

**NASD PLC
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

NASD PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
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NASD PLC**Corporate information****For the year ended 31 December 2022**

Board of directors

Mr. Olutola Mobolurin	(Chairman)	Nigerian
Mr. Eguarekhide Longe	MD/CEO former COO	Nigerian
Mr. Chike Nwanze	(Non-executive director)	Nigerian
Mr. Oladipo Aina	(Non-executive director)	Nigerian
Mr. Abubakar Lawal	(Non-executive director)	Nigerian
Mr. Ariyo Olushekun	(Non-executive director)	Nigerian
Mr. Kayode Falowo	(Non-executive director)	Nigerian
Mrs. Olayimikah Bolo	(Non-executive director)	Nigerian
Ms. Kenechi Ezezika	(Non-executive director)	Nigerian
Mr. Ebhodaghe Ishmeal	(Non-executive director)	Nigerian

Company secretary GIO Nominees Limited
864B Bishop Aboyade Cole Street
Victoria Island Lagos

Business office 9th Floor, UBA House
57 Marina
Lagos

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

Registrar Coronation Registrars Limited
Plot 009 Amodu Ojikutu
Victoria Island Lagos

Bankers United Bank of Africa Plc
First Bank Nigeria Limited
Guaranty Trust Bank Plc
Stanbic IBTC Bank Plc

Registration Number RC336267

TIN 01170128-0001

NASD Plc

Directors' report

For the year ended 31 December 2022

The Directors submit their report together with the audited financial statements for the year ended 31 December 2022.

(a) Legal form and principal activity

The Company was promoted by the National Association of Security Dealers ("NASD") and incorporated on the 1st of June 1998 as a private limited liability company. By 2012, the Company morphed into a Self-Regulatory Organization ("SRO") licensed by the Securities and Exchange Commission ("SEC or the Commission") to develop and operate a Securities Exchange and formal Over the Counter platform for trading securities. The Company converted to a public limited liability company on 5th April 2013.

The Company has since transformed into a central infrastructure provider that ensures the flow of information and money between banks, traders, merchants, investors and service providers worldwide. The principal service offerings of NASD include securities trading, stock market transactions, transaction noting, donor crowdfunding, private market transactions, financial information/data, and an alternative market for capital raising for both private and public companies.

The shares of the Company are currently admitted to trade on the NASD OTC Exchange.

(b) Company's subsidiaries

The company has two subsidiaries, NASD Technologies Limited, which was incorporated on 21 February, 2020, and NASD Services Limited, which was incorporated on 24 February, 2020. The holdings of NASD Plc in both subsidiaries as at 31 December 2022 were 99% each.

The two companies are yet to commence operations as at 31 December, 2022, hence no financial transactions as been recorded by them. The company (NASD Plc) has therefore decided not to prepare a consolidated financial statements.

(c) Operating results

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

	Dec. 2022 N'000	Dec. 2021 N'000
(Loss)/Profit before tax	(107,314)	26,625
Income tax expense	28,057	(3,387)
(Loss)/Profit after tax	(79,257)	23,238
(Loss)/Profit per share (kobo)	(15.85)	4.65

(d) Dividends

The Company did not declare any dividend for the year (2021: Nil)

(e) Directors and their interests

The interest of directors in the issued share capital of the Company, NASD Plc, as recorded in the register of directors' shareholding and/or as notified by the Directors for the purpose of section 301 and 302 of CAMA 2020 are as follows as of 31 December 2022:

Name	Designation	Interests Ordinary shares of N1 each Dec. 2022		Interests Ordinary shares of N1 each Dec. 2021	
		Direct	Indirect	Direct	Indirect
Mr. Olutola Mobolurin	Chairman	-	23,639,342	-	21,490,311
Mr. Bola Ajomale* (Resigned July 1 2022)	Managing Director	-	-	-	-
Mr. Eguarehide Longe	Managing Director	-	-	-	-
Mr. Abubakar Lawal	Non- Executive	-	17,190,179	-	15,627,436
Mr. Ariyo Olushekun	Non- Executive	-	39,217,973	-	35,652,703
Ms. Olayimikah Bolo	Non- Executive	-	32,953,418	-	29,957,653
Mr. Chike Nwanze	Non- Executive	-	3,055,550	-	2,777,773
Mr. Aigbovbiase Aig-Imokhue* (Resigned April 25 2022)	Non- Executive	-	-	-	29,957,653
Mr. Kayode Falowo	Non- Executive	-	25,000,550	-	22,727,773
Mr. Oladipo Aina	Non- Executive	-	5,988,884	-	5,444,440
Heirs Holding	Non- Executive	-	41,902,666	-	38,093,333
Mr. Kyari Bukar* (Resigned December 31 2022)	Independent Non-Executive	-	-	-	-
Ms. Kenechi Ezezika* (Appointed December 15 2022)		-	53,111,691	-	-
Mr. Ebhodaghe Ishmeal* (Appointed December 15 2022)		-	32,023,880	-	-

(f) Shareholding

According to the register of members at 31 December 2022, the spread of shareholding in the Company was as follows:

Number of holding	31 December 2022			31 December 2021		
	Number of shareholders	Number of shares held	Percentage	Number of shareholders	Number of shares held	Percentage
1 - 1,000,000	107	13,232,070	3%	78	9,923,145	2%
1,000,000 - 10,000,000	32	90,856,953	19%	35	100,268,680	23%
Over 10,000,001	14	384,535,803	79%	13	334,012,563	75%
	153	488,624,826	100%	126	444,204,388	100%

NASD Plc
Directors' report
For the year ended 31 December 2022

Substantial Interest in shares

According to the register of members at 31 December 2022, no shareholder held more than 5% of the issued share capital of the Company except the following:

	31 December 2022			31 December 2021		
	Percentage	Number of Shares held	Board Representation	Percentage	Number of Shares held	Board Representation
Greenwich Trust Limited	5.12	25,000,550	Yes	5.12	22,727,773	Yes
Trinet Technologies Limited	5.65	27,631,175	No	5.5	24,424,600	No
VFD Group Plc	6.55	32,023,880	No	6.55	29,112,619	No
Chapel Hill Advisory Partners Limited	6.74	32,953,418	Yes	6.74	29,957,653	Yes
TRW Stockbrokers Ltd FFIG NOM	7.39	36,106,364	Yes	-	-	No
Capital Assets Limited	8.03	39,217,973	Yes	8.03	35,652,703	Yes
Heirs Holdings Plc	8.58	41,902,666	Yes	8.58	38,093,333	Yes
NSE Consult Limited	10.87	53,111,691	No	10.87	48,283,356	No

(g) Plant, property and equipment

Information relating to changes in property, plant and equipment is given in note 19 of the financial statements

(h) Human resources

Employment of physically challenged persons

The Company has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees.

Employee health, safety and welfare at work

The Company enforces strict health and safety rules and practices in the work environment, which are reviewed and tested regularly. The Company provides subsidies to all levels of employees for medical expenses and transportation.

Fire prevention and fire-fighting equipment are installed in strategic locations within the company's premises.

(i) Employee training and involvement

The directors maintain regular communication and consultation with the employees and staff representatives on matters affecting employees and the company.

Training is carried out at various levels through in-house and external courses. Incentive schemes designed to encourage the involvement of employees in the Company's performance are implemented, whenever appropriate.

(j) Donations and gifts

The Company did not make any donation during the year (2021: Nil)

(g) Events after reporting period

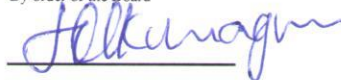
There are no significant events, which could have had a material effect on the state of affairs of the Company as at 31 December 2022 that have not been adequately provided for or disclosed in these financial statements.

(k) Auditors

The previous auditors, Messrs. Deloitte & Touche (Chartered Accountants) who audited the prior financial statements up to 31 December 2021, retired after completion of their tenure in line with Corporate Governance code and KPMG Professional Services were appointed to fill the vacancy on 5 January 2023.

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

By order of the Board



L. Omolola Ikwuagwu (Mrs)
GIO Nominees Limited
Company Secretary
FRC/2014/NBA/00000007013
21 March 2023

GIO NOMINEES LIMITED
864B, Bishop Abiodun Cole Str,
Victoria Island, Lagos

NASD Plc

Statement of directors' responsibilities

For the year ended 31 December 2022

For the preparation and approval of the financial statements

The Directors of NASD Plc accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the NASD Plc as at 31 December 2022, and the results of its operations, statement of cash flows and changes in equity for the year then ended, in compliance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act, (CAMA), 2020, and the Financial Reporting Council of Nigeria Act, 2011.


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

- (a) properly selecting and applying accounting policies;
- (b) presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- (c) providing additional disclosures when compliance with the specific requirements in IFRS Standards 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.

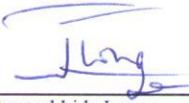
The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, (CAMA)2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement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

Going Concern:

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



Olutola Mobolurin
Chairman
FRC/2014/CISN/00000003804
21 March 2023



Eguarekhide Longe
Managing Director/Chief Executive Officer
FRC/2013/CISN/00000002092
21 March 2023

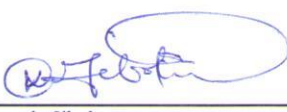
NASD Plc
Statement of Corporate Responsibility for the Financial Statements
For the year ended 31 December 2022

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief financial Officer, hereby certify the financial statements of NASD Plc for the year ended 31 Dec 2022 as follows:

- a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2022.
- b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2022.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the companies, during the period end 31 December 2022.
- e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal
 - (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.



Eguarekhide Longe
Managing Director/Chief Executive Officer
FRC/2013/CISN/00000002092
21 March 2023



Kolawole Jiboku
Head, Finance and Accounts
FRC/2013/ICAN/00000003810
21 March 2023

**KPMG Professional Services**

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

To the Shareholders of NASD Plc Company

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of NASD Plc Company (the Company), which comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

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

Other Matter

The Financial Statements of the Company as at and for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on 31 March 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate information, Directors' report, Statement of Directors' responsibilities, Statement of Corporate responsibility, Report of the Statutory Audit Committee and other national disclosures which we obtained to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon. Other information also include Chairman's Statement, Managing Director's report, Corporate Governance Report, Report of External Consultants on Board Evaluation, Certificate Pursuant to Section 60(2) of the Investments and Securities Act, together the "outstanding reports", which are expected to be made available to us after that date.

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

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Registered in Nigeria No BN 986925

Partners:

Adegoke A. Oyelami	Bolanle S. Afolabi	Kabir O. Okunola	Olufemi A. Babem	Tolulope A. Odukale
Adetola P. Adeyemi	Boluwalaj D. Apanpa	Lawrence C. Amadi	Olumide O. Olayinka	Uzochukwu N. Obienru
Adeyemi K. Ajayi	Chibuzor N. Anyanechi	Martins I. Arozie	Olusegun A. Sowande	Uzodinma G. Nwankwo
Ajibola O. Olomola	Chineme B. Nwigbo	Mohammed M. Adama	Olutoyin I. Ogunlowo	Victor U. Onyenkpa
Akinwale O. Alao	Dunni D. Okegbemila	Nneka C. Eluma	Oluwafemi O. Awotoye	Williams I. Erimona
Akinwale J. Ashade	Elijah O. Oladunmoye	Ogunlayo I. Ogungbenro	Oluwatoyin A. Gbagi	
Ayobami L. Salami	Goodluck C. Obi	Olabimpe S. Afolabi	Omolara O. Ogun	
Ayodele A. Soyinka	Ibitomi M. Adepoju	Oladimeji I. Salaudeen	Oseme J. Obalaje	
Ayodele H. Othihiwa	Ijeoma T. Emezie-Ezigo	Olanike I. James	Temitope A. Onitiri	



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we have obtained prior to the date of the auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

A. A. Oyelame

Adegoke A Oyelami
FRC/2012/ICAN/000000004444
For: KPMG Professional Services
Chartered Accountants
29 March 2023
Lagos, Nigeria



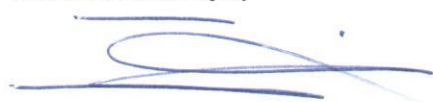
NASD PLC**Statement of Comprehensive Income****For the year ended 31 December 2022**


	Notes	31 December 2022 N'000	31 December 2021 N'000
Fees and commission income	5	234,916	243,174
Employee benefits and compensation costs	7	(170,078)	(135,109)
Depreciation	8	(23,637)	(22,978)
Other administrative and operating expenses	9	(201,794)	(103,992)
Operating loss		(160,593)	(18,905)
Write-back of impairment on financial assets	17	-	397
Interest income	10	53,109	44,835
Other Income	6	170	298
(loss)/Profit before tax		(107,314)	26,625
Minimum tax	11	(1,440)	(1,790)
Income tax	11	29,497	(1,597)
(Loss)/profit for the year		(79,257)	23,238
Other Comprehensive income:			
Items that may or may not be classified to profit or loss		-	-
Total comprehensive (loss)/profit for the year		(79,257)	23,238
(Loss)/profit per share (kobo) - basic/adjusted	14	(15.85)	4.65

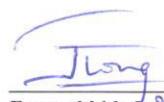
The accompanying notes form an integral part of these financial statements

NASD PLC**Statement of financial position
as at 31 December 2022**

		31 December 2022 N'000	31 December 2021 N'000
Assets	Notes		
Cash and cash equivalents	15	295,525	393,355
Investment securities	16	100,402	100,432
Other assets	17	11,869	16,682
Intangible assets	18	32,062	41,742
Property and equipment	19	34,232	21,827
Deferred tax asset	12	138,442	108,945
Total assets		612,532	682,983
Liabilities			
Other liabilities	20	33,009	24,046
Current income tax	13	1,440	1,597
Total liabilities		34,449	25,643
Equity			
Share capital	14.2	500,000	444,204
Share premium	14	232,418	288,214
Accumulated losses	21	(154,335)	(75,078)
Total equity		578,083	657,340
Total liabilities and equity		612,532	682,983


Olutola Mobolurin
Chairman
FRC/2014/CISN/00000003804


Kolawole Jiboku
Head, Finance and Accounts
FRC/2013/ICAN/00000003810


Eguarekhide Longe
Managing Director/Chief Executive Officer
FRC/2013/CISN/00000002092

The accompanying notes form an integral part of these financial statements

NASD PLC**Statement of changes in equity****For the year ended 31 December 2022**

	Share capital N'000	Share premium N'000	Accumulated losses N'000	Total N'000
As at 1 January 2021	444,204	288,214	(98,316)	634,102
Profit after tax	-	-	23,238	23,238
As at 31 December 2021	444,204	288,214	(75,078)	657,340
As at 1 January 2022	444,204	288,214	(75,078)	657,340
Issue of Bonus Shares	44,421	(44,421)	-	-
Shares held in Trust for Staff Scheme	11,375	(11,375)	-	-
Loss after tax	-	-	(79,257)	(79,257)
As at 31 December 2022	500,000	232,418	(154,335)	578,083

The accompanying notes form an integral part of these financial statements

NASD PLC**Statement of Cash flows****For the year ended 31 December 2022**

		31 December 2022 N'000	31 December 2021 N'000
	Notes		
Operating activities			
Cash used/generated from operating activities	22	(105,446)	5,100
Tax paid	13	(1,538)	(440)
Net cash used in operating activities		(106,984)	4,660
Investing activities			
Proceeds from redemption of treasury bills		-	107,190
Purchase of property and equipment	19	(35,854)	(3,665)
Purchase of intangible assets	18	(3,305)	(704)
Proceeds from sale of property and equipment	6	120	-
Proceeds from insurance claims	6	50	-
Interest received	10.1	53,080	44,835
Net cash generated from investing activities		14,090	147,656
(Decrease)/Increase in cash and cash equivalents		(92,894)	152,316
Cash and cash equivalents at start of year		393,355	240,741
Foreign Exchange losses		(4,936)	298
Cash and cash equivalents at end of year	15	295,525	393,355

The accompanying notes form an integral part of these financial statements

NASD PLC
Notes to the financial statements
For the year ended 31 December 2022

1 The Company

NASD Plc was incorporated as a private limited liability company in 1998 and converted to a public company in May 2013. It was licensed by the Securities and Exchange Commission in December 2012 to operate an over the counter ("OTC") market for securities of unquoted companies.

Ownership

NASD Plc is owned by a number of licensed and corporate capital market operators.

2.1 Basis of Preparation

2.1.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS Standards.

The financial statements include the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and explanatory notes. The financial statements were authorised for issue by the Board of Directors on 21 March 2023.

2.1.2 Functional Currency

The financial statements are presented in Nigerian Naira (N), which is the Company's presentation currency, and rounded to the nearest thousand (N'000) unless otherwise indicated. Items in the statement of financial position have been presented in order of liquidity.

2.1.3 Basis of measurements

The financial statements have been prepared on a going concern basis using the historical cost convention.

2.2 Significant accounting policies

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

Financial instruments

2.2.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

2.2.2 Classification and subsequent measurement

Financial assets

On initial recognition, the Company's financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a. it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- a. it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

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

- a. the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- b. the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- c. how the performance of the portfolio is evaluated and reported to the Company's management;
- d. the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- e. how managers of the business are compensated - e.g. Whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- f. the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets- Assessment whether contractual cashflows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- a. contingent events that would change the amount or timing of cash flows;
- b. terms that may adjust the contractual coupon rate, including variable-rate features;
- c. prepayment and extension features; and
- d. terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount is substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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The Company classifies non-derivative financial assets as those held at amortised cost.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.2.3 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.2.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.3 Cash and cash equivalent

Cash and cash equivalent include notes and coins in hand, deposits held at call with banks and other short-term placements with banks and other financial institution which are used by the Company in the management of its short-term commitments, treasury bills in an active market with original maturities of three months or less.

Cash and cash equivalents as referred to in the cash flow statement comprises cash in hand, and amounts due from banks on demand or with an original maturity of three months or less.

2.4 Intangible assets

Intangible assets comprise computer software licences. Intangible assets are recognised at cost. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life, generally not exceeding 4 years.

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

2.4.1 Subsequent measurement

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation period, amortisation method and residual value is reviewed at each financial year end.

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2.4.2 Derecognition

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition is included in profit or loss in the year the asset is derecognised.

2.5 Property and equipment

Recognition and measurement

An asset is recognized when it is probable that economic benefits associated with the item would flow to the company, the cost of the item can be reliably measured and when it is available for use

All property and equipment are initially recognized at cost. They are subsequently stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Property and equipment items are recognised in the book of the company when they are available for use. All repairs and maintenance costs are charged to other operating expenses in the financial period in which they occur

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the income statement during the financial period in which they are incurred.

Depreciation

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is de-recognised or classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued operations.

the current and comparative

• Computer equipment	:	4 years
• Furniture and fittings	:	5 years
• Office equipment	:	5 years
• Motor vehicles	:	6 years

Each part of an item of office equipment, furniture and fittings with a cost that is significant in relation to the total cost of the item is depreciated separately.

The asset's residual values, useful lives and depreciation method are reviewed on an annual basis, and are adjusted if appropriate.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the income statement under other operating expenses.

2.6 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

2.6.1 As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.7 Share capital

i. Ordinary shares

Ordinary shares are classified as equity and are recorded at the proceeds received net of incremental external costs directly attributable to the issue.

ii. Share premium

This represents the excess of share issuance price over the nominal price of the shares.

iii. Accumulated losses

This represents the carried forward losses from previous years and the current year retained loss amount.

iv. Bonus issue

This represents the bonus shares issued to the shareholders by the company during the year. The company did a bonus issue of 44,420,438 ordinary shares at the rate of 1 for every 10 units of shares held by shareholders whose name appeared on the company's register as at 23 June 2022.

2.8 Employee benefits

Defined contribution (Pension)

In line with the Pension Reform Act of 2014, the Company operates a defined contribution scheme. A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The employee and the Company contributes 8% and 10% of the employee's basic, transport and rent allowances respectively. The employee contributions are funded through payroll deductions while the Company's contributions are recognised as employee benefit expenses when they are due. The Company has no further payment obligations once the contributions have been paid, and obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due in respect of service rendered before the end of the reporting period. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available while unpaid contributions are recognized as liability.

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Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.9 Income Taxes

Income tax expense comprises current tax (Company Income Tax, Tertiary Education Tax, National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- a. Company income tax is computed on taxable profits
- b. Tertiary education tax is computed on assessable profits
- c. Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the Company during the year).
- d. The National Agency for Science and Engineering Infrastructure Levy is computed on net profit

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

In line with the Finance Act 2019, minimum tax is determined at a base rate of 0.5% of the qualifying company's gross turnover. The Finance Act defines gross turnover as the gross inflow of economic benefits (cash, revenues, receivables and other assets) arising from the operating activities of a Company, including sales of goods, supply of services, receipt of interest, rents, royalties or dividends.

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

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit will be realised.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of VAT and other related sales taxes.

i. Fees and commission income

Commission income comprises transaction fees earned on trading activities, registration/ annual fees paid by registered participating institutions and their sponsored representatives, and the annual fees paid by the banks registered to be used for the settlement activities.

ii. Interest income

Interest income comprises interest income on short term deposits, treasury bills and federal government bonds.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.11 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The functional currency is the currency of the primary economic environment in which the entity operates, which is the Nigerian Naira.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated 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.

2.12 Operating expenses

Operating expenses are expenses that the company incurred through its normal business operations. The expenses include rent and service charge expenses, personnel costs, marketing expenses, insurance, and other running expenses which do not include allowances for depreciation in the value of physical property.

Operating expenses are recognized evenly through the financial or according to performance of the underlying transaction

2.13 Prepayments

Prepayments are stated at cost less amortised amounts. Prepayments are amortised to income by the straight-line method or according to performance of the underlying transaction

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2.14 Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as amortised cost, fair value through other comprehensive income.

2.15 Other income

Other income comprises of gains from asset disposals, insurance claims received, and foreign exchange difference. Other income is recognised when it is probable that future economic benefits will flow to the NASD Plc and when the amount can be measured reliably.

2.16 Other receivable

Other receivables comprises of advances to staff repayable through deductions from salaries. It is amortized evenly over the approved period

2.17 Operating profit/(Loss)

Operating profit/(loss) is the result generated from the continuing revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit/(loss) excludes net finance cost and income and income taxes.

2.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Where there are shares that could potentially affects the numbers of share issued, those shares are considered in calculating the diluted earnings per share.

2.19 Changes in accounting policies and disclosures

a) Other standards and amendments that were effective for the first time in 2022 that do not have significant impact on NASD

Standard	Effective Date
Amendments to IFRS 3 Business Combinations re: Reference to the Conceptual Framework.	1 January 2022
IAS 37 Onerous Contract - Cost of fulfilling a Contract.	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022

b) Standards and interpretations relevant to NASD issued/amended but not yet effective

As at 31 December 2022, a number of standards and interpretations, and amendments thereto, had been issued by the IASB which are not yet effective for these financial statements. Details are set out below.

Standard	Effective Date
Amendments of IAS 8 Accounting policies, changes in Accounting estimates and errors- definition of accounting estimates.	1 January 2023
Amendment to IAS 12 - Deferred tax related to assets & liabilities arising from a single transaction.	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure Initiative: Accounting Policies	1 January 2023

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3.0 Financial risk management

3.1(a) Introduction and overview

NASD Plc has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

(i) Risk management framework

The company maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The company's investment strategy states that its investible funds shall be spread among different financial institutions in such a way that no single financial institutions shall hold more than 20% of its invested funds. The company's investment profile comprises short term deposit in financial institution in Nigeria and the FGN Sukuk.

Financial assets & liabilities

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

The Company classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments. The Company allocates financial assets and financial liabilities at amortized cost. Management determines the classification of financial instruments at initial recognition. The classification made can be seen below:

31 December 2022

N'000	Financial assets at Amortized Cost	Financial liabilities at amortized cost	Carrying Amount
Cash and cash equivalents	295,525	-	295,525
Investment securities	100,402	-	100,402
Other assets	4,478	-	4,478
Account payable	-	33,009	(33,009)
	<u>400,405</u>	<u>33,009</u>	<u>367,396</u>

31 December 2021

N'000	Financial assets at Amortized Cost	Financial liabilities at amortized cost	Carrying Amount
Cash and cash equivalents	393,355	-	393,355
Investment securities	100,432	-	100,432
Other assets	3,886	-	3,886
Account payable	-	24,046	(24,046)
	<u>497,673</u>	<u>24,046</u>	<u>473,627</u>

3.1(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the company, resulting in a financial loss to the company. It arises principally from debt securities held, and also from non derivative financial assets, cash and cash equivalents and balances due from brokers. For risk management reporting purposes the company considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

Maximum exposure to credit risk	31 December 2022 N'000	31 December 2021 N'000
Balances with banks	17,376	22,733
Money market placement	278,047	370,535
FGN Sukuk	100,402	100,432
Other assets	4,478	3,886
	<u>400,303</u>	<u>497,586</u>

The exposures set out above are based on amounts reported in the statements of financial position.

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Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors:

The following table shows the Company's credit exposure at their carrying amounts as categorised by geographical region as of 31 December 2022 and 31 December 2021.

31 December 2022:	FGN Sukuk	Money market placement	Balances with banks	Other receivable	Total
	N'000	N'000	N'000	N'000	N '000
Nigeria	100,402	278,047	17,376	4,478	400,303
	<u>100,402</u>	<u>278,047</u>	<u>17,376</u>	<u>4,478</u>	<u>400,303</u>

31 December 2021:	FGN Sukuk	Money market placement	Balances with banks	Other receivable	Total
	N'000	N'000	N'000	N'000	N '000
Nigeria	100,432	370,535	22,733	3,886	497,586
	<u>100,432</u>	<u>370,535</u>	<u>22,733</u>	<u>3,886</u>	<u>497,586</u>

(b) Industry sector: The following table breaks down the Company's credit exposure at their carrying amounts as categorised by industry as of 31 December 2022 and 31 December 2021.

31 December 2022:	FGN Sukuk	Money market placement	Balances with banks	Other receivable	Total
	N'000	N'000	N'000	N'000	N '000
Government	100,402	-	-	-	100,402
Financial services	-	278,047	17,376	-	295,423
Others	-	-	-	4,478	4,478
	<u>100,402</u>	<u>278,047</u>	<u>17,376</u>	<u>4,478</u>	<u>400,303</u>

31 December 2021:	FGN Sukuk	Money market placement	Balances with banks	Other receivable	Total
	N'000	N'000	N'000	N'000	N '000
Government	100,432	-	-	-	100,432
Financial services	-	370,535	22,733	-	393,268
Others	-	-	-	3,886	3,886
	<u>100,432</u>	<u>370,535</u>	<u>22,733</u>	<u>3,886</u>	<u>497,586</u>

3.1c Credit quality of financial assets

IFRS 7 requires information about the credit quality of financial assets. This information is provided below for balances held with banks, money market placements, federal government bond and treasury bills.

FGN Bonds & Treasury Bills

	31-Dec-22	31-Dec-21
Sovereign Ratings	N'000	N'000
Nigeria (B) S&P	100,402	100,432
	<u>100,402</u>	<u>100,432</u>

Balances with banks

	31-Dec-22	31-Dec-21
External credit rating (S&P)	N'000	N'000
B+ & above	17,376	22,733
	<u>17,376</u>	<u>22,733</u>

Money market placement

	31-Dec-22	31-Dec-21
External credit rating (S&P)	N'000	N'000
B+ & above	278,047	370,535
	<u>278,047</u>	<u>370,535</u>

	31-Dec-22	31-Dec-21
Unrated (other assets)	N'000	N'000
	4,478	3,886
	<u>4,478</u>	<u>3,886</u>

Rating Legend:

External credit rating (S&P)

B-Highly speculative credit rating

B+ -Highly speculative credit rating

B- -Highly speculative credit rating

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For the year ended 31 December 2022

(i) Management of credit risk

The Company's policy over credit risk is not to deal with counterparties with perceived higher risk of default and by dealing only with counterparties meeting the credit standards set out in the company's prospectus.

NASD Plc is not currently involved in granting credit facilities to counterparties and does not hold investment securities of any organisation. Also, NASD Plc does not collect funds directly from brokers for trades executed through its platform, rather all cash settlements for trades executed are managed by Central Securities Clearing Systems Plc (CSCS) and accredited settlement banks.

(ii) Exposure to credit risk

The Company's maximum credit risk exposure is managed by only investing idle funds in Treasury bills and financial institutions with high credit rating and at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

(iii) Cash and cash equivalents

The Company's cash and cash equivalents are held mainly with selected deposit money banks. The investment team monitors the financial position of the institutions on a monthly basis.

(iv) Settlement risk

The company's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions the company mitigates this risk by conducting settlements through Central Securities Clearing Systems Ltd and its accredited six (6) settlement banks which executed firm agreements with CSCS that all trades executed by the bank's clients (that is, brokers firms) will be settled.

3.1(d) Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

a) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.

b) If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer below for a description of how the Company determines when a significant increase in credit risk has occurred.

c) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer below for a description of how the Company defines credit-impaired and default.

d) Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

e) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

f) Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Company determines appropriate groupings when ECL is measured on a collective basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition		
Stage 1	Stage 2	Stage 3
(initial recognition)	(Significant increase in credit risk since initial)	(Credit-impaired assets)
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

3.1e Significant increase in credit risk

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

The quantitative criteria is based on either absolute or relative changes in credit quality. In both cases, the Company is expected to specify the percentage change, for either 12-month or lifetime PDs in comparison to the corresponding 12-month or lifetime PDs as calculated at origination, respectively, that would indicate a significant increase in credit risk since origination.

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For the year ended 31 December 2022

3.1f Maximum exposure to credit risk

Maximum exposure to credit risk – Financial instruments subject to ECL impairment

For ECL purposes, the company's financial asset is segmented into sub-portfolios as listed below:

- Cash and cash equivalents
- Investment securities - Debt instruments
- Other assets- Fees receivables

The following table contains an analysis of the credit risk exposure of financial instruments and at the related ECL allowance. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

Money Market and Bank Placements						
As at December 31 2022						31-Dec-21
ECL Staging	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		N'000	N'000
Gross carrying amount	295,423	-	-	-	295,423	393,268
Loss allowance	-	-	-	-	-	-
Carrying amount	295,423	-	-	-	295,423	393,268

Investment Securities - Debt Instruments						
As at December 31 2022						31-Dec-21
ECL Staging	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		N'000	N'000
Gross carrying amount	100,402	-	-	-	100,402	100,432
Loss allowance	-	-	-	-	-	-
Carrying amount	100,402	-	-	-	100,402	100,432

Other assets						
As at December 31 2022						31-Dec-21
ECL Staging	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		N'000	N'000
Gross carrying amount	11,277	-	4,478	-	15,755	20,568
Loss allowance	-	-	(3,886)	-	(3,886)	(3,886)
Carrying amount	11,277	-	592	-	11,869	16,682

3.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

3.2a (i) Management of liquidity risk

The Company's policy and the investment team's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of short term fund placements, without incurring unacceptable losses or risking damage to the company's reputation.

The Company's liquidity risk is managed on a daily basis by the investment team in accordance with policies and procedures in place. The Company's investment team at all time are guided by the approved investment policy on how to invest the company's funds.

3.2b (ii) Liquidity gap analysis

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

31 December 2022

		Carrying amount	Gross nominal	less than 3months	3-6 months	6-12 months	1-5years
Notes		N'000	N'000	N'000	N'000	N'000	N'000
Financial liabilities							
Accounts payable	19	33,009	33,009	33,009	-	-	-
		33,009	33,009	33,009	-	-	-

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For the year ended 31 December 2022

Financial assets						
Cash and cash equ	13	295,525	295,525	295,525	-	-
Investment securiti	14	100,402	156,031	-	5,585	5,615
Other assets	15	4,478	4,478	592	-	-
		400,405	456,034	296,117	5,585	5,615
Gap/assets-liabilities)		367,396	423,025	263,108	5,585	5,615
Cummulative liquidity gap				263,108	268,693	274,308
						423,025

31 December 2021

		Carrying amount	Gross nominal	less than 3 months	3-6 months	6-12 months	1-5 years
		N'000	N'000	N'000	N'000	N'000	N'000
Financial liabilities							
Accounts payable	19	24,046	24,046	24,046	-	-	-
		24,046	24,046	24,046	-	-	-
Financial assets							
Cash and cash equ	13	393,355	393,355	393,355	-	-	-
Investment securiti	14	100,432	167,231	-	5,585	5,615	156,031
Other assets	15	3,886	3,886	-	-	-	3,886
		497,673	564,472	393,355	5,585	5,615	159,917
Gap/assets-liabilities)		473,627	540,426	369,309	5,585	5,615	159,917
Cummulative liquidity gap				369,309	374,894	380,509	540,426

3.3 Market risk

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

(i) Management of market risk

The company's strategy for the management of market risk is driven by the company's investment objective, which focuses on long-term growth while taking into cognizance the preservation of investor capital.

The company's market risk is managed on a daily basis by the investment team in accordance with policies and procedures in place. The company's investment team may not invest more than 25% of its investible funds in any single financial institution.

(ii) Currency risk

NASD Plc has no investments that are exposed to currency risk and it does not plan to enter into such investment in the foreseeable future.

(iii) Interest rate risk

The Company's investment in fixed interest money market placements, treasury bills and Federal Government Bonds are not exposed to interest rate risks, due to the short term nature of the placements and treasury bills the fair value risk is considered insignificant.

Exposure to fixed interest rate risk

31 December 2022

Assets	Fixed	Non-Interest bearing	Total
	N'000	N'000	N'000
Balances with banks	-	17,376	17,376
Money market placement	278,047	-	278,047
FGN Sukuk	100,402	-	100,402
Other assets	-	4,478	4,478
	378,449	21,854	400,303
Liabilities			
Accounts payable	-	33,009	33,009
	-	33,009	33,009
Total Asset Pricing Gap	378,449	(11,155)	367,294

31 December

Assets	Fixed	Non-Interest bearing	Total
	N'000	N'000	N'000
Balances with banks	-	22,733	22,733
Money market placement	370,535	-	370,535
FGN bonds	-	-	-
Other assets	-	3,886	3,886
	370,535	3,886	374,421
Liabilities			
Accounts payable	-	24,046	24,046
	-	24,046	24,046
Total Asset Pricing Gap	370,535	(20,160)	350,375

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For the year ended 31 December 2022

A reasonably possible change of 1% in interest rates of the Company's Federal Government Securities at the reporting date would increase (decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Interest from Federal Government securities in 2022 was N11.2 million (2021: N18.9 million).

	1% Increase N'000	1% Decrease N'000
31 December 2022		
Loss before tax	112	(112)
31 December 2021		
Profit before tax	189	(189)

3.4 Fair value of financial assets and liabilities

All of NASD's assets and liabilities are measured at amortized cost. For financial assets with short term maturity the amortized cost closely approximates the fair value.

The table below shows the analysis of financial instruments not measured at fair value:

	Carrying value N'000	Fair value N'000
At 31 December 2022		
Financial assets:		
Cash and cash equivalents	295,525	295,525
Investment securities	100,402	100,402
Other assets	4,478	4,478
	400,405	400,405
Financial liabilities		
Accounts payable	33,009	33,009
	33,009	33,009
At 31 December 2021		
Financial assets:		
Cash and cash equivalents	393,355	393,355
Investment securities	100,432	100,432
Other assets	3,886	3,886
	497,673	497,673
Financial Liabilities		
Accounts payable	24,046	24,046
	24,046	24,046

Fair value hierarchy for financial assets not measured at fair value

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the company's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirect (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

Fair valuation methods and assumption

For other financial assets and liabilities not measured at fair value, due to their short term nature, the fair values are not significantly different from their carrying amounts. These financial assets and liabilities are as follows:

(i) Cash and cash equivalents

Cash and cash equivalents represent cash and short term deposit held with various banks in Nigeria. The fair value of these balances approximate their carrying amounts.

(ii) Other assets

Other assets represent short term receivables from third parties, therefore the fair values of these balances approximate their carrying amounts.

(iii) Accounts payable

Sundry creditors represents short term payables to third parties. The carrying value approximates the value required to settle these liabilities. Hence, the fair values of these balances approximate their carrying amount.

4 Critical judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions have been based on historical experience and other factors that management believes to be reasonable under

(a) Recoverability of deferred tax asset:

The company has deferred tax assets amounting to N138.4 million (31 December 2021: N108.9 million). The deferred tax assets are primarily due to taxable losses of N354.3 million (31 December 2021: N286.4 million). The company has concluded that deferred tax assets will be recoverable using the estimated future taxable income based on approved profit projections of the company. The losses can be carried forward indefinitely and have no expiry date.

NASD PLC**Notes to the financial statements****For the year ended 31 December 2022**

	31 December 2022	31 December 2021
	N'000	N'000
5 Fees and commission income		
Trading commission	147,532	203,350
Registration fees	25,553	32,659
Listing Fees	61,231	600
Data Related Fees	100	379
Settlement Bank Fees	500	6,186
	234,916	243,174

All the revenue are point in time; the Company earn each revenue as it is being generated. There are no specific costs incurred by the Company in generating these revenue.

	31 December 2022	31 December 2021
	N'000	N'000
6 Other income		
Insurance Claims received	50	-
Gains from asset disposal	120	-
Exchange Rate Differences	-	298
	170	298

	31 December 2022	31 December 2021
	N'000	N'000
7 Employee benefits and compensation costs		
Salaries and wages	157,778	125,342
Pension cost	12,300	9,767
	170,078	135,109

The pension cost represents the employer's contribution of 10% of the total of employees' basic salaries, housing allowances, and the transportation allowances.

	31 December 2022	31 December 2021
	N'000	N'000
8 Depreciation		
Intangible assets (Note 18)	12,985	14,952
Property, plant and equipment (Note 19)	10,652	8,026
	23,637	22,978

	2022	2021
	N'000	N'000
9 Other operating expenses		
Trading costs	100	160
Marketing expenses	11,036	6,942
Professional Membership Subscription	1,032	2,245
Professional and Consultancy fees	12,046	11,845
Rent	10,750	10,750
Service charge	13,500	8,173
Annual general meeting expense	3,496	3,107
Travelling expenses	1,553	1,270
Insurance expense	6,018	5,295
Training expenses	1,686	4,568

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CSR Expenses	423	50
Auditor's remuneration	8,063	3,763
Conference and seminars	662	665
Printing and stationeries	1,049	1,268
Directors Sitting Allowances	17,805	14,812
Directors Fees	5,325	7,575
Exchange Rate Differences	4,936	-
General and administrative expenses (Note 9.1)	102,314	21,504
	201,794	103,992

No non-audit services was provided to the Company during the period. (2021: Nil)

	31 December 2022	31 December 2021
	N'000	N'000
9.1 General and administrative expenses		
EDMS Expenses	3,296	2,294
Office Services	1,073	1,119
ITF Expense	1,946	1,353
Hosting Fees and Web Security	4,481	2,166
Medical Expenses	3,104	2,719
Gift expenses	2,867	3,166
Assets written-off	12,797	-
Compliance and Registration	4,076	788
Office / General Expense	2,468	1,121
Internet Subscription	2,072	1,374
Hotel & Accommodation Expense	1,577	-
Payment in lieu of Pioneer Equity	50,000	-
Other general and admin expenses	12,556	5,406
	102,314	21,504

	31 December 2022	31 December 2021
	N'000	N'000
10 Interest income		
Money market placements	41,940	25,947
Bonds	-	7,747
FGN Sukuk	11,169	11,141
	53,109	44,835

The interest income of N53.1 million (2021: N44.8 million) is calculated using effective interest rates.

	31 December 2022	31 December 2021
	N'000	N'000
10.1 Reconciliation of changes in interest received to cash flow		
Interest income for the year	53,109	44,835
Prior year interest received	11,867	11,867
Current year interest receivable	(11,896)	(11,867)
Interest income received	53,080	44,835

	31 December 2022	31 December 2021
	N'000	N'000
11 Taxation		
Minimum tax	1,440	1,597
Deferred tax (credit)/expense (Note 12)	(29,497)	1,790
	(28,057)	3,387

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Reconciliation of effective tax rate		31 December 2022 N'000		31 December 2021 N'000
(Loss)/Profit before Tax		(107,314)		26,625
Income tax using the statutory tax	30%	(32,195)	30%	7,988
Impact of tertiary education tax	0%	-	3%	666
Non deductible expenses	-9%	9,447	7%	1,916
Non-taxable income	3%	(3,633)	-24%	(6,364)
Tax Incentives	0%	(237)	0%	(97)
Minimum tax	1%	(1,440)	-3%	(721)
Total Income tax in income statement		26% (28,057)		13% 3,387

The Company has a 'Nil' company income tax for 2022 (2021: nil) due to its carried forward unrelieved losses situation. Minimum tax has been computed as the Company is liable to be assessed under the minimum tax law. The Company is also liable for both the tertiary education tax and the Police trust Fund.

12 Deferred tax asset

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2021: 30%).

	31 December 2022 N'000	31 December 2021 N'000
At 1 January	108,945	110,735
Credited/(debited) to profit and loss account	29,497	(1,790)
At 31 December	138,442	108,945

12.1 Deferred tax assets

Deferred income tax assets are attributable to the following items:

	31 December 2022 N'000	31 December 2021 N'000
Property and equipment	32,139	23,030
Unutilised tax losses	106,303	85,915
	138,442	108,945

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Deferred tax assets to be recovered after more than 12months	138,442	(108,945)
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13 Current income tax

	31 December 2022 N'000	31 December 2021 N'000
At 1 January	1,597	440
Payments made during the year	(1,538)	(440)
Charge for the year (minimum tax)	1,440	1,597
Increase/(Decrease) in tax charge for the year	(59)	-
At 31 December	1,440	1,597

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14 (Loss)/profit per share

During the year, the Company issued Bonus shares to its share shareholders (See note 2.7).

	31 December 2022	31 December 2021
	<u>(79,257)</u>	<u>23,238</u>
Weighted average number of ordinary shares in issue (000)	500,000	500,000
(Loss)/basic earning per share (expressed in kobo per share)	<u>(15.85)</u>	<u>4.65</u>

14.1 Movement in share capital

	Share capital N'000	Share premium N'000	Total N'000
As at 1 January 2022	444,204	288,214	732,418
Issue of Bonus Shares	44,421	(44,421)	-
Shares held in trust for staff scheme	11,375	(11,375)	-
As at 31 December 2022	<u>500,000</u>	<u>232,418</u>	<u>732,418</u>
As at 1 January 2021	444,204	288,214	732,418
As at 31 December 2021	<u>444,204</u>	<u>288,214</u>	<u>732,418</u>

a. Bonus shares

The company did a bonus issue of 44,420,438 ordinary shares at the rate of 1 for every 10 units of shares held by shareholders whose name appeared on the company's register as at 23 June 2022.

b. Shares held in trust for Staff Scheme

During the year, the Company approved at its 2022 Annual General Meeting to establish an employee share option scheme with a total number of 11,375,174 units of ordinary shares, payable out of the share premium account. These shares are currently held in trust by appointed Trustee (STL Trustee Limited) pending the completion of the transfer process.

14.2 Share capital

	31 December 2022	31 December 2021
Authorized share capital		
500,000,000 ordinary shares of N1 each	500,000	500,000
Issued and fully paid		
500,000,000 ordinary shares of N1 each	<u>500,000</u>	<u>444,204</u>

15 Cash and cash equivalents

	31 December 2022	31 December 2021
	<u>N'000</u>	<u>N'000</u>
Cash	102	87
Balances with banks	17,376	22,733
Money market placements	278,047	370,535
Current	<u>295,525</u>	<u>393,355</u>

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16	Investment securities	31 December 2022	31 December 2021
		N'000	N'000
	FGN Sukuk	100,402	100,432
		100,402	100,432
	Current	-	-
	Non-current	100,402	100,432
	Total current and non current	100,402	100,432
17	Other assets	31 December 2022	31 December 2021
		N'000	N'000
	Financial assets:		
	Fee receivables	3,886	3,886
	Other receivables	592	-
		4,478	3,886
	Non financial assets:		
	Prepaid rent	6,583	6,583
	Prepaid insurance	374	4,425
	Other prepaid expenses (Note 17.1)	4,319	5,674
		15,755	20,568
	Impairment provision	(3,886)	(3,886)
		11,869	16,682
	Current	11,869	16,682
	Movement in impairment provision	31 December 2022	31 December 2021
		N'000	N'000
	Balance as at 1 January	3,886	4,283
	Write back for the year	-	(397)
	Balance at 31 December	3,886	3,886
17.1	Other prepaid expenses	31 December 2022	31 December 2021
		N'000	N'000
	Medical expenses	-	1,704
	Web Security expenses	437	402
	Hosting Fees	1,860	1,649
	Advert & Publicity expenses	1,075	1,075
	Consultancy Fees	57	55
	Meeting Expenses	360	330
	EDMS Expenses	530	459
		4,319	5,674

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18 Intangible assets

Cost	Computer software	Trading software	Total
	N'000	N'000	N'000
As at 1 January 2022	370	70,511	70,881
Addition	-	3,305	3,305
As at 31 December 2022	370	73,816	74,186
Accumulated amortisation			
As at 1 January 2022	370	28,769	29,139
Charge for the year	-	12,985	12,985
As at 31 December 2022	370	41,754	42,124
Net book value as at 31 December 2022	-	32,062	32,062

Cost	Computer software	Trading software	Total
	N'000	N'000	N'000
As at 1 January 2021	370	69,807	70,177
Addition	-	704	704
As at 31 December 2021	370	70,511	70,881
Accumulated amortisation			
As at 1 January 2021	370	13,817	14,187
Charge for the year	-	14,952	14,952
As at 31 December 2021	370	28,769	29,139
Net book value as at 31 December 2021	-	41,742	41,742

- a) There were no impairment losses on any intangible asset during the year (December 31, 2021: Nil)
- b) There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (December 31, 2021: Nil).
- c) All intangible assets are non-current.
- d) None of the Company's Intangible assets were financed from borrowings, consequently no borrowing cost has been capitalized as part of asset cost.
- e) The Company had no capital commitments at the year end (2021: Nil).
- f) The Company did not use any item of intangible asset as security during the year (2021: Nil)

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19	Property and equipment	Motor vehicles	Office equipment	Furniture and fittings	Computer equipment	Total
		N'000	N'000	N'000	N'000	N'000
	Cost					
	As at 1 Jan 2022	30,403	3,204	10,324	16,364	60,295
	Addition	29,025	190	1,294	5,345	35,854
	Disposal/Write-off	(30,403)	-	(331)	(583)	(31,317)
	As at 31 December 2022	29,025	3,394	11,287	21,126	64,832
	Accumulated depreciation					
	As at 1 Jan 2022	14,981	1,792	9,833	11,862	38,468
	Charge for the year	6,606	603	244	3,199	10,652
	Disposal/Write-off	(17,958)	-	(331)	(231)	(18,520)
	As at 31 December 2022	3,629	2,395	9,746	14,830	30,600
	Net book value					
	As at 31 December 2022	25,396	999	1,541	6,295	34,232
		Motor vehicles	Office equipment	Furniture and fittings	Computer equipment	Total
		N'000	N'000	N'000	N'000	N'000
	Cost					
	As at 1 January 2021	30,403	2,939	9,886	13,402	56,630
	Addition	-	265	438	2,962	3,665
	As at 31 December 2021	30,403	3,204	10,324	16,364	60,294
	Accumulated depreciation					
	As at 1 January 2021	10,314	1,321	9,663	9,144	30,442
	Charge for the year	4,667	471	170	2,718	8,026
	As at 31 December 2021	14,981	1,792	9,833	11,862	38,468
	Net book value					
	As at 31 December 2021	15,422	1,412	491	4,502	21,826

- There were no impairment losses on any property, plant and equipment during the year (December 31, 2021: Nil)
- There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year (December 31, 2021: Nil).
- All property, plant and equipment are non-current.
- None of the Company's property, plant and equipment were financed from borrowings, consequently no borrowing cost has been capitalized as part of asset cost.
- The Company had no capital commitments at the year end (2021: Nil).
- The Company did not use any item of property, plant and equipment as security during the year (2021: Nil)

NASD PLC

Notes to the financial statements

For the year ended 31 December 2022

	31 December 2022	31 December 2021
	N'000	N'000
20 Other Liabilities		
Financial liabilities:		
Other payables	32,977	23,922
Non-financial liabilities:		
Withholding tax payable	32	124
	33,009	24,046
Current	33,009	24,046
20.1 Other Payables		
	31 December 2022	31 December 2021
	N'000	N'000
Directors' Fees	5,325	7,575
Audit Fees	8,063	3,763
Professional fees	5,190	3,965
Consultancy fees	484	1,093
ITF Levy	1,946	1,353
Taxes	735	124
Receipts in advance	3,574	5,470
SEC Annual fees	732	-
Service charge payable	4,500	-
Pensions payable	2,009	-
Others	419	579
	32,977	23,922
21 Accumulated losses		
	31 December 2022	31 December 2021
Balance at beginning of year	(75,078)	(98,316)
(Loss)/profit for the year	(79,257)	23,238
	(154,335)	(75,078)
22 Cash (used in)/generated from operations		
	31 December 2022	31 December 2021
	N'000	N'000
(Loss)/profit before income tax	(107,314)	26,625
Adjustments for		
- Depreciation (Note 9)	10,652	8,026
- Amortisation (Note 9)	12,985	14,952
- Interest income (Note 10)	(53,109)	(44,835)
- Profit on disposal of fixed asset (Note 6)	(120)	-
- Assets written off	12,797	-
- Insurance Claims	(50)	-
- Foreign Exchange (gains)/loss (Note 6)	4,936	(298)
- Provision written back (Note 15)	-	(397)
Changes in components of working capital		
- Increase/(decrease) in other assets	4,813	(4,351)
- Decrease in payables	8,963	5,378
	(105,446)	5,100

NASD PLC

Notes to the financial statements

For the year ended 31 December 2022

23 Related party transactions

The Company has related party relationships where control and/or significant influence exists with its shareholding members. The company enters into business transactions with these members who are also its customers, on an arms length basis in the normal course of business.

Transactions	Type of relationship	Nature of transaction	2022	2021
Income:				
Registration fees	Shareholding companies	Fees from shareholding companies that are also dealers	77,558	31,028

23.1 Key management compensation

	31 December 2022	31 December 2021
	N'000	N'000
Salaries and other short-term employee benefits	77,671	55,597
Defined contribution	5,590	4,336
	83,261	59,933

Key management comprise of the Managing director and the Chief Operating Officer.

24 Directors and employees

The average number of persons

	31 December 2022	31 December 2021
Executive director	2	2
Management	5	4
Non-management	13	13
	20	19

	31 December 2022	31 December 2021
	N'000	N'000
The total employee benefits expense in the year comprise the following:		
Salaries and other short term benefits	157,778	125,342
Pension cost	12,300	9,767
	170,078	135,109

NASD PLC**Notes to the financial statements****For the year ended 31 December 2022**

The number of employees of the

	31 December 2022	31 December 2021
N500,001 - N1,000,000	1	1
N1,000,000 - N4,000,000	12	12
Over N4,000,000	7	6
	<u>20</u>	<u>19</u>

	31 December 2022	31 December 2021
	N'000	N'000
25 Directors' emoluments		
Remuneration paid to the Company's directors:		
Executive directors' compensation	77,671	55,597
Fees and other emoluments disclosed above include amounts paid to:		
Highest paid director	77,671	49,865
	<u>77,671</u>	<u>49,865</u>

26 Capital commitments

There were no capital commitments to purchase any asset as at 31 December 2022 (31 December 2021: Nil).

27 Contingent Assets/Liabilities

There were no contingent assets or liabilities as at 31 December 2022 (31 December 2021: Nil).

28 Event after reporting period

There were no post balance sheet events after the reporting date which could have a material effect on the state of affairs of the company as at 31 December, 2022 and the loss for the year ended on that date have been adequately for or disclosed in the financial statements.

29 Operating Segments

The Company operates a single segment which is market regulations. The Company also does not operate in any other geographical region except Lagos, Nigeria. Therefore all revenue and expenses are allocated to this segment.

OTHER NATIONAL DISCLOSURES

NASD PLC

Value added statement

For the year ended 31 December 2022

	31 December 2022		31 December 2021	
	N'000		N'000	
Gross income	288,026		288,406	
Cost of services	(145,511)		(110,468)	
Value Added	142,515	100	177,938	100
Distribution				
Directors and employees				
Salaries and benefits	170,078	119	135,109	76
Government				
Net tax credit/(expense)	28,057	20	(3,387)	(2)
Retained in the Company				
(Loss)/Profit	(79,257)	(56)	23,238	13
The future				
Asset replacement (depreciation & amortization)	23,637	17	22,978	13
	142,515	100	177,938	100

NASD PLC

Five-year financial summary

For the year ended 31 December 2022

	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000	31 Dec 2018 N'000
Statement of financial position					
Assets					
Cash and cash equivalents	295,525	393,355	240,741	70,826	96,104
Investment securities	100,402	100,432	207,225	440,829	401,707
other assets	11,869	16,682	12,331	8,825	10,500
Intangible assets	32,062	41,742	55,990	3,129	8,697
Property and equipment	34,232	21,827	26,188	32,046	6,581
Deferred tax asset	138,442	108,945	110,735	105,163	94,276
	612,532	682,983	653,210	660,818	617,865
Liabilities					
Accounts payable	33,009	24,046	18,668	18,711	18,926
Current income tax	1,440	1,597	440	1,146	3,029
	34,449	25,643	19,108	19,857	21,955
Equity					
Share capital	500,000	444,204	444,204	444,204	444,204
Share premium	232,418	288,214	288,214	288,214	288,214
Accumulated losses	(154,335)	(75,078)	(98,316)	(91,457)	(136,508)
Total liabilities and equity	612,532	682,982	653,210	660,818	617,865

	12 months ended 31 Dec 2022	12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	12 months ended 31 Dec 2019	12 months ended 31 Dec 2018
Statement of comprehensive income					
Gross earnings	288,195	288,704	176,231	229,097	225,127
Net operating income	288,195	288,704	176,231	229,097	225,127
Employee benefits and compensation cost	(170,078)	(135,109)	(98,230)	(90,075)	(70,760)
Depreciation	(23,637)	(22,978)	(10,755)	(12,536)	(5,303)
Other operating expenses	(201,794)	(103,992)	(78,932)	(90,429)	(87,041)
(Loss)/profit before tax	(107,314)	26,625	(11,685)	36,057	62,023
Net tax credit/(expense)	28,057	(3,387)	5,132	8,994	28,331
(Loss)/profit for the year	(79,257)	23,238	(6,553)	45,051	90,354
Basic (loss)/earnings per share (kobo)	(15.85)	4.65	(1.54)	10.14	20.34