(615,084)	(615,084)	(615,084)
		24,366	**17,015**	**-**	**-**
12.1	**Impairment allowance on trade and other receivables**				
	At 1 January	615,084	615,084	615,084	615,084
	At 31 December	**615,084**	**615,084**	**615,084**	**615,084**
13.	**Financial investments**				
13.1	**Financial investments comprise:**				
	Equity investments at fair value through profit or loss	17,700,963	17,814,726	17,882,982	17,996,745
		17,700,963	**17,814,726**	**17,882,982**	**17,996,745**
13.1.1	**Quoted equity investments**				
	Afromedia Plc	7,920	16,273	7,920	16,273
	DAAR Communications Plc	273,686	390,980	273,686	390,980
		281,606	407,253	281,606	407,253

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		N'000	N'000	N'000	N'000
13.1.2	**Unquoted equity investments**				
	Peak Petroleum Limted	7,625,350	7,625,350	7,625,350	7,625,350
	FCMB	3,976,644	3,976,644	3,976,644	3,976,644
	Schartz Resources Limited	5,932,928	5,921,044	5,932,928	5,921,044
	Joint Komputer Kompany Limited	545,280	545,280	545,280	545,280
	Aquila Capital Limited	50,000	50,000	50,000	50,000
	Wingsong M House Palm Oil Investment	2,430,000	2,430,000	2,430,000	2,430,000
		20,560,202	20,548,318	20,560,202	20,548,318
	Fair value changes in unquoted equity investments	(3,140,845)	(3,140,845)	(2,958,826)	(2,958,826)
		17,419,357	17,407,473	17,601,376	17,589,492
	Carrying amount	**17,700,963**	**17,814,726**	**17,882,982**	**17,996,745**

13.1.3 Investment in Peak Petroleum Limited

Peak Petroleum Investments represents BGL Asset Management Limited's (BAML) investment in Peak Petroleum Industries Nigeria Limited's (PPINL) Oil Block 122 (Bilabri Field). In line with an agreement signed in the year 2008, BAML provided PPINL with $17 million as being the former's funding participation requirement in return for 12.5% annual interest from the profit oil generated from the Bilabri Field.

The investment in Oil Block 122 is a subject of litigation at the Court of Appeal, Lagos. However, the Directors place reliance on section 13 the Production Financing Agreement between PPINL and BAML, which gives BAML the right to elect to terminate the agreement in the event of occurrence of listed events such as winding up or liquidation of PPINL. In this case, PPINL shall pay upon demand the original funding contribution plus accrued interest from the effective date at reference rate of 5%.

13.1.4 Schartz Resources Limited

This represents BGL Plc's investment in a Schartz Resources Limited, involved in real estate. The Company owns a property located at Plot 874, Cadastral Zone A05, Maitama District, Abuja, Federal Capital Territory. The property was valued by Messrs. Jide Taiwo & Co. (Estate Surveyors and Valuers) at ₦10,583,783,000 using the opening market value basis on 9 September 2009.

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		₦'000	₦'000	₦'000	₦'000
14.	**Other assets**				
	Sundry receivables	196,085	197,343	185,319	186,578
	Impairment allowance	(181,889)	(181,889)	(181,889)	(181,889)
		14,196	**15,454**	**3,430**	**4,689**
15.	**Prepayments**				
	Rent	11,353	12,690	-	-
	Staff housing	464	464	464	464
		11,816	**13,154**	**464**	**464**

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		N'000	N'000	N'000	N'000
16.	**Amount due from related party**				
	Lexcap Partners Limited	2,000,000	2,000,000	2,000,000	2,000,000
		2,000,000	2,000,000	2,000,000	2,000,000
	Impairment allowance	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
		- -	-	-	
17.	**Investment in subsidiaries**				
	BGL Securities Limited	-	-	5,633,463	5,633,463
	BGL Asset Management Limited	-	-	3,058,905	3,058,905
	BGL Capital Limited	-	-	375,000	375,000
		-	**-**	**9,067,368**	**9,067,368**

BGL Plc carried out a partial disposal of its interests in the subsidiaries to an investor, ALS Capital Limited under a restructing arrangement by an offer for sale as part of its strategies to address matters relating to the going concern of the Company. The disposals resulted in the reduction of BGL Plc's interests in the each of the subsidiaries without loss of control. Further explanations are provided in Note 37.

17.1 Subsidiary undertakings

Subsidiary	Location	Interest %	Principal activities
BGL Securities Limited	Nigeria	60.00	Stock broking activities
BGL Asset Management Limited	Nigeria	60.00	Asset management services
BGL Capital Limited	Nigeria	60.00	Investment banking & advisory

17.2 Summary of operating results and financial position

	BGL Securities Limited N'000	BGL Asset Management Limited N'000	BGL Capital Limited N'000
31 December 2023			
Gross revenue	18,493	7,397	11,096
Profit/(loss) after tax	(8,855)	(8,213)	(15,898)
Total assets	1,628,770	3,550,603	336,939
Total liabilities	30,030	9,540	7,552
Total equity	1,598,740	3,541,063	329,386

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		N'000	N'000	N'000	N'000
18.	**Intangible assets**				
	Cost				
	At 1 January	39,132	-	-	-
	Additions	-	39,132	-	-
	At 31 December	39,132	39,132	-	-

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

	Group 31-Dec-24 N'000	Group 31-Dec-23 N'000	Company 31-Dec-24 N'000	Company 31-Dec-23 N'000
Amortisation				
At 1 January	-	-	-	-
Charge for the year	-	-	-	-
At 31 December	-	-	-	-
Carrying amount				
At 31 December	**39,132**	**39,132**	**-**	**-**

19. Property, plant and equipment

19.1 Group

	Leasehold improvement N'000	Plant and equipment N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
Cost or Valuation						
At 1 January 2023	-	-	-	-	-	-
Additions	-	4,381	13,097	230	-	17,708
At 31 December 2023	-	4,381	13,097	230	-	17,708
At 1 January 2024	-	4,381	13,097	230	-	17,708
Additions	-	-	546	680	-	1,226
At 31 December 2024	-	4,381	13,643	910	-	18,934
Depreciation						
At 1 January 2023	-	-	-	-	-	-
Charge for the year	-	366	973	19	-	1,358
At 31 December 2023	-	366	973	19	-	1,358
At 1 January 2024	-	366	973	19	-	1,358
Charge for the year	-	1,096	3,366	207	-	4,669
At 31 December 2024	-	1,462	4,339	226	-	6,027
Carrying amount						
At 31 December 2023	**-**	**4,015**	**12,124**	**211**	**-**	**16,350**
At 31 December 2024	**-**	**2,919**	**9,304**	**684**	**-**	**12,907**

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

19.2 Company	Leasehold improvement N'000	Plant and equpment N'000	Furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
Cost or Valuation						
At 1 January 2023	-	-	-	-	-	-
At 31 December 2023	-	-	-	-	-	-
At 1 January 2024	-	-	-	-	-	-
Additions	-	-	-	680	-	680
At 31 December 2024	-	-	-	680	-	680
Depreciation						
At 1 January 2023	-	-	-	-	-	-
At 31 December 2023	-	-	-	-	-	-
At 1 January 2024	-	-	-	-	-	-
Charge for the year	-	-	-	150	-	150
At 31 December 2024	-	-	-	150	-	150
Carrying amount						
At 31 December 2023	-	-	-	-	-	-
At 31 December 2024	**-**	**-**	**-**	**530**	**-**	**530**

	Group 31-Dec-24 N'000	Group 31-Dec-23 N'000	Company 31-Dec-24 N'000	Company 31-Dec-23 N'000
20. Deposit liabilities	**900,421**	**1,068,402**	**900,421**	**1,068,402**
21. Bank borrowings				
Bank overdrafts	562,204	562,204	562,204	562,204
	562,204	562,204	562,204	562,204
21.1 Movement				
At 1 January	562,204	562,204	562,204	562,204
Additions/(repayments)	-	-	-	-
At 31 December	**562,204**	**562,204**	**562,204**	**562,204**

Bank overdrafts comprises the outstanding balance of ₦500 million of a margin facility of ₦1.287 from First Bank Plc and overdrawn account of ₦62.2 million with UBA Plc (31 December 2023: ₦500 million and ₦62.2 million respectively).

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

		Group 31-Dec-24 N'000	Group 31-Dec-23 N'000	Company 31-Dec-24 N'000	Company 31-Dec-23 N'000
22.	**Other liabilities**				
	Dividend payable (Note 22.1)	4,813	4,813	4,813	4,813
	Short term employee benefit obligation	559,083	559,083	559,083	559,083
	Other taxes payable	506,378	511,011	506,378	511,011
	Other sundry creditors	550,571	540,232	550,571	540,232
	Contract stamp payable	177,641	177,641	177,641	177,641
	Accruals	1,639,521	1,627,520	1,573,423	1,580,501
	Guaranteed consolidated and premium notes	2,591,733	2,848,753	2,591,733	2,848,753
		6,029,740	**6,269,053**	**5,963,642**	**6,222,034**
22.1	**Dividend payable**				
	At 1 January	4,813	4,813	4,813	4,813
	At 31 December	4,813	4,813	4,813	4,813
23.	**Amount due to related parties**				
	Amount due to subsidiaries	-	-	4,501,933	4,501,933
		-	**-**	**4,501,933**	**4,501,933**
24.	**Taxation**				
24.1	**Tax expense**				
	Company income tax	84,749	-	84,205	-
	Education tax	16,299	-	16,055	-
		101,047	-	100,260	-
	Deferred tax				
	Deferred tax expense/(credit)	(6,148,325)	-	(5,684,436)	-
	Total income tax expense	**(6,047,278)**	**-**	**(5,584,176)**	**-**
24.2	**Tax payable**				
	At 1 January	252,144	252,144	252,144	252,144
	Tax expense	101,047	-	100,260	-
		353,191	252,144	352,404	252,144
	At 31 December	**353,191**	**252,144**	**352,404**	**252,144**
24.3	**Deferred tax**				
	At 1 January	(10,889)	(10,889)	(10,889)	(10,889)
	Deferred tax expense/(credit)	(6,148,325)	-	(5,684,436)	-
	At 31 December	**(6,159,214)**	**(10,889)**	**(5,695,325)**	**(10,889)**

The Company was assessed for company income tax and education tax in accordance with the Companies Income Tax Act, and the Education Tax Act as amended.

25. Defined benefit plan

BGL Plc operates a defined benefit scheme. A minimum of ten (10) years of continiue service must have been rendered at exit/retirement to qualify for gratuity benefit. There are no plan assets set aside to meet the gratuity obligations when they become due. The Company settles its gratuity obligations on a pay as you go basis. The scheme is temporarily inactive.

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		N'000	N'000	N'000	N'000
25.1	Net liability from defined benefit obligations:				
	Present value of unfunded defined benefit obligations	636,512	636,512	636,512	636,512
	Fair value of planned assets	-	-	-	-
	Net liability from defined benefit obligations	**636,512**	**636,512**	**636,512**	**636,512**
25.2	Movement in the present value of defined benefit obligation is as follows:				
	At 1 January	636,512	636,512	636,512	636,512
	Gratuity liability transferred from subsidiary	-	-	-	-
	Prior years underprovision	-	-	-	-
		636,512	**636,512**	**636,512**	**636,512**
26.	**Share capital**				
26.1	**Issued and fully paid**				
	At 1 January				
	16,543,814,029 ordinary shares of 50 kobo each	8,271,907	8,271,907	8,271,907	8,271,907
	At 31 December				
	16,543,814,029 ordinary shares of 50 kobo each	**8,271,907**	**8,271,907**	**8,271,907**	**8,271,907**
27.	**Share premium**				
	At 1 January	40,033,083	40,033,083	40,033,083	40,033,083
	At 31 December	**40,033,083**	**40,033,083**	**40,033,083**	**40,033,083**
28.	**Retained earnings**				
	At 1 January	(42,242,509)	(40,207,117)	(34,902,940)	(32,307,787)
	Attributable to NCI on disposal of investments in subsidiaries	-	(2,416,150)	-	-
	Transfer from retained earnings	125,641	-	-	-
	Profit/(loss) for the year	6,190,199	380,758	5,913,457	(2,595,153)
	At 31 December	**(35,926,669)**	**(42,242,509)**	**(28,989,482)**	**(34,902,940)**
29.	**Reserves**				
29.1	**Actuarial reserve**				
	At 1 January	594,368	594,368	444,888	444,888
	Transfer to retained earnings	(125,641)	-		
	At 31 December	**468,727**	**594,368**	**444,888**	**444,888**
30.	**Non-controlling interest**				
	At 1 January	3,410,655	-	-	-
	Attributable to NCI on acquisition of interests by subscription	-	1,000,000	-	-
	Attributable to NCI on disposal of investments in subsidiaries	-	2,416,150	-	-
	Share of current year's retained earnings	184,495	(5,494)	-	-
	At 31 December	**3,595,150**	**3,410,655**	**-**	**-**

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

		Group		Company	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		N'000	N'000	N'000	N'000
31.	**Directors and employees**				
31.1	**Chairman and Directors' emoluments**				
	Fees	-	-	-	-
	Emoluments of executive Directors	-	-	-	-
		-	**-**	**-**	**-**

No allowances were accrued for the Directors during the year (31 December 2023: Nil).

31.2 The number of employees whose emoluments fall within the following ranges were:

			Group		Company	
			31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
			N'000	N'000	N'000	N'000
N		N				
60,000	-	999,999	8	8	8	3
1,000,000	-	1,999,999	1	1	1	1
			9	9	9	4

31.3	Average number of persons employed during the year				
	Managerial	1	1	1	1
	Non-managerial	8	8	3	3
		9	9	4	4
31.4	Staff costs excluding Directors relating to the above:				
	Salaries and allowances	-	-	-	-
	Staff welfare expenses	-	-	-	-
		-	-	-	-

32. Related party disclosures

32.1 Related party relationships

Entity	*Nature of relationships*
BGL Securities Limited	Subsidiary
BGL Asset Management Limited	Subsidiary
BGL Capital Limited	Subsidiary
BGL Private Equity Limited	Related Party
Lexcap Partners Limited	Related Party

32.1.1 Group

Balances and transactions with related parties	**Nature of transaction**	**Amount of transaction N'000**	**Amount Due from related party N'000**	**Amount due to related party N'000**
Entity				
31 December 2024				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	**2,000,000**	**-**

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

31 December 2023				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
		-	2,000,000	-

32.1.2 Company

Entity				
31 December 2024				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Restructuring	-	-	3,349,276
BGL Capital Limited	Restructuring	-	-	45,061
BGL Securities Limited	Restructuring	-	-	1,107,596
		-	**2,000,000**	**4,501,933**
31 December 2023				
Lexcap Partners Limited	Debt offset	-	2,000,000	-
BGL Asset Management Limited	Restructuring	-	-	3,349,276
BGL Capital Limited	Restructuring	45	-	45,061
BGL Securities Limited	Restructuring	-	-	1,107,596
		-	**2,000,000**	**4,501,933**

Transactions with related parties were carried out at arms length. Amount due from and to related parties are disclosed in notes 16 and 23 respectively of the financial statements.

32.1.3 Remumeration of key management personnel

The Directors comprise the key management personnel of the Group. No remuneration was paid to the Directors and neither was any remuneration accrued for their benefits.

No dividend was proposed to be paid out of profits for the current and comparative period, hence no Director earned any dividend in respect of their equity imterest in the Company.

33. Capital commitment and contingent liabilities

BGL Asset Management Limited's (BGLAML) investment of N2 billion in Peak Petroluem Industries Nigeria Limited (PPINL) relating to interests in an oil block had a pending case at the Court of Appeal, Lagos Suit No. CA/L/633/2011 and CA/L/633A/2011, wherein it is contestig an attempt by a creditor to PPINLN to wind up the Company. A clause in the Production Financiang Agreement between PPINL and BGLAML states that in the occurence of certain events including but not limited to liquidation proceedings against the Company, which will result in a default event, BGLAML has the right to elect to terminate the agreement and all sums of money advanced by BGLAML under the contract shall become immediately refunded by PPINL.

The Directors have considered the appeal filed by the Company and decided not to elect to terminate the agreement it has entered with PPINL. The Directors are of the opinion that despite the uncertainty around the outcome of the appeal, an impairment allowance is not necessary on the carrying amount of the investment.

34. Financial risk management

34.1 Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Operational risks

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

Risk management objectives

The broad risk management objectives of the Group are to:

- Identify and manage existing new risks in a planned ad coordinated manner with minimum disruption and cost.
- Protect against unforeseen losses and ensure stability of earnings.
- Maximise earnings potential and opportunities.
- Enhance credit ratings, analyst, investorand regulatory perception.
- Maximise share price and stakeholder protection.
- Develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective measures.

34.2 Credit risk

Credit risk refers to the risk tat a counterparty will default on its contractual obligation resulting in final losses to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where as a means of mitigating the risk of financial losses from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Creddit exposure by counterparty limits that are reviewed and approved by the risk management committee annually.

The major activities of the Group exposed o credit risks are, short and medium term loan lendng, treasury and trading activities. As loans have an inherent risk of not being repaid, the Group's concern is to minimise credit risks. The Group's maximum exposure to credit risk is the carrying amount of its financial assets.

34.2.1 Principal credit objective

The Group's prncipal credit objective as set out in its credit manual is to manage risk in order that its sustained portfolio performance (measured by levels of non-performing assets and charge-offs) wold not jeopardized. Its credit objectives are therefore to support, manage or finance:

i Enterprises with potential to be profitable, competitive, sustainable and have sunstantial developmental impact.

ii Companies that have capacity to add substantially to industrial output.

34.2.2 Credit risk measurement

The Board of Directors for the Group is the ultimate authority for all credit decisions and approvals. It may delegate ist powers to other levels as deemed necessary. Such delegated authority must be exercised with a high level of responsibility. Mangement of risk is of importance to the Group. To achieve the above mentioned credit objectives, the Board adopts the following strategies:

a Approve the overall risk tolerance in relationto credit risk based on the recommendatio of the Chief Risk and Complaince Officer.

b Ensure that the Group's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly reviews of various classes of credit exposures.

c Ensure that top management and individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function.

d Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk.

e Ensure that detailed policies and procedures for credit risk exposure creation, management and recoveryare in place.

f Appoint credit officers and delegate approval authorities to individuals and committees.

The Group also as an Executive Management Committee charged with the responsibility of:

a Reviewing the single obligor limit as well as the delegated approval limit from time to timeand recommend same to the Board.

b Reviewing and approving the submissions of all projects evidenced by requisite reports presented bevfore it by the Lending Business Groups within its approval limit.

c Recommending to the Board Credit and Investment Committee those projects above its limits.

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

Financial assets past due but not individually impaired

	Group		Company	
	31-Dec-24 Loans & advances to N'000	31-Dec-23 Loans & advances to N'000	31-Dec-24 Loans & advances to N'000	31-Dec-23 Loans & advances to N'000
Past due by more than 1 year	-	-	-	-
	-	-	-	-
Financial assets individually impaired				
Gross amount	-	3,853,866	3,853,866	3,853,866
Allowance for impairment	-	(3,853,866)	(3,853,866)	(3,853,866)
	-	-	-	-

Allowances for impairment

The Group establishes allowance for impairment loss for assets carried at amortised cost that represents ist estimate of incurred losses on its loans and investment debt security portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and for assets measured at amortised cost, a collective loan loss allowance established for the Groups of homogeneuos assets as well as for significant exposures that were subject to individual assessment for impairment but not found to be individually impaired.

34.3 Liquidity risk

Liquidity risk is the risk that the Group might not be able to its obligation as they fall due.

34.3.1 Management of liquidity risk

The Board of Directors has the ultimate responsibility for liquidity risk management and has established n appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. This function is delegated to the credit and risk management committee of the Group. This Committe meets as it deems fit to monitor liquidity profile of the Group. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below shows the undiscounted cash flows of the Group and Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow/(outflow) disclosed in the table is the contractual, undiscounted cash flow of teh financial liability or commitment.

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

34.3.2 Group residual contractual maturities of financial assets and liabilities

Group 31 December 2024	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
Non-derivative assets:							
Cash and cash equivalents	1,923,343	961,672	961,672	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	48,731	24,366	24,366	-	-	-	-
Financial investments	35,401,925	17,700,963	17,700,963	-	-	-	-
Other assets	28,392	14,196	14,196	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	37,402,392	**18,701,196**	**18,701,196**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,800,843	900,421	900,421	-	-	-	-
Loans and advances	1,124,409	562,204	562,204	-	-	-	-
Other liabilities	12,059,480	6,029,740	6,029,740	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	14,984,732	7,492,366	7,492,366	-	-	-	-
Gap (assets - liabilities)	22,417,660	11,208,830	11,208,830	-	-	-	-
31 December 2023							
Non-derivative assets:							
Cash and cash equivalents	1,858,200	929,100	929,100	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	34,029	17,015	17,015	-	-	-	-
Financial investments	35,629,453	17,814,726	17,814,726	-	-	-	-
Other assets	30,908	15,454 1	5,454	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	37,552,590	**18,776,295**	**18,776,295**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	2,136,804	1,068,402	1,068,402	-	-	-	-
Loans and advances	1,124,409	562,204	562,204	-	-	-	-
Other liabilities	12,538,106	6,269,053	6,269,053	-	-	-	-
Amount due to related parties	-	-	-	-	-	-	-
	15,799,318	7,899,659	7,899,659	-	-	-	-
Gap (assets - liabilities)	**21,753,272**	**10,876,636**	**10,876,636**	**-**	**-**	**-**	**-**

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

34.3.3 Company's residual contractual maturities of financial assets and liabilities

Company 31 December 2024	Carrying amount N'000	Gross nominal inflow/ outflow N'000	< 1 month N'000	1-3 months N'000	3-12 months N'000	1-5 years N'000	> 5 years N'000
Non-derivative assets:							
Cash and cash equivalents	54,825	27,412	27,412	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-
Financial investments	35,765,963	17,882,982	17,882,982	-	-	-	-
Other assets	6,859	3,430	3,430	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	35,827,647	**17,913,824**	**17,913,824**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	1,800,843	900,421 9	00,421	-	-	-	-
Loans and advances	1,124,409	562,204	562,204	-	-	-	-
Other liabilities	11,927,283	5,963,642	5,963,642	-	-	-	-
Amount due to related parties	9,003,867	4,501,933	4,501,933	-	-	-	-
	23,856,401	11,928,201	11,928,201	-	-	-	-
Gap (assets - liabilities)	**11,971,246**	**5,985,623**	**5,985,623**	**-**	**-**	**-**	**-**
31 December 2023							
Non-derivative assets:							
Cash and cash equivalents	20,023	10,012	10,012	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-
Financial investments	35,993,491	17,996,745	17,996,745	-	-	-	-
Other assets	9,379	4,689	4,689	-	-	-	-
Amount due from related parties	-	-	-	-	-	-	-
	36,022,893	**18,011,447**	**18,011,447**	**-**	**-**	**-**	**-**
Non-derivative liabilities:							
Deposit liabilities	2,136,804	1,068,402	1,068,402	-	-	-	-
Loans and advances	1,124,409	562,204 5	62,204	-	-	-	-
Other liabilities	12,444,067	6,222,034	6,222,034	-	-	-	-
Amount due to related parties	9,003,867	4,501,933	4,501,933	-	-	-	-
	24,709,147	12,354,573	12,354,573	-	-	-	-
Gap (assets - liabilities)	**11,313,746**	**5,656,873**	**5,656,873**	**-**	**-**	**-**	**-**

The tables show the undiscounted cash flows on the Group and Company's non-derivative financial assets and liabilities on the basis of their earliest possible contractual maturity. The expected cash flows of some financial assets and liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to maintain a stableor increasing balance. The gross nominal inflows/(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating non-derivative financial liabilities and assets held for risk management purposes. As part of the management of its liquidity risk arising from financial liabilities, the Group and Company hold liquid assets comprising cash and cash equivalents and debt securities for which there is an active and liquid market so that they can be readily sold to meet liquidity requirements

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

34.4 Valuation of financial instruments

34.4.1 Fair value hierarchy of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilties.

Level 2:

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market pricesiInputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indrectly (i.e. derived from prices).

- Quoted market prices in active markets for similar instruments.
- Quoted prices for identical or similar instruments in markets that are considered less than active.
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

None of the Group and Company's financial instruments were valued using any observable input.

Level 3:

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company carries its unquoted AFS financial assets at cost because the fair value could not be reliably measured due to unavailability of input information for measurement.

Group	**Note**	**Level 1 N'000**	**Level 2 N'000**	**Level 3 N'000**	**Total N'000**
31 December 2024					
Quoted investments	13.1.1	281,606	-	-	281,606
Unquoted investments	13.1.2	-	-	17,419,357	17,419,357
		281,606	**-**	**17,419,357**	**17,700,963**
31 December 2023					
Quoted investments	13.1.1	407,253	-	-	407,253
Unquoted investments	13.1.2	-	-	17,407,473	17,407,473
		407,253	**-**	**17,407,473**	**17,814,725**
Company					
31 December 2024					
Quoted investments	13.1.1	281,606	-	-	281,606
Unquoted investments	13.1.2	-	-	17,601,376	17,601,376
		281,606	**-**	**17,601,376**	**17,882,982**
31 December 2023					
Quoted investments	13.1.1	407,253	-	-	407,253
Unquoted investments	13.1.2	-	-	17,589,492	17,589,492
		407,253	**-**	**17,589,492**	**17,996,744**

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

34.4.2 Fair value of financial assets and liabilities

The table below sets out the categories, carrying amounts and fair values of the Group's financial assets and liabilities:

Group	Equity investments N'000	Cash and Cash equivalent N'000	Loans & receivable N'000	Total carrying amount N'000	Favour Value N'000	Amortised Cost N'000
31 December 2024						
Assets						
Cash and cash equivalents	-	961,672	-	961,672	961,672	1,923,343
Loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	24,366	24,366	-	24,366
Financial investments	-	-	17,700,963	17,700,963	17,700,963	-
	-	**961,672**	**17,725,328**	**18,687,000**	**18,662,634**	**1,947,709**
Liabilities						
Deposit liabilities	-	-	-	900,421	-	900,421
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	6,029,740	-	6,029,740
	-	**-**	**-**	**7,492,366**	**-**	**7,492,366**
31 December 2023						
Assets						
Cash and cash equivalents	-	929,100	-	929,100	929,100	1,858,200
Trade and other receivables	-	-	17,015	17,015	-	17,015
Financial investments	17,814,726	-	-	17,814,726	17,814,726	-
	17,814,726	**929,100**	**17,015**	**18,760,841**	**18,743,826**	**1,875,214**
Liabilities						
Deposit liabilities	-	-	-	1,068,402	-	1,068,402
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	6,269,053	-	6,269,053
	-	**-**	**-**	**7,899,659**	**-**	**7,899,659**

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

	Equity investments N'000	Cash and Cash equivalent N'000	Loans & receivable N'000	Total carrying amount N'000	Favour Value N'000	Amortised Cost N'000
Company						
31 December 2024						
Assets						
Cash and cash equivalents	-	27,412	-	27,412	27,412	-
Financial investments	-	-	17,882,982	17,882,982	17,882,982	-
	-	**27,412**	**17,882,982**	**17,910,394**	**17,910,394**	**-**
Liabilities						
Deposit liabilities	-	-	-	900,421	-	900,421
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	5,963,642	-	5,963,642
Amount due from related parties	-	-	-	4,501,933	-	4,501,933
	-	**-**	**-**	**11,928,201**	**-**	**11,928,201**
31 December 2023						
Assets						
Cash and cash equivalents	-	10,012	-	10,012	10,012	-
Financial investments	-	-	17,996,745	17,996,745	17,996,745	-
	-	**10,012**	**17,996,745**	**18,006,757**	**18,006,757**	**-**
Liabilities						
Deposit liabilities	-	-	-	1,068,402	-	1,068,402
Loans and advances	-	-	-	562,204	-	562,204
Other liabilities	-	-	-	6,222,034	-	6,222,034
Amounts due to related parties	-	-	-	4,501,933	-	4,501,933
	-	**-**	**-**	**12,354,573**	**-**	**12,354,573**

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

34.5 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally acceped standards of corporate behaviour. Operational risk arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business function. This responsibility is supported by the development of overall Group standards for the management of operational risk in the follwoing areas:

- Requirement for approppriate segregation of duties, including the independent authorisation of transactions.
- Requirement for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risk identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation including insurance where effective.

The Group has been reporting recurring operating losses due to adverse conditions affecting the capital market. However, the Directors are optimistic that with the various business restructuring strategies being undertaken and the current recovery in the capital market, the Company will reverse its loss making position and return to the path of profitability in subsequent years.

34.6 Capital management

The Board of Directors delegated to the Credit Risk Committee the responsibility of managing capital. The is by way of ensuring that the level of capital remain adequate and appropriate for the level of risks undertaken by the Group in the ordinary course of business. The Committee is responsible for ensuring the following:

- Ensuring the Group complies with the minimum regulatory capital adequacy requirements and remain a going concern.
- Ensuring the Group is adequately capitalised - that the Group has adequate capital to support its level of risk expenses.
- Ensuring discipline and selective asset growth.
- Ensuring risks taken by the selective business lines are within approved limits and allocated capital.
- Driving business and units and overall Group performance through the application of capital budgeting.

Notes to the Financial Statements for the year ended 31 December 2024 *(Cont'd)*

34.6.1 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent driven by optimisation 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 maximisation 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 is also 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.

36. Going concern

The Company's operations were previously adversely affected by the non-renewal of the operating licenses of its subsidiaries by the Securities and Exchange Commission (SEC), following the imposition of regulatory sanctions. This situation significantly limited the Group's ability to conduct its core business activities.

Subsequently, the SEC has restated the operating licenses of the subsidiaries, representing a key milestone in the Group's regulatory remediation efforts. The Directors view this development as a critical step toward the restoration of the Group's operational capabilities and long-term financial stability.

After careful evaluation of the current circumstances, including the license restatements and plans for strategic recovery, the Directors are confident in the Group's ability to continue as a going concern for the foreseeable future and to meet its financial and operational obligations as they fall due.

37. Restructuring

To address the going concern threat, the Group entered into a scheme of arrangement with its note holders upon an order of the court. The terms of the scheme included a restructuring of the debt to the note holders by a combination of waivers and debt to equity conversion in its BGL Plc. Subsequent negotiations with new investors requires the investors injecting funds into the business and the Company transferring its assets and liabilities to its holding Company at their book values. Consequently, all assets and liabilities of the Company were transferred to BGL Plc on 31 December 2022.

Under the restructing arrangement, ALS Capital Limited acquired interests in each of the subsidiaries of BGL Plc by a combination of an offer for subscription and offer for sale, thereby resulting in the total interests of ALS Capital Limited in each of the subsidiaries after the completion of the acquisitions at 40% and a reduction in BGL Plc's interests in each of the subsidiaries to 60%. The offer for subscription involved the payment of a total sum of N1 billion to acquire the additional shares issued by the subsidiaries.

Other National Disclosures

Consolidated and Separate Statements of Value Added for the year ended 31 December 2024

	Group				Company			
	31-Dec-24 ₦'000	%	31-Dec-23 ₦'000	%	31-Dec-24 ₦'000	%	31-Dec-23 ₦'000	%
Revenue								
Other Income	796,858		454,282		670,602		417,296	
Bought-in materials and services	(464,773)		(77,660)		(341,171)		(3,012,449)	
Value Added	**332,085**	**100**	**376,623**	**100**	**329,431**	**100**	**(2,595,153)**	**100**
Applied as follows:								
To pay government:								
Taxation	101,047.48	30	-	-	100,260	2	-	-
To be retained in the business for expansion and future wealth creation:								
Depreciation	4,669	1	1,358	-	150	0	-	-
Deferred tax credit	(6,148,325)	(1.851)						
Retained earnings	6,374,694	1,920	375,264	100	5,913,457	98	(2,595,153)	100
	332,086	**100**	**376,622**	**100**	**6,013,867**	**100**	**(2,595,153)**	**100**

Value added represents the additional wealth created by the Company through its own and employees' efforts. This statement shows the allocation of that wealth to government and that retained in the business for future wealth creation.

Financial Summary

	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-20 N'000
GROUP					
Statement of financial position					
Cash and cash equivalents	961,672	929,100	13,075	939,340	826,167
Loans and receivables	-	-	-	-	9,431
Trade and other receivables	24,366	17,015	-	239,619	454,598
Financial investments	17,700,963	17,814,726	17,507,919	14,493,740	13,967,827
Other assets	14,196	15,454	411,260	36,674	36,674
Prepayments	11,816	13,154	464	5,497	5,497
Amount due from related parties	-	-	-	-	3,052
Intangible assets	39,132	39,132	-	-	-
Property, plant and equipment	12,907	16,350	-	5	5
Deferred taxation	6,159,214	10,889	10,889	10,889	10,889
Total assets	**24,924,266**	**18,855,819**	**17,943,607**	**15,725,764**	**15,314,140**
Liabilities and equity					
Liabilities					
Deposit liabilities	900,421	1,068,402	900,421	15,092,914	15,092,914
Bank borrowings	562,204	562,204	562,204	562,704	554,151
Other liabilities	6,029,740	6,269,053	6,900,085	4,979,207	5,026,811
Tax payable	353,191	252,144	252,144	252,144	252,144
Defined benefit obligation	636,512	636,512	636,512	636,512	636,512
Total liabilities	8,482,069	8,788,314	9,251,366	21,523,481	21,562,532
Equity					
Share capital	8,271,907	8,271,907	8,271,907	7,500,000	7,500,000
Share premium	40,033,083	40,033,083	40,033,083	36,173,548	36,173,548
Retained earnings	(35,926,669)	(42,242,509)	(40,207,117)	(50,065,633)	(50,516,308)
Actuarial reserve	468,727	594,368	594,368	594,368	594,368
Equity attributable to the parent company	12,847,048	6,656,848	8,692,241	(5,797,717)	(6,248,392)
Non-controlling interest	3,595,150	3,410,655	-	-	-
Total equity	16,442,198	10,067,504	8,692,241	(5,797,717)	(6,248,392)
Total liabilities and equity	**24,924,267**	**18,855,819**	**17,943,607**	**15,725,764**	**15,314,140**

Financial Summary *(Cont'd)*

Summarised statement of comprehensive income

	31-Dec-24	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000	N'000
Gross revenue	796,858	454,282	10,451,715	761,461	1,459,297
Profit before tax	327,416	375,264	9,858,516	459,658	1,167,870
Taxation	6,047,278	-	-	-	-
Profit for the year	6,374,694	375,264	9,858,516	459,658	1,167,870
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**6,374,694**	**375,264**	**9,858,516**	**459,658**	**1,167,870**
Per share data					
Earnings/(loss) per share - Kobo	38.53	2.27	59.59	3.06	7.79
Net assets per share - Naira	0.78	0.40	0.53	(0.39)	(0.42)

Earnings per share is calculated based on the profit after tax divided by the total number of ordinary shares in issue.

Net assets per share is calculated based on the net assets divided by the total number of ordinary shares in issue.

Financial Summary *(Cont'd)*

	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-20 N'000
COMPANY					
Statement of financial position					
Assets					
Cash and cash equivalents	27,412	10,012	12,807	7,286	3,532
Loans and receivables	-	-	-	-	9,431
Trade and other receivables	-	-	-	-	214,979
Financial investments	17,882,982	17,996,745	17,689,938	14,076,231	13,506,876
Other assets	3,430	4,689	400,495	23,050	23,050
Prepayments	464	464	464	5,497	5,497
Amount due from related parties	-	-	-	-	3,052
Investment in subsidiaries	9,067,368	9,067,368	12,070,752	12,070,752	12,070,752
Property, plant and equipment	530	-	-	-	-
Deferred taxation	5,695,325	10,889	10,889	-	-
Total assets	**32,677,511**	**27,090,167**	**30,185,345**	**26,182,816**	**25,837,169**
Liabilities and equity					
Liabilities					
Deposit liabilities	900,421	1,068,402	900,421	1,293,387	1,293,387
Bank borrowings	562,204	562,204	562,204	562,704	554,151
Other liabilities	5,963,642	6,222,034	6,890,085	3,161,735	3,237,904
Amount due to related parties	4,501,933	4,501,933	4,501,888	18,346,074	18,365,945
Tax payable	352,404	252,144	252,144	157,909	157,909
Defined benefit obligation	636,512	636,512	636,512	520,414	520,414
Total liabilities	12,917,116	13,243,229	13,743,254	24,042,223	24,129,710
Equity					
Share capital	8,271,907	8,271,907	8,271,907	7,500,000	7,500,000
Share premium	40,033,083	40,033,083	40,033,083	36,173,548	36,173,548
Retained earnings	(28,989,482)	(34,902,940)	(32,307,787)	(41,977,843)	(42,410,977)
Actuarial reserve	444,888	444,888	444,888	444,888	444,888
Total equity	19,760,395	13,846,938	16,442,091	2,140,593	1,707,459
Total liabilities and equity	**32,677,512**	**27,090,167**	**30,185,345**	**26,182,816**	**25,837,169**

Financial Summary *(Cont'd)*

Summarised statement of comprehensive income

	31-Dec-24	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000	N'000
Gross revenue	670,602	417,296	10,269,282	651,975	1,980,986
Profit before tax	329,281	(2,595,153)	9,714,886	433,134	1,765,212
Taxation	5,584,176	-	-	-	-
Profit for the year	5,913,457	(2,595,153)	9,714,886	433,134	1,765,212
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	**5,913,457**	**(2,595,153)**	**9,714,886**	**433,134**	**1,765,212**
Per share data					
Earnings/(loss) per share - Kobo	35.74	(15.69)	58.72	2.89	11.77
Net assets per share - Naira	1.19	0.84	0.99	0.14	0.11

Earnings per share is calculated based on the profit after tax divided by the total number of ordinary shares in issue.

Net assets per share is calculated based on the net assets divided by the total number of ordinary shares in issue.

Proxy Form

(19th-28th AGM - 2014-2023)

I/We*,..of..being a member/members of BGL PLC hereby

appoint**...of...or failing him the Chairman of the meeting to act as my/ our proxy and vote for me/us and on my/our behalf at the 19th-28th Annual General Meeting of the Company to be held on 4th of July 2025 and at any adjournment thereof.

Dated this ....day of 2025   Signed...

S/No.	ORDINARY BUSINESS	19th AGM	20th AGM	21st AGM	22nd AGM	23rd AGM	24th AGM	25th AGM	26th AGM	27th AGM	28th AGM
1	To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2014-2023 together with the Report of the Directors, External Auditors and Audit Committee thereon.										
2	To authorize the Directors to fix the remuneration of the Independent Auditors.										
3	To elect members of the Audit Committee										

Please indicate with "X" in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

NOTE

1. A member (shareholder) entitled to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. The above proxy form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.
2. Following the normal practice, the chairman of the meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked**) the name of any person, whether a member of the company or not, who will attend the meeting and vote on your behalf.

IF YOU ARE UNABLE TO ATTEND THE MEETING, READ THE FOLLOWING INSTRUCTIONS VERY CAREFULLY:

(a) Write your name in BLOCK CAPITALS on the proxy form where marked* in the case of joint shareholders, any one of them may complete this form but the names of all joint holders must be inserted.

(b) Write the name of your proxy (if any) where marked**

(c) Please sign and post the proxy form so as to reach the address shown overleaf not less than 48 hours before the time for holding the meeting.

(d) If executed by a corporate body, the proxy form should be sealed with the Common Seal.

(e) The proxy must produce the Admission form to obtain entrance to the Meeting.

This Proxy Form should <u>NOT</u> be completed and sent to the Company if the member will be attending the meeting.

Before posting the above form, please tear off this part and retain it for admission to the meeting.

ADMISSION FORM

BGL Plc
19th-28th Annual General Meeting
Please admit only the Shareholder named on this form or his duly appointed Proxy to the Annual General Meeting being held virtually on July 4, 2025 at 10.00 a.m.

Name of Shareholder(s) ....   Signature of person attending***...

NOTE:

****You are requested to sign this form and present (email or delivery by dispatch) same to the Company Secretary on the day of the Annual General Meeting*

Proxy Form

(29th AGM - 2024)

I/We*,..of...being a member/members of BGL PLC hereby

appoint**..of..or failing him the Chairman of the meeting to act as my/our proxy and vote for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on 4th of July 2025 and at any adjournment thereof.

Dated this ....day of ....2025 Signed...

	ORDINARY BUSINESS	FOR	AGAINST
1	To lay before the Shareholders the Audited Financial Statement for the year ended 31st of December 2024 together with the Report of the Directors, External Auditors and Audit Committee thereon		
2	To authorize the Directors to fix the remuneration of Auditors		
3	To elect members of the Audit Committee.		

	SPECIAL BUSINESS	FOR	AGAINST
4	To fix the remuneration of the Directors		
5	To Consider and if thought fit, Pass the following resolutions as Special Resolutions: 5.1. Approval to convert the Company from Public Company to A Private limited liability company. 5.2. That the Directors be and are hereby authorized to enter into any agreements and /or execute any documents, appoint such professional parties perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions and to approve sign and/or execute all such documents, agreements and other documents as may be necessary		
6	To Consider and if thought fit, Pass the following resolutions as Special Resolutions: 6.1. Approval for the Company to initiate a share buy-back / share cancellation exercise to comply with regulatory requirement to convert back to a private company 6.2. That the Directors be and are hereby authorized to enter into any agreements and/or execute any documents, appoint such professional parties perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions and to approve sign and/or execute all such documents, agreements and other documents as may be necessary or incidental to the transaction subject to obtaining the approvals of relevant regulatory authorities		
7	To Consider and if thought fit, Pass the following resolutions as Special Resolutions 7.1. That shareholders approve that the Company's Share capital be and is hereby increased from ₦11,000,000,000 to ₦14,666,600,000 via the issuance of 7,332,000,000 additional shares of 0.50 kobo each.		
8	To Consider and if thought fit, Pass the following resolutions as Special Resolutions: 8.1. Approval of the special placement of 7,332,000,000 ordinary shares representing 25% of the increased share capital to identified strategic investor(s). 8.2. That the Directors be and are hereby authorized to enter into any agreements and /or execute any documents, appoint such professional parties perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions and to approve sign and/or execute all such documents, agreements and other documents as may be necessary or incidental to the transaction subject to obtaining the approvals of relevant regulatory authorities		
9	To Consider and if thought fit, Pass the following resolutions as Special Resolutions: 9.1 Approval to raise debt capital of ₦5,000,000,000 (Five Billion Naira) towards meeting the commitment to liquidate the payment of outstanding Guaranteed Consolidated Notes and Guaranteed Product Notes obligations of the Company 9.2 That the Directors be and are hereby authorized to enter into any agreements and /or execute any documents, appoint such professional parties perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions and to approve sign and/or execute all such documents, agreements and other documents as may be necessary or incidental to the transaction subject to obtaining the approvals of relevant regulatory authorities		

Please indicate with "X" in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

NOTE

1. A member (shareholder) entitled to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. The above proxy form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.
2. Following the normal practice, the chairman of the meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked**) the name of any person, whether a member of the company or not, who will attend the meeting and vote on your behalf.

IF YOU ARE UNABLE TO ATTEND THE MEETING, READ THE FOLLOWING INSTRUCTIONS VERY CAREFULLY:

(a) Write your name in BLOCK CAPITALS on the proxy form where marked* in the case of joint shareholders, any one of them may complete this form but the names of all joint holders must be inserted.
(b) Write the name of your proxy (if any) where marked**
(c) Please sign and post the proxy form so as to reach the address shown overleaf not less than 48 hours before the time for holding the meeting.
(d) If executed by a corporate body, the proxy form should be sealed with the Common Seal.
(e) The proxy must produce the Admission form to obtain entrance to the Meeting.

This Proxy Form should <u>NOT</u> be completed and sent to the Company if the member will be attending the meeting.

Before posting the above form, please tear off this part and retain it for admission to the meeting.

ADMISSION FORM

BGL Plc
29th Annual General Meeting
Please admit only the Shareholder named on this form or his duly appointed Proxy to the Annual General Meeting being held virtually on July 4, 2025 at 1.20pm.

Name of Shareholder (s) .... Signature of person attending***...

NOTE:

****You are requested to sign this form and present (email or delivery by dispatch) same to the Company Secretary on the day of the Annual General Meeting*