

**NASD PLC  
ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**NASD PLC**  
**FINANCIAL STATEMENTS FOR THE TEAR ENDED 31 DECEMBER 2023**  
**Table of contents**

---

	<b>page</b>
Corporate information	1
Directors' report	2
Statement of directors' responsibilities	7
Statement of corporate responsibility	8
Independent auditor's report	9
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15
<b>Other national disclosures :</b>	
Value added statement	41
Five year financial summary	42

**NASD PLC**  
**Corporate information**  
**For the year ended 31 December 2023**

---

Board of directors

Mr. Kayode Falowo	(Chairman)	Nigerian
Mr. Eguarekhide Longe	MD/CEO former COO	Nigerian
Mr. Ariyo Olushekun	(Non-executive director)	Nigerian
Mr. Abubakar Lawal	(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
Fatumata Soukouna Coker	(Non-executive director)	Nigerian
Aishetu Azumi Abraham	(Independent 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 2023**

The Directors submit their report together with the audited financial statements for the year ended 31 December 2023.

**(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 two companies are yet to commence operations as at 31 December, 2023, hence no financial transactions as been recorded by them. The Company (NASD Plc) has therefore not to prepare a consolidated financial statements.

**(c) Operating results**

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

	<b>Dec. 2023</b>	<b>Dec. 2022</b>
	<b>N’000</b>	<b>N’000</b>
Loss before tax	(67,934)	(107,313)
Income tax expense	(1,691)	28,057
Loss after tax	<u>(69,625)</u>	<u>(79,256)</u>
Loss per share (kobo)	(13.93)	(15.85)

**(d) Dividends**

The Company did not declare any dividend for the year (2022: 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 2023:

Name	Designation	Interests		Interests	
		Ordinary shares of N1 each		Ordinary shares of N1 each	
		Dec. 2023		Dec. 2022	
		Direct	Indirect	Direct	Indirect
Mr. Kayode Falowo	Chairman		25,000,550	-	25,000,550
Mr. Eguarekhide Longe	Managing Director	-	-	-	-
Mr. Abubakar Lawal	Non- Executive	-	17,190,179	-	17,190,179
Mr. Ariyo Olushekun	Non- Executive	-	39,217,973	-	39,217,973
Ms. Olayimikah Bolo	Non- Executive	-	32,953,418	-	32,953,418
Ms. Kenechi Ezezika* (Appointed December 15 2022)	Non- Executive	-	41,902,666	-	41,902,666
Mr. Ebhodaghe Ishmeal* (Appointed December 15)	Non- Executive	-	33,966,542	-	32,023,880
Fatumata Soukouna Coker	Non- Executive	-	53,111,691	-	53,111,691
Aishetu Azumi Abraham	Independent Non-Executive	-	-	-	-

## NASD Plc

### Directors' report

#### For the year ended 31 December 2023

##### (f) Shareholding

According to the register of members at 31 December 2023, the spread of shareholding in the Company was as follows:

Number of holding	31 December 2023			31 December 2022		
	Number of shareholders	Number of shares held	Percentage	Number of shareholders	Number of shares held	Percentage
1 - 1,000,000	163	13,639,842	2.73%	107	13,232,070	2.71%
1,000,001 – 10,000,000	31	87,752,775	17.55%	32	90,856,953	18.59%
Over 10,000,001	15	398,607,383	79.72%	14	384,535,803	78.70%
	209	500,000,000	100.00%	153	488,624,826	100.00%

##### Substantial Interest in shares

According to the register of members at 31 December 2023, no shareholder held more than 5% of the issued share capital of the Company except the following:

	31 December 2023			31 December 2022		
	Percentage	Number of Shares held	Board Representation	Percentage	Number of Shares held	Board Representation
Greenwich Trust Limited	5.00	25,000,550	Yes	5.12	25,000,550	Yes
Trinet Technologies Limited	5.53	27,631,175	No	5.65	27,631,175	No
VFD Group Plc	6.79	33,966,542	Yes	6.55	32,023,880	No
Chapel Hill Advisory Partners Limited	6.59	32,953,418	Yes	6.74	32,953,418	Yes
TRW Stockbrokers Ltd FFIG NOM	7.37	36,860,108	No	7.39	36,106,364	No
Capital Assets Limited	7.84	39,217,973	Yes	8.03	39,217,973	Yes
Heirs Holdings Plc	8.38	41,902,666	Yes	8.58	41,902,666	Yes
NSE Consult Limited	10.62	53,111,691	Yes	10.87	53,111,691	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 operates a non-discriminatory policy in the consideration of applications for employment, including those received from physically challenged persons. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of such applicant's state of origin, ethnicity, religion, or physical condition.

In the event that an employee becomes physically challenged in the course of employment, the Company shall arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the Company has no physically challenged persons on its staff list. □

###### *Employee health, safety and welfare at work*

The Company maintains business premises designed to guarantee the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises. Fire drills are carried out quarterly and Safety Officers attend safety training refresher courses on an annual basis.

In addition, the Company provides medical and transportation subsidies to all levels of employees and also operates a contributory pension plan in line with the Pension Reform Act.

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

**NASD Plc**  
**Directors' report**  
**For the year ended 31 December 2023**

**(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) Sustainability/CSR**

NASD, as an organisation every year, takes its Corporate Social Responsibility very seriously. This is not due to any mandate, but as an organisation, giving back to Africa and its Country in a sustainable way has become woven into the fabric of its operation.

For the year 2023, NASD decided to kill two very important birds with one stone - Hunger and Sustainability.

Noting the poverty index in Nigeria, NASD PLC donated to the Lagos Food Bank Initiative to fight hunger, reduce food waste, and solve the problem of malnutrition through targeted programs in Nigeria.

Our contribution supports our CSR objective of making hunger alleviation more sustainable through planet-friendly farming initiatives, alongside a good food bank system.

NASD will continue to make sure that its initiatives and social responsibilities are good for the people now and in generations to come.

**Corruption**

The Board of Directors has a long-standing commitment to good corporate governance, in addition to zero-tolerance of corrupt practices including bribery and breach of applicable anti-corruption laws. The Company's Code of Professional Conduct stipulates measures that guide the professional conduct of employees, Directors, and other stakeholders in line with NASD's core values.

**Donation**

The Company made a total donation of N2 Million (2022: Nil) during the year to the Chartered Institute of Stockbrokers (CIS) and the Institute of Capital Market Registrars (ICMR).

**(k) Diversity and Inclusion**

NASD is committed to employment policies free from discrimination against existing or potential employees on the grounds of age, race, ethnic and national origin, gender, sexual orientation, faith, or disability. The Company's workforce consists of a fair proportion of the genders and is drawn from diverse tribes and cultures within and outside Nigeria. The Company continues to recognize the need for diversity and inclusion in leadership including the need to promote gender equality and equity in leadership.

**(l) Code of Business Conduct and Business Ethics**

In order to further strengthen the Company's Corporate Governance policies, the Board has approved and implemented the following internal policies and practices which are reviewed periodically:

- **Whistle-Blowing Policy:** The whistle-blowing policy of the Company specifically mandates members of staff to promptly disclose any illegal, immoral, or illegitimate practices including suspicious activities that may adversely affect the Company and/or its stakeholders. The Company provides a window for anonymous disclosures under this policy via a dedicated portal in addition to other channels through which employees may wish to make whistleblowing disclosures anonymously.

- **Employment Practices-** The NASD Staff Handbook regulates the conduct and affairs of members of staff.

- **Service Delivery:** To facilitate quality service delivery to customers, the Company has in place Service Level Agreements (SLA), which regulate the contractual relationships among different units of the Company and their external vendors.

- **Board Evaluation Policy:** To formulate procedures and lay down criteria for the evaluation of the Board, Committees, Chairman, and Individual Directors.

- **Board Induction Policy:** Ensures that newly appointed Directors have a broad understanding of their role, the Board's culture and operations as well as ensuring that new members are well informed and receive the required support to function as Directors.

- **Conflict of Interest Policy:** Aims to identify, reduce, and address conflicts of interest within the Company.

## NASD Plc

### Directors' report

#### For the year ended 31 December 2023

•Complaint Management Policy: To ensure the delivery of consistent, high quality and accountable responses to complaints and minimize damage to the Company's reputation arising from an unattended or unresolved complaint.

•Directors' Remuneration Policy: Sets out remuneration for Directors that is fair and appropriate and ensures that the Company maintains the mix and balance of remuneration to adequately reward, attract, motivate, and retain Directors and Senior Executives.

•Selection and Appointment of Directors Policy: Stipulates the procedure for selection and appointment of Directors.

•Employee Trading Account Policy: To ensure that transactions undertaken by employees in securities trading on the NASD platform do not conflict with money laundering and other regulations.

•Code of Professional Conduct: Sets out basic principles to guide the conduct of Directors, employees and other stakeholders who have dealings with NASD.

•Corporate Communications Policy: Aims to ensure the dissemination of high quality internal and external information consistent with the Company's identity, positioning, and strategic priorities.

•Remote Working Policy: In view of current realities, this policy outlines NASD's guidelines and expectations for employees working from a location other than its physical offices, ensures business continuity during crisis and provides a framework to guide remote working to ensure efficient productivity.

#### (m) Insider Trading

The Directors of the Company and employees who are in possession of price sensitive information are prohibited from dealing with the shares of the Company, in compliance with the provisions of the Investments and Securities Act 2007. As required by law, the shares held by Directors are disclosed in the Annual Report. The Company has adopted a Securities Trading Policy applicable and circulated to Directors, insiders, external advisers, and all employees that may at any time possess any inside or material information about our Company. The Policy is also available on the website of the Company.

#### (n) Enterprise Risk Management

NASD PLC is committed to the effective management of risk, which is central to the continued growth and profitability of the Company. Our risk management approach ensures that both prevailing and emerging risks are proactively identified and appropriately mitigated to reduce the likelihood of occurrence. It also ensures the development of opportunities inherent in the risks in order to create value.

NASD operates a suitable enterprise risk management structure for the purpose of planning, executing, monitoring, and improving the organisation's risk management processes.

The Board

The Board is responsible for:

1. Setting risk appetite levels.
2. Overseeing ERM activities of the Company.
3. Understanding the nature and magnitude of significant risks to which the Company is exposed.
4. Reviewing reports on the assessment of risk levels compared to established strategic risk targets; and
5. Annually reviewing risk management policies, including risk appetite, and strategies to ensure that risk exposures remain appropriate and prudent.

#### The Audit and Risk Committee:

The Audit and Risk Committee assists the Board in fulfilling its corporate governance responsibilities regarding risk management. Specifically, these include:

1. To review and approve NASD's risk management policy and framework for identifying, assessing, monitoring, and managing risk.
2. To regularly review and update NASD's risk profile.
3. To review at least quarterly, the implementation of the risk management policy and framework.
4. To report to the Board on risk exposure levels.

**NASD Plc**  
**Directors' report**  
**For the year ended 31 December 2023**

**Executive Management**

Executive management is responsible for periodically reviewing the Company's risk profile, fostering a risk-aware culture, and reporting to the Board on the effectiveness of the risk management framework and the Company's management of its material business risks.

**Head of Risk**

The Risk Officer co-ordinates:

1. The development of the Risk Management Policy and keeping it up to date;
2. Risk management activities and appropriate risk management training, and
3. Compilation of risk information and provision of reports for the Audit and Risk Committee and Board.

**Internal Audit**

NASD's Internal Audit is an independent appraisal function established to provide assurance to the Board, the Audit Committee and the Executive Committee about the adequacy and effectiveness of existing internal controls vis-à-vis the associated risks.

In the context of risk management, the Internal Audit function is more specifically responsible for:

1. Developing and implementing an annual audit plan having regard to NASD's material risks;
2. Reviewing the effectiveness of the risk management policy and risk management processes;
3. Notifying new and emerging risks identified in the course of implementing the audit plan and, where necessary, modifying the audit plan to take account of the impact of new risks; and
4. Reporting to the Audit and Risk Committee no less frequently than quarterly on risk and compliance issues.

**Line Managers**

Business unit leaders are responsible for the effective identification, assessment, management, monitoring, reporting, and control of risk within their areas of responsibility in accordance with the organisation's approved risk management process methodology, and for developing risk management performance targets and a risk awareness culture. Among other things, they are responsible for the following:

1. Supporting the risk culture of the organization.
2. Identifying, communicating, and managing risks in their areas of operation.
3. Preparing risk analysis worksheet (risk registers) on risks concerning their areas of operation on a semi-annual basis; and
4. Managing risks on a day-to-day basis.

**All Managers, Supervisors and Employees**

All managers, supervisors and employees are responsible for: taking all reasonable and practicable steps to perform their responsibilities delegated under the Risk Management Policy and the related systems and procedures, reporting inefficient, unnecessary, or unworkable risk controls, reporting risk events and near-miss incidents, and co-operating with Management on incident investigations.

**(o) Acquisition of Own Shares**

The Company did not acquire any of its own shares during the period under review.

**(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 2023 that have not been adequately provided for or disclosed in these financial statements.

**(k) Auditors**

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/0000007013  
26 March 2024

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



**NASD Plc**

**Statement of directors' responsibilities for the preparation and approval of the financial statements**

**For the year ended 31 December 2023**

---

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 NASD Plc as at 31 December 2023, and the results of its operations, statement of cash flows, and changes in equity for the year then ended, in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act, (CAMA), 2020, and the Financial Reporting Council of Nigeria (Amended) Act, 2023.

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.
- (d) ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and complies with the requirements of the Companies and Allied Matters Act 2020, IFRS Accounting Standards and other relevant legislation
- (e) designing, implementing, and maintaining an effective and sound system of internal controls throughout the Company;
- (f) taking such steps as are reasonably available to them to safeguard the assets of the Company.

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.



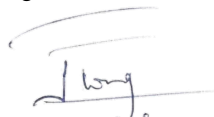
---

Kayode Falowo

Chairman

FRC/2014/CISN/00000007051

26 March 2024



---

Eguarekhide Longe

Managing Director/Chief Executive Officer

FRC/2013/CISN/00000002092

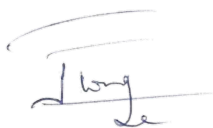
26 March 2024

**NASD Plc**  
**Statement of Corporate Responsibility for the Financial Statements**  
**For the year ended 31 December 2023**

---

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 2023 as follows:

- a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2023.
- 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 2023.
- 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 2023.
- 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  
26 March 2024



---

Kolawole Jiboku  
Head, Finance and Accounts  
FRC/2013/ICAN/00000003810  
26 March 2024



**KPMG Professional Services**  
KPMG Tower  
Bishop Aboyade Cole Street  
Victoria Island  
PMG 40014, Falomo  
Lagos

Telephone 234 (1) 271 8955  
234 (1) 271 8599  
Internet home.kpmg/ng

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NASD Plc

### Report on the Audit of the Financial Statements

#### **Opinion**

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

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising material 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### **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.

#### **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, Director's 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.

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

KPMG Professional Services, a partnership registered in Nigeria and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in Nigeria No BN 986925

A list of partners is available for inspection at the firm's address.



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

### ***Responsibilities of the Directors for the Financial Statements***

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023 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 Statutory 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 the Statutory 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 the Statutory 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 profit or loss and other comprehensive income are in agreement with the books of account.

### **Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting**

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2023. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 28 March 2024.

Elijah Oladunmoye, FCA  
FRC/2013/ICAN/00000019769  
For: KPMG Professional Services  
Chartered Accountants  
28 March 2024  
Lagos, Nigeria



**NASD PLC**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2023**

	Notes	31 December 2023 N'000	31 December 2022 N'000
Fees and commission income	5	295,358	234,916
Employee benefits and compensation costs	7	(183,433)	(170,078)
Depreciation and amortization	8	(23,433)	(23,637)
Other administrative and operating expenses	9	(199,209)	(201,794)
Operating loss		<b>(110,717)</b>	<b>(160,593)</b>
Interest income	10	42,733	53,109
Other Income	6	50	170
Loss before tax		(67,934)	(107,313)
Minimum tax	11	(1,691)	(1,440)
Income tax credit	11	-	29,497
<b>Loss for the year</b>		<b>(69,625)</b>	<b>(79,256)</b>
<b>Other Comprehensive income:</b>			
Items that may or may not be classified to profit or loss		-	-
<b>Total comprehensive loss for the year</b>		<b>(69,625)</b>	<b>(79,256)</b>
<b>Loss per share (kobo) - basic/diluted</b>	14	(13.93)	(15.85)

The accompanying notes form an integral part of these financial statements

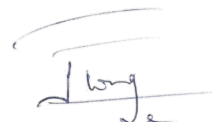
**NASD PLC**  
**Statement of financial position**  
**as at 31 December 2023**

	Notes	31 December 2023 N'000	31 December 2022 N'000
<b>Assets</b>			
Cash and cash equivalents	15	174,839	295,525
Investment securities	16	172,788	100,402
Other assets	17	23,273	11,869
Intangible assets	18	18,097	32,062
Property and equipment	19	30,512	34,232
Deferred tax asset	12	138,442	138,442
<b>Total assets</b>		<b>557,951</b>	<b>612,532</b>
<b>Liabilities</b>			
Other liabilities	20	47,802	33,009
Current income tax	13	1,691	1,440
<b>Total liabilities</b>		<b>49,493</b>	<b>34,449</b>
<b>Equity</b>			
Share capital	14.2	500,000	500,000
Share premium	14	232,418	232,418
Accumulated losses	21	(223,960)	(154,335)
<b>Total equity</b>		<b>508,458</b>	<b>578,083</b>
<b>Total liabilities and equity</b>		<b>557,951</b>	<b>612,532</b>

Signed on behalf of the Board of Directors on 26 March 2024 by:



**Kayode Falowo**  
Chairman  
FRC/2014/CISN/00000007051



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



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

The accompanying notes form an integral part of these financial statements

**NASD PLC****Statement of changes in equity****For the year ended 31 December 2023**

	<b>Share capital N'000</b>	<b>Share premium N'000</b>	<b>Accumulated losses N'000</b>	<b>Total N'000</b>
<b>As at 1 January 2023</b>	500,000	232,418	(154,335)	578,083
Loss after tax	-	-	(69,625)	(69,625)
<b>As at 31 December 2023</b>	<b>500,000</b>	<b>232,418</b>	<b>(223,960)</b>	<b>508,458</b>
<b>As at 1 January 2022</b>	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)
<b>As at 31 December 2022</b>	<b>500,000</b>	<b>232,418</b>	<b>(154,335)</b>	<b>578,083</b>

The accompanying notes form an integral part of these financial statements



**NASD PLC**  
**Statement of Cash flows**  
**For the year ended 31 December 2023**

		<b>31 December</b>	<b>31 December</b>
		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>N'000</b>	<b>N'000</b>
<b>Operating activities</b>			
Cash used in operating activities	22	(81,232)	(105,446)
Tax paid	13	(1,440)	(1,538)
Net cash used in operating activities		<u>(82,672)</u>	<u>(106,984)</u>
<b>Investing activities</b>			
Purchase of government bond and treasury bills	16	(70,000)	-
Purchase of property and equipment	19	(5,478)	(35,854)
Purchase of intangible assets	18	(270)	(3,305)
Proceeds from sale of property and equipment	6	-	120
Proceeds from penalty income	6	49	-
Proceeds from insurance claim		-	50
Interest received	10.1	40,348	53,080
Net cash generated from investing activities		<u>(35,351)</u>	<u>14,090</u>
Decrease in cash and cash equivalents		(118,023)	(92,894)
Cash and cash equivalents at start of year		295,525	393,355
Foreign Exchange losses		(2,663)	(4,936)
Cash and cash equivalents at end of year	15	<u>174,839</u>	<u>295,525</u>

The accompanying notes form an integral part of these financial statements

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

---

**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 Accounting 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 Material 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.

**2.2.1 Financial instruments**

***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.

***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.

## NASD PLC

### Notes to the financial statements

#### For the year ended 31 December 2023

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.

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.

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

*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.

*Write-offs*

Financial assets are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cashflows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank's enforcement activities will result in gains, which will be presented within other income in the statement of profit or loss.

*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.

**2.2.2 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.

**2.2.3 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.

Intangible assets are amortised over their useful lives on a straight line basis over a 4-year period, beginning from when they become available for use.

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**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.

**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.

**2.2.4 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 estimated useful lives by asset class are as follows:

• 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.

**2.2.5 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.

**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.

## NASD PLC

### Notes to the financial statements

#### For the year ended 31 December 2023

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.

#### **2.2.6 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.

#### **2.2.7 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.

##### *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. They include wages, salaries, and bonuses.

## NASD PLC

### Notes to the financial statements

#### For the year ended 31 December 2023

##### 2.2.8 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

##### **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.

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.

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**2.2.9 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 .

It is the Company's policy to recognise revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance and collectability has been ascertained as probable.

Revenue is recognised when control of goods or services have been transferred (i.e point in time). Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset.

The following table provides information about the nature and timing of the satisfaction of performance obligations.

<b>Type of product/service</b>	<b>Nature and timing of satisfaction of performance obligations, Including significant payment terms</b>	<b>Revenue recognition policies</b>
Transaction fees	Companies that engage in daily trading activities are required to pay transaction fees. These fees recorded are based on a percentage on every transaction.	Revenue is earned in real-time as transactions are executed.
Listing fees	These are fees Include earned from registration of Companies on NASD platform and membership renewal fees. These are one-off fees and are recognised when the registration is completed.	Revenue is earned in real-time as transactions are executed.

**ii. Interest income**

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

Interest income are recognised in the profit or loss using the The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset. The effective interest rate is applied on the gross carrying amount of the asset. The effective interest rate is revised as a result of periodic re-estimation of cashflows of floating-rate instruments to reflect movement in market rates of interest.

The calculation of the effective interest rate includes transaction costs and fees and points paid that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

*Presentation*

Interest income calculated under the effective interest method presented as "interest income" in the statement of profit or loss.



## **NASD PLC**

### **Notes to the financial statements**

#### **For the year ended 31 December 2023**

##### **2.2.10 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.

Monetary items denominated in foreign currencies are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was

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.

##### **2.2.11 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

##### **2.2.12 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

##### **2.2.13 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.

##### **2.2.14 Other receivable**

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

##### **2.2.15 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.

##### **2.2.16 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.

##### **2.3 Changes in material accounting policies and disclosures**

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful information that users need to understand other information in the financial statements. The amendments did not result in any significant change in the existing policy.

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**2.4 Standards and interpretations relevant to NASD issued/amended but not yet effective**

A number of new IFRS Accounting Standards, Amendments to IFRS Accounting Standards, and Interpretations are effective for annual periods beginning after 1 January 2024 and have not been applied in preparing these financial statements. Those IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations which may be relevant to the Company are set out below

Standard	Date Issued by ISAB	Effective date/Date of Entity intended adoption Periods beginning on or after	Summary of the requirements and impact assessment
Classification of Liabilities are Current or Non-Current Liabilities with Covenants (Amendments to IAS 1)	01-Oct-22	01-Jan-24	<p>Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.</p> <p>The existing requirement to ignore management’s intentions or expectations for settling a liability when determining its classification is unchanged.</p> <p>In addition a company will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. Such right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.</p> <p>The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation.</p> <p>The standard does not have any material impact on the Company.</p>
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	01-Sep-22	01-Jan-24	<p>Amendments to IFRS 16 Leases requires a seller-lessee impacts how a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment also requires the seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.</p> <p>The amendments confirm the following.</p> <ul style="list-style-type: none"> <li>• On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.</li> <li>• After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.</li> </ul> <p>A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2024.</p> <p>The standard does not have any material impact on the Company.</p>

**NASD PLC**

**Notes to the financial statements**

**For the year ended 31 December 2023**

Standard	Date Issued by ISAB	Effective date/Date of Entity intended adoption Periods beginning on or after	Summary of the requirements and impact assessment
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	01-May-23	01-Jan-24	<p>The amendments apply to supplier finance arrangements that have all the following characteristics:</p> <ul style="list-style-type: none"> <li>• A finance provider pays amounts a company (the buyer) owes it suppliers.</li> <li>• A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.</li> <li>• The company is provided with extended payment terms or supplier benefit from early payment terms, compared with the related invoice payment due date.</li> </ul> <p>The amendments do not apply to arrangements for financing receivables or inventory.</p> <p>The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users to assess the effects of these arrangements on the company’s liabilities and cash flows, and the company’s exposure to liquidity risk.</p> <p>Under the amendments, companies also need to disclose the type and effect if non-cash changes in the carrying amount of its financial liabilities that are part of supplier finance arrangement.</p> <p>The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.</p> <p>Companies need to start collating additional information to meet the new disclosure requirements because some information may not always be readily available such as the carrying amount of financial liabilities for which suppliers have already received payments from finance providers. Companies may need to obtain this information from their finance providers directly.</p> <p>The standard does not have any material impact on the Company.</p>

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

Standard	Date Issued by ISAB	Effective date/Date of Entity intended adoption Periods beginning on or after	Summary of the requirements and impact assessment
Lack of Exchangeability (Amendments to IAS 21)	01-Aug-23	01-Jan-25	<p>The amendments clarifies:</p> <ul style="list-style-type: none"> <li>• when a currency is exchangeable into another currency; and</li> <li>• how a company estimates a spot rate when a currency lacks exchangeability.</li> </ul> <p>Assessing exchangeability: When to estimate a spot rate.  A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.</p> <p>Estimating a spot rate: Meeting the estimation objective  A company’s objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate.</p> <p>Therefore, when estimating a spot rate a company can use:</p> <ul style="list-style-type: none"> <li>• an observable exchange rate without adjustment; or</li> <li>• another estimation technique.</li> </ul> <p>Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. This may include:</p> <ul style="list-style-type: none"> <li>• the nature and financial impacts of the currency not being exchangeable</li> <li>• the spot exchange rate used;</li> <li>• the estimation process; and</li> <li>• risks to the company because the currency is not exchangeable.</li> </ul> <p>The standard does not have any material impact on the Company.</p>

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**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 its financial instruments at initial recognition. The classification made can be seen below:

**31 December 2023**

N'000	Financial assets at Amortized Cost	Financial liabilities at amortized cost	Carrying Amount
Cash and cash equivalents	174,839	-	174,839
Investment securities	172,788	-	172,788
Other assets	4,821	-	4,821
Account payable	-	47,777	(47,777)
	<b>352,448</b>	<b>47,777</b>	<b>304,671</b>

**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	-	32,977	(32,977)
	<b>400,405</b>	<b>32,977</b>	<b>367,428</b>

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**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).

<b>Maximum exposure to credit risk</b>	<b>31 December 2023 N'000</b>	<b>31 December 2022 N'000</b>
Cash and cash equivalents	174,839	295,525
Investment securities	172,788	100,402
Other assets	4,821	4,478
	<u>352,448</u>	<u>400,405</u>

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

**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 2023 and 31 December 2022.

<b>31 December 2023</b>	<b>Investment securities N'000</b>	<b>Cash and cash equivalents N'000</b>	<b>Other receivable N'000</b>	<b>Total N '000</b>
Nigeria	172,788	174,839	4,821	352,448
	<u>172,788</u>	<u>174,839</u>	<u>4,821</u>	<u>352,448</u>

<b>31 December 2022</b>	<b>Investment securities N'000</b>	<b>Cash and cash equivalents N'000</b>	<b>Other receivable N'000</b>	<b>Total N '000</b>
Nigeria	100,402	295,525	4,478	400,405
	<u>100,402</u>	<u>295,525</u>	<u>4,478</u>	<u>400,405</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 2023 and 31 December 2022.

<b>31 December 2023</b>	<b>Investment securities N'000</b>	<b>Cash and cash equivalents N'000</b>	<b>Other receivable N'000</b>	<b>Total N '000</b>
Government	172,788	-	-	172,788
Financial services	-	174,839	-	174,839
Others	-	-	4,821	4,821
	<u>172,788</u>	<u>174,839</u>	<u>4,821</u>	<u>352,448</u>

<b>31 December 2022</b>	<b>Investment securities N'000</b>	<b>Cash and cash equivalents N'000</b>	<b>Other receivable N'000</b>	<b>Total N '000</b>
Government	100,402	-	-	100,402
Financial services	-	295,525	-	295,525
Others	-	-	4,478	4,478
	<u>100,402</u>	<u>295,525</u>	<u>4,478</u>	<u>400,405</u>

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**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.

**Investment securities**

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>N'000</b>	<b>N'000</b>
<b>Sovereign Ratings</b>		
Nigeria (B) S&P	172,788	100,402
	<u>172,788</u>	<u>100,402</u>

**Cash and cash equivalents**

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	<b>N'000</b>	<b>N'000</b>
<b>External credit rating (S&amp;P)</b>		
B+ & above	174,839	295,525
	<u>174,839</u>	<u>295,525</u>
Unrated (other assets)	4,821	4,478
	<u>4,821</u>	<u>4,478</u>

**Rating Legend:**

**External credit rating (S&P)**

B:Highly speculative credit rating

B+:Highly speculative credit rating

B-:Highly speculative credit rating

(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

# NASD PLC

## Notes to the financial statements

### For the year ended 31 December 2023

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.



**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**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.

Cash and Cash Equivalents						
	As at December 31 2023					31-Dec-22
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	174,803	-	-	-	174,803	295,423
Loss allowance	-	-	-	-	-	-
<b>Carrying amount</b>	<b>174,803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,803</b>	<b>295,423</b>

Investment Securities - Debt Instruments						
	As at December 31 2023					31-Dec-22
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	172,788	-	-	-	172,788	100,402
Loss allowance	-	-	-	-	-	-
<b>Carrying amount</b>	<b>172,788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172,788</b>	<b>100,402</b>

Other assets						
	As at December 31 2023					31-Dec-22
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	-	-	4,821	-	4,821	4,478
Loss allowance	-	-	(3,886)	-	(3,886)	(3,886)
<b>Carrying amount</b>	<b>-</b>	<b>-</b>	<b>935</b>	<b>-</b>	<b>935</b>	<b>592</b>

**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.

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**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 2023**

	Notes	Carrying amount N'000	Gross nominal N'000	less than 3months N'000	3-6 months N'000	6-12 months N'000	1-5years N'000
<b>Financial liabilities</b>							
Accounts payable	19	47,777	47,777	47,777	-	-	-
		47,777	47,777	47,777	-	-	-
<b>Financial assets</b>							
Cash and cash equivalents	13	174,839	174,839	174,839	-	-	-
Investment securities	14	172,788	319,450	-	11,113	11,113	297,225
Other assets	15	4,821	4,821	475	-	-	4,346
		352,448	499,110	175,314	11,113	11,113	301,571
Gap(assets-liabilities)		304,671	451,333	127,537	11,113	11,113	301,571
Cummulative liquidity gap				127,537	138,650	149,762	451,333

**31 December 2022**

	Notes	Carrying amount N'000	Gross nominal N'000	less than 3months N'000	3-6 months N'000	6-12 months N'000	1-5years N'000
<b>Financial liabilities</b>							
Accounts payable	19	32,977	32,977	32,977	-	-	-
		32,977	32,977	32,977	-	-	-
<b>Financial assets</b>							
Cash and cash equivalents	13	295,525	295,525	295,525	-	-	-
Investment securities	14	100,402	156,031	-	5,585	5,615	144,831
other assets	15	4,478	4,478	592	-	-	3,886
		400,405	456,034	296,117	5,585	5,615	148,717
Gap(assets-liabilities)		367,428	423,057	263,140	5,585	5,615	148,717
Cummulative liquidity gap				263,140	268,725	274,340	423,057

**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.

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

(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 2023**

<b>Assets</b>	<b>Fixed N'000</b>	<b>Non-Interest bearing N'000</b>	<b>Total N'000</b>
Cash and cash equivalents	137,764	37,039	174,803
Investment securities	172,788	-	172,788
Other assets	-	4,821	4,821
	<u>310,552</u>	<u>41,860</u>	<u>352,412</u>
<b>Liabilities</b>			
Accounts payable	-	47,777	47,777
	<u>-</u>	<u>47,777</u>	<u>47,777</u>
Total Asset Pricing Gap	<u><b>310,552</b></u>	<u><b>(5,917)</b></u>	<u><b>304,635</b></u>

**31 December 2022**

<b>Assets</b>	<b>Fixed N'000</b>	<b>Non-Interest bearing N'000</b>	<b>Total N'000</b>
Cash and cash equivalents	278,047	17,376	295,423
Investment securities	100,402	-	100,402
Other assets	-	4,478	4,478
	<u>378,449</u>	<u>21,854</u>	<u>400,303</u>
<b>Liabilities</b>			
Accounts payable	-	32,977	32,977
	<u>-</u>	<u>32,977</u>	<u>32,977</u>
Total Asset Pricing Gap	<u><b>378,449</b></u>	<u><b>(11,123)</b></u>	<u><b>367,326</b></u>

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 2023 was N13.6 million (2022: N11.2 million).

	<b>1% Increase N'000</b>	<b>1% Decrease N'000</b>
<b>31 December 2023</b>		
Loss before tax	427	(427)
<b>31 December 2022</b>		
Profit before tax	112	(112)

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**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:

	<b>Carrying value N'000</b>	<b>Fair value N'000</b>
<b>At 31 December 2023</b>		
<b>Financial assets</b>		
Cash and cash equivalents	174,839	174,839
Investment securities	172,788	171,561
Other assets	4,821	4,821
	<b>352,448</b>	<b>351,221</b>
<b>Financial liabilities</b>		
Accounts payable	47,777	47,777
	<b>47,777</b>	<b>47,777</b>
<b>At 31 December 2022</b>		
<b>Financial assets</b>		
Cash and cash equivalents	295,525	295,525
Investment securities	100,402	100,402
Other assets	4,478	4,478
	<b>400,405</b>	<b>400,405</b>
<b>Financial Liabilities</b>		
Accounts payable	32,977	32,977
	<b>32,977</b>	<b>32,977</b>

**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 reflects market data obtained from independent sources; unobservable inputs reflect the company's market assumptions. These two types of inputs have created the following fair value hierarchy:

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 indirectly (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 assumptions**

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 approximates their carrying amounts.

**(ii) Other assets**

Other assets represent short term receivables from third parties, therefore the fair values of these balances approximates 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 the circumstances.

- (a) Recognition of deferred tax assets: Availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

**NASD PLC****Notes to the financial statements****For the year ended 31 December 2023**

	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>5 Fees and commission income</b>		
Trading commission	197,033	147,532
Registration fees	21,892	25,553
Listing Fees	71,162	61,231
NASDep	4,956	-
Data Related Fees	315	100
Settlement Bank Fees	-	500
	<b>295,358</b>	<b>234,916</b>

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.

	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>6 Other income</b>		
Penalty Income	50	-
Insurance claims received	-	50
Gains from asset disposal	-	120
	<b>50</b>	<b>170</b>

	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>7 Employee benefits and compensation costs</b>		
Salaries and wages	170,155	157,778
Pension cost	13,278	12,300
	<b>183,433</b>	<b>170,078</b>

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

	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>8 Depreciation and amortization</b>		
Amortization of intangible assets (Note 18)	14,235	12,985
Depreciation of property and equipment (Note 19)	9,198	10,652
	<b>23,433</b>	<b>23,637</b>

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

<b>9 Other operating expenses</b>	<b>2023</b>	<b>2022</b>
	<b>N*000</b>	<b>N*000</b>
Trading costs	426	100
Marketing expenses	9,157	11,036
Professional Membership Subscription	292	1,032
Professional and Consultancy fees	38,962	12,046
Rent	10,750	10,750
Service charge	16,000	13,500
Annual general meeting expense	8,153	3,496
Travelling expenses	2,595	1,553
Insurance expense	4,783	6,018
Training expenses	5,442	1,686
CSR Expenses	102	423
Auditor's remuneration	9,675	8,063
Conference and seminars	1,717	662
Printing and stationeries	901	1,049
Directors Sitting Allowances	19,900	17,805
Directors Fees	6,772	5,325
Foreign exchange loss	2,663	4,936
General and administrative expenses (Note 9.1)	60,919	102,314
	<b>199,209</b>	<b>201,794</b>

KPMG Professional Services performed the assurance evaluation of the Company's Internal Control over Financial Reporting (ICFR) for the year. Fees charged in respect of this service was N5m already included in the Professional and Consultancy fees. (2022: Nil)

<b>9.1 General and administrative expenses</b>	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>N*000</b>	<b>N*000</b>
Electronic Document Management System (EDMS) Expenses	4,700	3,296
Office Services	2,314	1,073
ITF Expense	3,264	1,946
Hosting Fees and Web Security	15,573	4,481
Medical Expenses	3,785	3,104
Gift expenses	3,522	2,867
Assets written-off (i)	-	12,797
Compliance and Registration	7,584	4,076
Office Expense	9,466	2,468
Internet Subscription	2,640	2,072
Hotel & Accommodation Expense	3,200	1,577
Payment in lieu of Pioneer Equity (ii)	-	50,000
Other general and admin expenses	4,871	12,556
	<b>60,919</b>	<b>102,314</b>

(i) Assets written-off relates to the official vehicle and laptop of the previous MD given as part of his severance package.

(ii) Payment in lieu of Pioneer Equity relates to payment of severance package to the previous MD in lieu of equity.

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>10 Interest income</b>		
Money market placements	29,147	41,940
FGN Sukuk	13,586	11,169
	<b>42,733</b>	<b>53,109</b>

The interest income of N42.7 million (2022: N53.1 million) is calculated using effective interest rates.

	<b>18-Oct</b>	<b>28-Oct</b>
	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>10.1 Reconciliation of changes in interest received to cash flow</b>		
Interest income for the year	42,733	53,109
Prior year interest received	4,813	4,784
Current year interest receivable	(7,199)	(4,813)
Interest income received	<b>40,347</b>	<b>53,080</b>

	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>11 Taxation</b>		
Minimum tax	1,691	1,440
Deferred tax credits	-	(29,497)
	<b>1,691</b>	<b>(28,057)</b>

<b>Reconciliation of effective tax rate</b>	<b>31 December</b>		<b>31 December</b>	
	<b>2023</b>		<b>2022</b>	
	<b>N'000</b>		<b>N'000</b>	
Loss before Tax		(67,934)		(107,313)
Income tax using the statutory tax rate	30%	(20,380)	30%	(32,195)
Impact of tertiary education tax	0%	-	0%	-
Non deductible expenses	-13%	8,647	-9%	9,447
Non-taxable income	5%	(3,258)	3%	(3,633)
Tax effect of unrecognised and unused tax losses and deductible temporary differences	-22%	14,991	0%	(237)
Minimum tax	-2%	1,691	1%	(1,440)
Total Income tax in income statement	<b>-2.5%</b>	<b>1,690</b>	<b>26%</b>	<b>(28,057)</b>

The Company has a 'Nil' company income tax for 2023 (2022: 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.

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**12 Deferred tax asset**

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2022: 30%).

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	138,442	108,945
Recognized in profit or loss	-	29,497
At 31 December	<b>138,442</b>	<b>138,442</b>

**12.1 Deferred tax assets**

Deferred income tax assets are attributable to the following items:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
Property and equipment	32,139	32,139
Unutilised tax losses	106,303	106,303
	<b>138,442</b>	<b>138,442</b>

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.

**12.2 Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
Property and equipment	12,897	-
Unutilised tax losses (i)	14,991	-
	<b>27,888</b>	<b>-</b>

(i) Tax losses for which no deferred tax asset has been recognised can be carried forward indefinitely.

**13 Current income tax**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	1,440	1,597
Payments made during the year	(1,440)	(1,597)
Charge for the year (minimum tax)	1,691	1,440
At 31 December	<b>1,691</b>	<b>1,440</b>



**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**14 Loss per share**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	(69,625)	(79,257)
Weighted average number of ordinary shares in issue (000)	500,000	500,000
Loss per share (expressed in kobo per share)	(13.93)	(15.85)

**14.1 Share capital**

	<b>Ordinary Shares</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
Issued and fully paid		
500,000,000 ordinary shares of N1 each (i)		
As at 1 January	500,000	444,204
Issue of Bonus Shares (ii)	-	44,421
Shares held in Trust for Staff Scheme (iii)	-	11,375
As at 31 December	<b>500,000</b>	<b>500,000</b>

- (i) Holders of Ordinary shares are entitled to dividends as may be declared from time to time and are entitled to one vote per share at general meetings of the Company.
- (ii) The company approved a bonus issue of 44,420,438 ordinary shares, payable out of the share premium account, 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.
- (iii) 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 at the rate of N1 per share, 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. This transfer process is yet to be completed as at 31 December 2023.

**14.2 Share premium**

	<b>Ordinary Shares</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
Issued and fully paid		
As at 1 January	232,418	288,214
Issue of Bonus Shares	-	(44,421)
Shares held in Trust for Staff Scheme	-	(11,375)
As at 31 December	<b>232,418</b>	<b>232,418</b>

**15 Cash and cash equivalents**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
Cash	36	102
Balances with banks	37,039	17,376
Money market placements	137,764	278,047
Current	<b>174,839</b>	<b>295,525</b>

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>16 Investment securities</b>		
Bonds at amortised Costs	172,788	100,402
	<b>172,788</b>	<b>100,402</b>
Current	-	-
Non-current	172,788	100,402
Total current and non current	<b>172,788</b>	<b>100,402</b>
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>17 Other assets</b>		
<b>Financial assets:</b>		
Fee receivables	4,346	3,886
Other receivables	475	592
	<b>4,821</b>	<b>4,478</b>
<b>Non financial assets:</b>		
Prepaid rent	10,083	6,583
Prepaid insurance	2,313	375
Other prepaid expenses (Note 17.1)	9,942	4,319
	27,159	15,755
Impairment provision	(3,886)	(3,886)
	<b>23,273</b>	<b>11,869</b>
Current	23,273	11,869
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>Movement in impairment provision</b>		
Balance as at 1 January	3,886	3,886
Balance at 31 December	<b>3,886</b>	<b>3,886</b>
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
<b>17.1 Other prepaid expenses</b>		
Medical expenses	52	-
Web Security expenses	1,024	437
Hosting Fees	3,710	1,860
Professional Services	1,500	-
Advert & Publicity expenses	1,075	1,075
Consultancy Fees	48	57
Meeting Expenses	2,043	360
EDMS Expenses	490	530
	<b>9,942</b>	<b>4,319</b>

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**18 Intangible assets**

<b>Cost</b>	<b>Computer software</b>	<b>Trading software</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
As at 1 January 2023	370	73,816	74,186
Addition	-	270	270
As at 31 December 2023	370	74,086	74,456
<b>Accumulated amortisation</b>			
As at 1 January 2023	370	41,754	42,124
Charge for the year	-	14,235	14,235
As at 31 December 2023	370	55,989	56,359
<b>Net book value as at 31 December 2023</b>	<b>-</b>	<b>18,097</b>	<b>18,097</b>
	<b>Computer software</b>	<b>Trading software</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
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
<b>Accumulated amortisation</b>			
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
<b>Net book value as at 31 December 2022</b>	<b>-</b>	<b>32,062</b>	<b>32,062</b>

- a) There were no impairment losses on any intangible asset during the year (December 31, 2022: Nil)
- b) There were no capitalised borrowing costs related to the acquisition of intangible assets during the year (December 31, 2022: 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 (2022: Nil).
- f) The Company did not use any item of intangible asset as security during the year (2022: Nil)

**NASD PLC**

**Notes to the financial statements**

**For the year ended 31 December 2023**

19 Property and equipment	Motor vehicles N'000	Office equipment N'000	Furniture and fittings N'000	Computer equipment N'000	Total N'000
<b>Cost</b>					
As at 1 January 2023	29,025	3,394	11,287	21,126	64,832
Addition	-	342	748	4,388	5,478
<b>As at 31 December 2023</b>	<b>29,025</b>	<b>3,736</b>	<b>12,035</b>	<b>25,514</b>	<b>70,310</b>
<b>Accumulated depreciation</b>					
As at 1 January 2023	3,629	2,395	9,746	14,830	30,600
Charge for the year	4,837	657	435	3,269	9,198
<b>As at 31 December 2023</b>	<b>8,466</b>	<b>3,052</b>	<b>10,181</b>	<b>18,099</b>	<b>39,798</b>
<b>Net book value</b>					
As at 31 December 2023	<b>20,559</b>	<b>684</b>	<b>1,854</b>	<b>7,415</b>	<b>30,512</b>
20 Other Liabilities	Motor vehicles N'000	Office equipment N'000	Furniture and fittings N'000	Computer equipment N'000	Total N'000
<b>Cost</b>					
As at 1 January 2022	30,403	3,204	10,324	16,364	60,295
Addition	29,025	190	1,294	5,345	35,854
Disposal	(30,403)	-	(331)	(583)	(31,317)
<b>As at 31 December 2022</b>	<b>29,025</b>	<b>3,394</b>	<b>11,287</b>	<b>21,126</b>	<b>64,832</b>
<b>Accumulated depreciation</b>					
As at 1 January 2022	14,981	1,792	9,833	11,862	38,468
Charge for the year	6,606	603	244	3,199	10,652
Disposal	(17,958)	-	(331)	(231)	(18,520)
<b>As at 31 December 2022</b>	<b>3,629</b>	<b>2,395</b>	<b>9,746</b>	<b>14,830</b>	<b>30,600</b>
<b>Net book value</b>					
As at 31 December 2022	<b>25,396</b>	<b>999</b>	<b>1,541</b>	<b>6,296</b>	<b>34,232</b>

- a) There were no impairment losses on any property, plant and equipment during the year (December 31, 2022: Nil)
- b) There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year (December 31, 2022: Nil).
- c) All property, plant and equipment are non-current.
- d) 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.
- e) The Company had no capital commitments at the year end (2022: Nil).
- f) The Company did not use any item of property, plant and equipment as security during the year (2022: Nil)

	31 December 2023 N'000	31 December 2022 N'000
<b>20 Other Liabilities</b>		
<b>Financial liabilities:</b>		
Other payables	47,777	32,977
<b>Non-financial liabilities:</b>		
Withholding tax payable	25	32
	<b>47,802</b>	<b>33,009</b>
Current	47,802	33,009

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**20.1 Other Payables**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
Directors' fees	6,772	5,325
Audit fees	10,213	8,063
Professional fees	12,446	5,190
Consultancy fees	6,893	484
ITF Levy	170	1,946
Taxes	26	735
Receipts in advance	4,960	3,574
SEC Annual fees	-	732
Maintenance charge payable	1,667	4,500
Pensions payable	2,526	2,009
Others	2,104	419
	<b>47,777</b>	<b>32,977</b>

**21 Accumulated losses**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Balance at beginning of year	(154,335)	(75,078)
Loss for the year	(69,625)	(79,257)
	<b>(223,960)</b>	<b>(154,335)</b>

**22 Cash used in/generated from operations**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
Loss before income tax	(67,934)	(107,314)
Adjustments for		
- Depreciation (Note 9)	9,198	10,652
- Amortisation (Note 9)	14,235	12,985
- Interest income (Note 10)	(42,733)	(53,109)
- Profit on disposal of fixed asset (Note 6)	-	(120)
- Assets written off	-	12,797
- Insurance Claims received	-	(50)
- Penalty Income	(50)	-
- Foreign Exchange loss (Note 6)	2,663	4,936
Changes in components of working capital		
- (Increase)/decrease in other assets	(11,404)	4,813
- Increase in payables	14,793	8,963
	<b>(81,232)</b>	<b>(105,446)</b>

**NASD PLC**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**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.

The income and expenses and assets and liabilities resulting from transactions with related parties are as follows:

<b>Transactions</b>	<b>Type of relationship</b>	<b>Nature of transaction</b>	<b>2023</b>	<b>2022</b>
<b>Income:</b>				
Transaction fees	Shareholding companies	Fees from shareholding companies that are also	106,015	77,558

**23.1 Key management compensation**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
Salaries and other short-term employee benefits	49,865	77,671
Defined contribution	3,889	5,590
	<b>53,754</b>	<b>83,261</b>

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

**24 Directors and employees**

The average number of persons employed by the Company during the year was as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Executive director	1	2
Management	5	5
Non-management	15	13
	<b>21</b>	<b>20</b>

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>N'000</b>	<b>N'000</b>
The total employee benefits expense in the year comprise the following:		
Salaries and other short term benefits	170,155	157,778
Pension cost	13,278	12,300
	<b>183,433</b>	<b>170,078</b>

The number of employees of the company ,

	<b>31 December 2023</b>	<b>31 December 2022</b>
N500,001 - N1,000,000	-	1
N1,000,000 - N4,000,000	10	12
Over N4,000,000	11	7
	<b>21</b>	<b>20</b>

**NASD PLC****Notes to the financial statements****For the year ended 31 December 2023**

	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>N'000</u>	<u>N'000</u>
<b>25 Directors' emoluments</b>		
<b>Remuneration paid to the Company's directors:</b>		
Executive directors' compensation	49,865	77,671
<b>Fees and other emoluments disclosed above include amounts paid to:</b>		
Highest paid director	49,865	77,671
	<u>49,865</u>	<u>77,671</u>

**26 Capital commitments**

There were no capital commitments to purchase any asset as at 31 December 2023 (31 December 2022: Nil).

**27 Contingent Assets/Liabilities**

There were no contingent assets or liabilities as at 31 December 2023 (31 December 2022: 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, 2023 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 2023**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>N'000</b>		<b>N'000</b>	
Gross income	338,090		288,026	
Cost of services	(202,540)		(145,511)	
<b>Value Added</b>	<b>135,550</b>	<b>100</b>	<b>142,515</b>	<b>100</b>
<b>Distribution</b>				
<b>Directors and employees</b>				
Salaries and benefits	183,433	135	170,078	119
<b>Government</b>				
Net tax credit/(expense)	(1,691)	(1)	28,057	20
<b>Retained in the Company</b>				
Loss	(69,625)	(51)	(79,256)	(56)
<b>The future</b>				
Asset replacement (depreciation & amortization)	23,433	17	23,637	17
	<b>135,550</b>	<b>100</b>	<b>142,515</b>	<b>100</b>

**NASD PLC**  
**Five-year financial summary**  
**For the year ended 31 December 2023**

	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2020 N'000	31 Dec 2019 N'000
<b>Statement of financial position</b>					
<b>Assets</b>					
Cash and cash equivalents	174,839	295,525	393,355	240,741	70,826
Investment securities	172,788	100,402	100,432	207,225	440,829
other assets	23,273	11,869	16,682	12,331	8,825
Intangible assets	18,097	32,062	41,742	55,990	3,129
Property and equipment	30,512	34,232	21,827	26,188	32,046
Deferred tax asset	138,442	138,442	108,945	110,735	105,163
	<b>557,951</b>	<b>612,532</b>	<b>682,983</b>	<b>653,210</b>	<b>660,818</b>
<b>Liabilities</b>					
Accounts payable	47,802	33,009	24,046	18,668	18,711
Current income tax	1,691	1,440	1,597	440	1,146
	<b>49,493</b>	<b>34,449</b>	<b>25,643</b>	<b>19,108</b>	<b>19,857</b>
<b>Equity</b>					
Share capital	500,000	500,000	444,204	444,204	444,204
Share premium	232,418	232,418	288,214	288,214	288,214
Accumulated losses	(223,960)	(154,335)	(75,078)	(98,316)	(91,457)
<b>Total liabilities and equity</b>	<b>557,951</b>	<b>612,532</b>	<b>682,983</b>	<b>653,210</b>	<b>660,818</b>

	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
<b>Statement of comprehensive income</b>					
Gross earnings	338,141	288,196	288,704	176,231	229,097
Net operating income	338,141	288,196	288,704	176,231	229,097
Employee benefits and compensation cost	(183,433)	(170,078)	(135,109)	(98,230)	(90,075)
Depreciation	(23,433)	(23,637)	(22,978)	(10,755)	(12,536)
Other operating expenses	(199,209)	(201,794)	(103,992)	(78,932)	(90,429)
(Loss)/profit before tax	(67,934)	(107,313)	26,625	(11,685)	36,057
Net tax credit/(expense)	(1,691)	28,057	(3,387)	5,132	8,994
(Loss)/profit for the year	<b>(69,625)</b>	<b>(79,256)</b>	<b>23,238</b>	<b>(6,553)</b>	<b>45,051</b>
Basic (loss)/earnings per share (kobo)	<b>(13.93)</b>	<b>(15.85)</b>	<b>4.65</b>	<b>(1.54)</b>	<b>10.14</b>