

**2023**  
**Annual**  
**Report &**  
**Financials**

Atiat



**Unwavering Resolve:**  
Sailing through uncertain times with grit

# Atiat CREED

**WE BELIEVE THESE TO BE TRUE AND WE WILL  
CONDUCT OUR BUSINESS ON THESE PRINCIPLES**

1. OWNERSHIP SPIRIT.
2. SENSE OF URGENCY.
3. GIVE YOUR ALL.
4. BE FAIR TO ALL.
5. TO THYSELF BE TRUE.



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Atiat

Investing  
in the right  
place can make all the  
**difference with your finance.**





# Corporate Profile

[Who We Are](#)  
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## ABOUT ATIAT LIMITED

Atiat Limited is a solutions company incorporated in 2007. Atiat Limited is a company rooted in world-class culture of excellence, constantly leaning forward to innovations and new opportunities to grow its market share.

VFD Bridge started operations in 2011 with one goal: to provide our clients with an alternative source of finance for their short terms needs. VFD Bridge was a debt investment company that provided personal financial advisory services to individuals and small businesses.

Atiat Limited combined with VFD Bridge in 2022, a bridge finance company to



## MISSION

Delivering innovative products that bridge the financial and operational needs of our clients.



## VISION

To be the leading provider of bespoke alternative finance and leasing solutions in every market we operate.

## OUR CORE VALUES



**INTEGRITY**  
We are thorough, honest, and accountable in every area of business.



**INNOVATION**  
We are continually creating innovative ways to serve our customers better, even as we remain on top of the foremost financial technologies.



**EMPATHY 360**  
We are aware of the feelings and emotions of our stakeholders.



**TEAMWORK**  
We believe in the importance of collaboration to achieve value for our stakeholders.



**ENTREPRENEURSHIP**  
We believe in strong entrepreneurship values across all functions of our business.

## DIRECTORS

NAMES	POST HELD	APPOINTMENT/RESIGNATION DATE
Mr. Obinna Ufudo	Chairman	
Mr. Kanayo Eni-Ikeh	Managing Director/CEO	
Mr. Olisa Ifeajuna	Executive Director	(APPOINTED) 24/06/2022
Ms. Obiageli Ejiofor	Executive Director	(APPOINTED) 24/06/2022
Ms. Gbeminiyi Shoda	Non-Executive Director	(APPOINTED) 23/09/2022
Mr. Azubike Emodi	Non-Executive Director	(APPOINTED) 23/09/2022
Dr. Onyekachi Onubogu	Non-Executive Director	(APPOINTED) 23/09/2022
Ms. Ore Onagbesan	Non-Executive Director	(RESIGNED) 11/05/2023
Mr. Suleiman Lawal	Non-Executive Director	(APPOINTED) 07/09/2023
Chief Calistus Nweke	Non-Executive Director	(APPOINTED) 07/09/2023
Mr. Dipo Adeoye	Non-Executive Director	
Mrs. Obianuju Ufudo	Non-Executive Director	(RESIGNED) 01/09/2023
Mr. Gbenga Omolokun	Non-Executive Director	

Company Secretary	The Structure HQ Limited
Registered Office:	7B, Kafayat Abdulrasaq Street Off Fola Osibo Road Lekki Phase 1 Lagos.
Independent Auditor:	Pricewaterhouse Coopers Chartered Accountants Landmark Towers, Plot 5B Water Corporation Road Victoria Island, Lagos, Nigeria
Principals Banker	Fidelity Bank Plc Globus Bank Limited Zenith Bank Plc. VFD Microfinance Bank Limited
Registered No:	RC 698726
Tax Identification Number:	03026044-0001

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

### INTRODUCTION

Atiat Limited is a wholly Nigerian-owned proprietary leasing company incorporated in 2007. Atiat Limited specializes in various forms of equipment leasing and provides fleet management services to individuals and corporations. The Board of the Company is made up of individuals who bring on board high levels of competencies and experience.

### COMMITMENT TO CORPORATE GOVERNANCE

The Company remains committed to institutionalizing Corporate Governance principles. The Board operates in line with its responsibilities as contained in Regulatory Codes of Corporate Governance, the Articles of Association and the Companies and Allied Matters Act. Its oversight of the operations and activities of the Company are carried out transparently without undue influence.

Essentially, fair value Corporate Governance depends on the quality and integrity of the Directors. Consequently, the Company has undertaken to create the institutional framework conducive for defending the integrity of its directors and is convinced that on account of this, the Board of the Company is functioning in a highly effective manner. It is intended that Directors and Management would be continuously challenged to improve in areas where the need for improvement is identified.

### BOARD COMPOSITION AND INDEPENDENCE

As at December 31, 2023, the Board comprised of Eleven [11] Directors led by the Chairman, Managing Director, Executive Directors and Non-Executive Directors with enviable records of achievement in their respective fields. These individuals bring on board high levels of competencies and experience and their individual profile is as follows:



Atai  
Magan  
SAFETY IS EVERYBODY'S  
BUSINESS

OLADIPUPO ADEOYE

CHIEF C.N.C. NWEKE  
CHIEF C.N.C. NWEKE

OLISA IFEAJUNA

SOLEIMAN LAWAL

CHIEF C.N.C. NWEKE



OBINNA UFUDO  
CHAIRMAN

KANAYO ENI-JIKEH  
MANAGING DIRECTOR-CIO

AZUBIKE EMOIDI

GBENGA OMOLOKUN

GBEMINIYI SHODA

## DIRECTORS



Mr. Obinna Ufudo  
Chairman



Mr. Kanayo Eni-Ikeh  
Managing Director/CEO



Mrs. Obiageli Ejiofor  
Executive Director,  
Business Development



Mr. Olisa Ifeajuna  
Executive Director,  
Operations



Mr. Gbenga Omolokun  
Non-Executive Director

D I R E C T O R S



Mr. Oladipupo Adeoye  
Non-Executive Director



Ms. Gbeminiyi Shoda  
Non-Executive Director



Dr. Onyekachi Onubogu  
Non-Executive Director



Mr. Azubike Emodi  
Non-Executive Director



Chief C.N.C Nweke  
Non-Executive Director



Seluiman Lawal  
Non-Executive Director

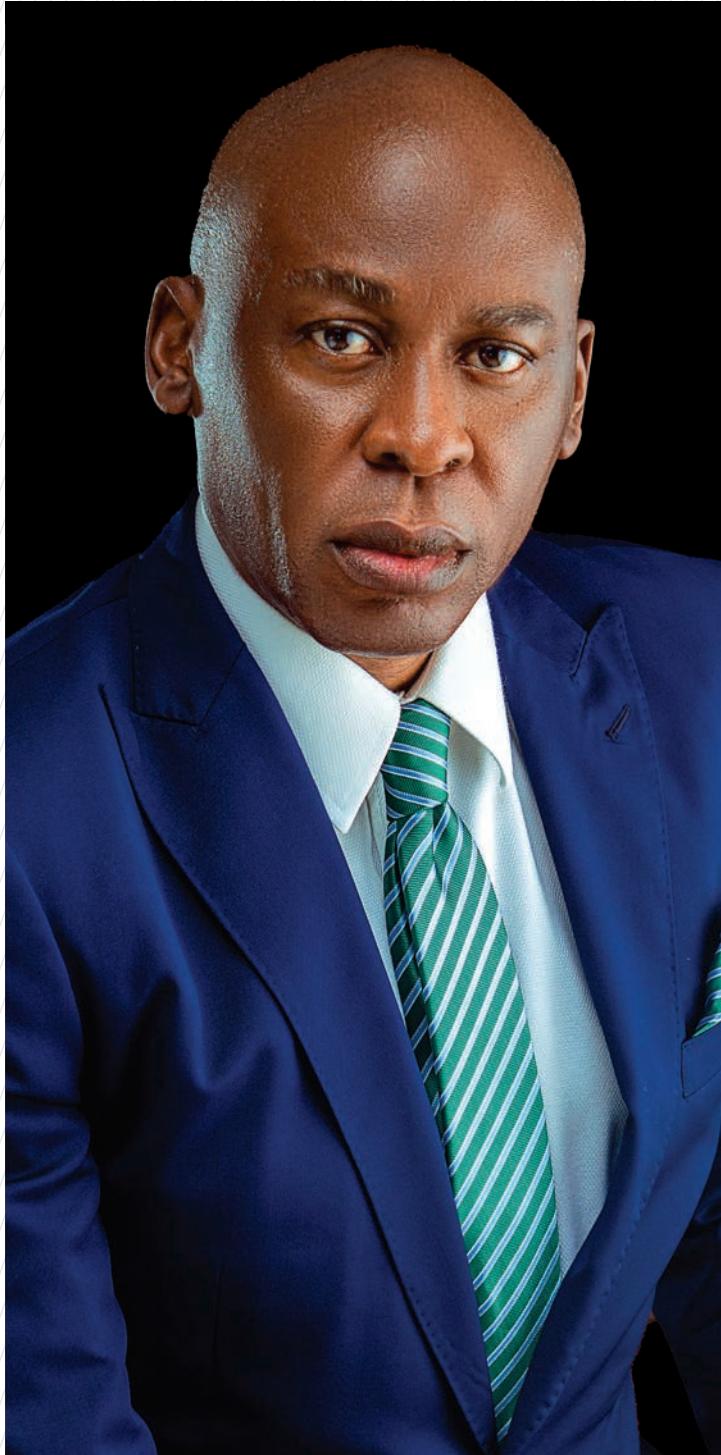
## DIRECTORS' PROFILES/REPORT



A detailed presentation of all Directors profiles accompanied with report on the affairs of Atiat Limited, together with the financial statements and External Auditors report for the year ended 31 December 2023

## DIRECTOR'S PROFILE

FOR THE YEAR ENDED 31 DECEMBER 2023



Mr. Obinna Ufudo  
Chairman

With over two decades' post-graduate experience, Obinna Ufudo is a well-regarded financial services and corporate management professional. He has held senior level positions in Trading, Investments, General Management and Financial Advisory capacities. He was the President/CEO of Transnational Corporation of Nigeria Plc where he led the turn-around and repositioning of the enterprise, increasing shareholders value by over \$1 billion during his three years tenure.

Obinna is a back-to-back winner of the top 25 CEO of quoted Nigerian companies award by Business Day newspaper for 2012 and 2013 and a finalist for the CNBC All Africa Business Leaders Award 2014. Obinna holds a M.Sc. degree in International Securities, Investment and Banking from the University of Reading, UK. He also holds an EMBA from the IESE Business School, University of Navarra, Barcelona Spain and a B.Sc. in Finance from the Enugu State University of Science and Technology Enugu, Nigeria.

## DIRECTOR'S PROFILE

FOR THE YEAR ENDED 31 DECEMBER 2023



Mr. Kanayo Eni-Ikeh  
Managing Director/CEO

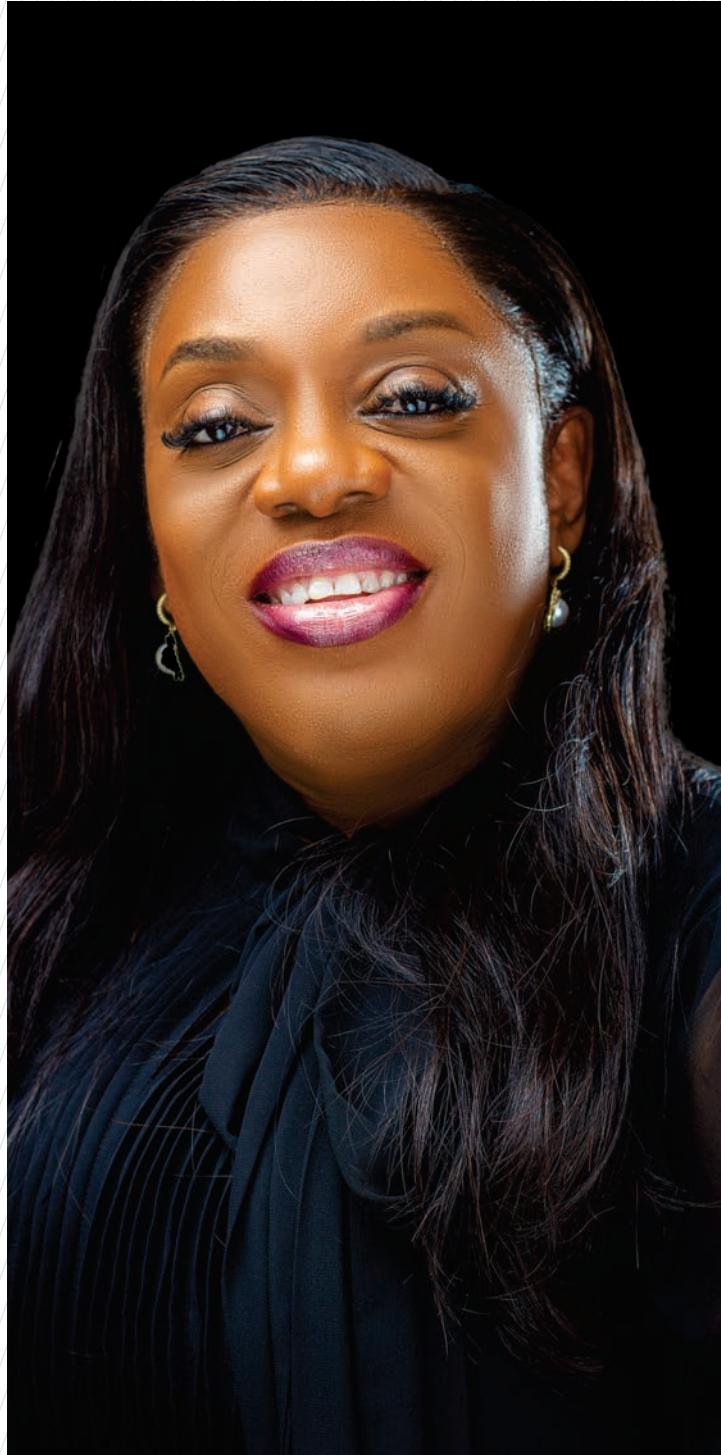
**K**anayo Eni- Ikeh assumed office as Managing Director/ CEO of Atiat Limited on January 1, 2020 and has been an integral part of the transformation of the company in the last 4years. He was formerly General Manager, Business Development, VFD, Micro-Finance, where he worked tirelessly attracting new clients and overseeing the bank's businesses, which in no time earned him great recognition from stakeholders and translated to a promotion, thereby making him Managing Director/CEO of Atiat. He led the transformation of Atiat to profitability and sustained its impressive year- on -year growth, across key performance metrics.

Kanayo has over 18years of experience across various banks such as Diamond Bank, Fidelity Bank, VFD Group Plc and VFD Microfinance Bank, where he held managerial roles and he successfully promoted organizational products and services to institutional and retail clients. He holds a B.Sc in Geological Sciences from Nnamdi Azikwe University, Awka and professionally trained expertise in strategy, management and marketing gained from Executive Programs attended in Lagos Business School and The Indian School of Business.

Kanayo has been involved in structuring of complex transactions in various sectors including Oil &Gas, Real Estate and Telecommunications. As Managing Director/CEO of Atiat Limited, he received the award of Best, MD/CEO award of the year 2021 from the Board of Directors and stakeholders of VFD Group Plc.

## DIRECTOR'S PROFILE -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023



Mrs. Obiageli Ejiofor  
Executive Director

Obiageli Ejiofor currently serves as Executive Director, Business Development at Atiat Limited. She joined the Management team in June 2021 with a cross border experience and proven expertise in diverse segments covering Marketing, Banking Operations, Strategy, Corporate and Commercial Banking, Business and Financial Advisory, Project Management and General Management.

She has over 22 years of experience in the Banking and financial Services Industry. She has held several key positions in reputable institutions including United Bank for Africa Plc, Fidelity Bank Plc and Access Bank Plc. Obiageli holds a B.Sc in Accounting from Nnamdi Azikiwe University, Anambra, an MBA from the University of Hull (Greenwich School of Management), UK, and has attended several executive training programs spanning various fields such as financial management, business analysis & management and client experience.



Mr. Olisa Ifeajuna  
Executive Director

Olisaeloka is the Executive Director, Operations of Atiat Limited, prior to this, he was Head of Operations of VFD Microfinance Bank. He started his career with Guaranty Trust Bank in April 2006 as an Executive Trainee. He then progressed in his career with Guaranty Trust Bank and became Branch Head at Oba Akran and Ojuelegba branches in 2013 and 2016 respectively.

In 2018, he moved to the Compliance Unit of GTBank as a Compliance supervisor. Olisaeloka Ifeajuna holds a BSc in Business Management from the University of Nigeria, Enugu and an MBA from Obafemi Awolowo University in Osun State. Olisa is currently undergoing an Accounting Certification with the Association of Certified Chartered Accountant (ACCA)

## DIRECTOR'S PROFILE -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023



Mr. Gbenga Omolokun  
Non-Executive Director

**G**benga Omolokun is the Managing Director of VFD Tech Ltd and VFD Microfinance Bank. Gbenga is a brilliant business strategist skilled in operations strategy and general management. He has over 15 years of rich expertise in business process improvement, general management, technology and strategy across various industries. Gbenga is skilled in establishing and scaling new businesses and ventures. Prior to his current role, he served as a manager in the advisory division of KPMG Nigeria, before occupying Executive and Non- Executive Directorial positions in several companies.



Mr. Oladipupo Adeoye  
Non-Executive Director

Oladipupo Adeoye is an astute, well-rounded finance professional, with over a decade experience in financial services sector which span across fixed income trading, treasury management, investment banking and private equity investing. Dipo has been involved in a broad spectrum of investment and banking responsibilities, including mergers and acquisitions, securities trading, treasury management, project management, business turnaround and strategic planning. Oladipupo started his banking career at Access Bank Plc where he bagged the award for the best graduating student from the Access Bank School of Banking Excellence. He worked in Banking Operations, Customer Services and later moved to Treasury where he rose to become the Head, Fixed Income Trading Unit of the Bank.

In 2011, Dipo joined Heirs Holdings, an African proprietary investment company, where he handled primarily fixed income trading and private equity investment. During his stay at Heirs, He was involved in a range of private equity investments across Africa in a range of selected sectors including financial services, oil and gas, agriculture, healthcare, real estate and hospitality. He also handled the impact investing portfolio of the Tony Elumelu Foundation through which capital was invested in businesses to enhance financial and social returns. He later joined the United Bank for Africa Plc, a Pan-African Bank, as a Manager in charge of fixed income trading with primary focus on bond trading and fixed income related structures before joining VFD Group Plc as the Treasurer in 2018.

## DIRECTOR'S PROFILE -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023



Ms. Gbeminiyi Shoda  
Non-Executive Director

**G**beminiyi Shoda is a seasoned Legal Practitioner with solid and progressive experience in all facets of Corporate and Commercial Law Practice. She began her career 10 years ago in a law firm in Lagos, and is currently the Managing Director of Structure HQ, a company that is providing corporate and commercial solutions for individuals and innovative businesses.

Before becoming the Managing Director of Structure HQ, she joined VFD Group Plc in 2015 providing leadership and direction to the legal, Compliance and Company secretariat unit of VFD's ecosystem which cuts across diverse sectors. Gbeminiyi Shoda is a member of the Nigeria Bar Association (NBA), Section of Business Law, Nigerian Bar Association (SBL, NBA), Financial Reporting Council of Nigeria (FRCN), Institute of Directors (IOD) and a sponsored individual of the Securities and Exchange Commission (SEC). She is a graduate of the Lagos State University and has a BL from the Nigeria Law School.



Dr. Onyekachi Onubogu  
Non-Executive Director

Dr. Onubogu holds a first degree in Physics from the University of Jos, an MBA from the Gordon's Institute of Business Sciences of the University of Pretoria, South Africa, an Advanced Management Program certificate from the Wharton Business School of the University of Pennsylvania and a Doctorate in Business Administration from the SBS Swiss Business School in Zurich, Switzerland. He has worked extensively in the corporate sector within and outside Nigeria having worked for Companies like Procter and Gamble in Nigeria and South Africa, Guinness Nigeria, Promasidor in Nigeria, Kimberly Clark in South Africa, Frutta Juice and Services in Nigeria and also with a Private equity firm, Prosperity Capital Management based in Nairobi, Kenya.

Dr. Onubogu was an Executive Director responsible for the commercial operations in both Promasidor (makers of Cowbell Milk, Loya milk and a host of other well known Nigerian brands) and TGI (Owners of Terra brands, Big Bull brands e.t.c) at different times between 2010 and 2019 and until recently he served as Managing Director and Chief Executive officer for Frutta Juice and services and managing the entire operations for the manufacturing concern.

He seats on the board of several companies within and outside Nigeria across various sectors. He is an adjoint faculty member at the University of Lagos Business School and the Lagos Business School. He runs a management consulting practice. He is an Alumni of the prestigious Wharton Business School, a former executive committee member of the Advertisers Association Of Nigeria (ADVAN), he served as a member of the marketing committee of the Nigerian Olympic Committee for the London 2012 Olympics. He is a Fellow and former council member of the National Institute of Marketing of Nigeria and currently serves as the National President of the Federal Government College Jos Old Students Association.

## DIRECTOR'S PROFILE -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023



Mr. Azubike Emidi  
Non-Executive Director

**A**zubike is the Managing Director of Anchoria Asset Management Limited. He is a financial services professional with experience in Retail & Commercial Banking, Strategic Planning & Process Improvement, Financial Analysis & Modelling and Fund Management.

He started his career with Zenith Bank Plc, then Royal Bank of Canada before joining VFD Group in 2016. He was the Managing Director of the foremost digital Bank in Nigeria, VBank before being appointed as the Managing Director of Anchoria Asset Management in 2021. Azubike is an Associate Member of Chartered Institute of Bankers, Canada Securities Institute and Securities and Exchange Commission.



Chief Calistus N.C. Nweke  
Non-Executive Director

**M**r. Callistus N.C. Nweke is the Founder and Chairman of Chizzy Nigeria Limited, a chemicals and technical support company, providing services to the Paints and Inks Industry in Nigeria and other countries in West Africa.

The Company was established in the mid-1980s, when he noticed a lacuna within the industry in sourcing chemical raw materials for manufacturing companies. Mr. Nweke has over forty-five (45) years' experience in the technical and trade industries, both in the United Kingdom and Nigeria. He cut his teeth as a young engineer when he joined Mobil Exploration Nigeria Incorporated (now Mobil Producing Nigeria Unlimited), as a Pupil Engineer in 1974 and resigned as a Drilling Engineer in 1976. Upon his resignation from Mobil, he joined International Paints West Africa Limited (IPWA), then a subsidiary of Courtaulds Coatings UK, where he rose from Production Manager to become the first Operations Director of the company. During his time in the company, he was instrumental to the formation of the Paints Manufacturers Association of Nigeria and became its first Deputy Chairman.

He resigned from his position in IPWA in 1988 to focus on building his own Company, Chizzy Nigeria Limited, which has grown tremendously over the years and is now one of the leading products and service providers in the Paints and Inks Industry in Nigeria. The Company is also expanding its products and services lines; and now renders services to the food and beverage, oil and gas, plastics and personal care industries.

## DIRECTOR'S PROFILE -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023



Mr. Suleiman Lawal  
Non-Executive Director

**S**uleiman Lawal is the Chairman of the Credent Investment Managers Ltd. Board of Directors; he is also a Non-Executive Director of Zam Agrochemical and Fertilizer Company Limited and was a Non-Executive Director of VFD Group Plc. He is a business thinker with extensive project management expertise as well as shown leadership and management skills in demanding, multicultural, and fast-paced organizations.

He has a B.Sc. in Information Systems as well as an MBA from Strayer University in Washington, DC. He spent many years with SAGEM, where he gained valuable managerial, sales, and operations experience. From 2013 to 2015, he was also the Assistant Director of Customer Relations at EYE Telecoms.

## BOARD CHANGES

NAMES	APPOINTMENT DATE
Mr. Suleiman Lawal	September 7, 2023
Chief. Calistus Nweke	September 7, 2023

NAMES	RESIGNATION DATE
Ms. Ore Onagbesan	May 11, 2023
Mrs. Obianuju Ufudo	September 1, 2022



# Strategy & Business Review

Management Team

Chairman's Statement

Managing Director/CEO's Statement

## MANAGEMENT TEAM

FOR THE YEAR ENDED 31 DECEMBER 2023



Mr. Kanayo Eni-Ikeh  
Managing Director/CEO



Mrs. Obiageli Ejiofor  
Executive Director,  
Business Development



Mr. Olisa Ifeajuna  
Executive Director, Operations

MANAGEMENT TEAM -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023



Mr. Gbenga Omolokun  
Non-Executive Director



Ms. Cynthia Nwanna  
Head of Operations



Ms. Feyikemi Fadeyibi  
Head, Human Capital  
Management



Mr. Nojimu Bamidele  
Head, Fleet Management



Mr. Solomon Moronkeji  
Head, Internal Control/Audit



Adeyinka Falade  
MD, Atiat Insurance Brokers



Adekunle Akanmu  
MD, Our Car Limited

# Timeless Wealth

Expand your possibilities, create, grow and preserve wealth with Anchoria Asset Management.

- | Eurobond Linked Note
- | Treasury Bills Linked Note
- | Money Market Fund
- | Portfolio Management

- | Equity Fund
- | Fixed Term Deposit
- | Fixed Income Fund

Contact Us:  
+234 818 889 9455  
[clientexperience@anchoriaam.com](mailto:clientexperience@anchoriaam.com)



Mr Obinna Ufudo  
Chairman

# CHAIRMAN'S STATEMENT

Dear distinguished Shareholders,

I welcome you to the 2nd Annual General Meeting of our company - Atiat Limited.

It gives me great pleasure to note that our company has maintained a steady growth despite the very challenging post-covid operating environment globally. In the last few years, the business environment in the country and indeed all over the world, has been marked by barrages of socio-economic upheavals aggravated by the ripple effects of international political and economic disarrangements. In all of these situations, the company has continued to make progress in its performance and we have our management team to thank for the incredible work that they are doing.

## OPERATING ENVIRONMENT

The 2023 financial year witnessed a change in Nigerian government following the conclusion of the general elections. The economic reforms immediately embarked upon by the new administration hinged on the removal of fuel subsidy and a unified exchange rate policy. The resultant effect of the policy was the unprecedented depreciation of the Naira. The attendant inflationary pressures necessitated a hike of interest rates by the monetary authorities to tame inflation and strengthen the local currency. The removal of exchange rate ceilings led to foreign exchange illiquidity amidst loss of investors' confidence in the economy. Generally, consumption levels decreased as the value of the Naira and disposable income depreciated. Thus, we experienced a lull in economic growth.

## FINANCIAL PERFORMANCE

During the year 2023 the Management, with the support of the Board of Directors, took some strategic decisions towards enhancing the income generation capacity of the company. I am delighted to see the positive manifestations of these decisions in the financial results for the year.

Gross earnings achieved in 2023 grew by 12% to N7b from N6.2b in 2022. Included in gross earnings was operating lease income of N2.4b achieved in 2023 rising by 66% from N1.4b achieved in 2022. Operating expenses decreased by 22% in 2023 to N1.4b from N1.8b recorded in 2022. Recovery of outstanding loans led to a net write-back of N70.4m in 2023 as against an impairment of N97.7m in 2022. Profit before tax of N1b was achieved in 2023 compared to N637m posted in 2022. PBT grew by 57%. Total Assets as at end of 2023 was N25.4b relative to 2022 position of N21.7b. A growth of N3.7b or 15% over 2022. Commercial notes balance stood at N16b as at end of 2023. It grew by 48% when compared to N10.8b position as at end of 2022. Shareholders' funds closed at N6.8b in 2023 compared to the 2022 position of N5.6b.

## BOARD DEVELOPMENTS

Subsequent to the last Annual General Meeting, the Company appointed two new Non-Executive Directors to the Board of Directors in the persons of Mr. Suleiman Lawal and Chief Callistus Nweke. Mr. Suleiman is a business thinker with extensive project management expertise. He holds a B.Sc in Information Systems as well as an MBA from Strayer University in Washington DC. He spent many years with SAGEM where he gained valuable

managerial, sales and operations experience. From 2013 to 2015, he was the Assistant Director of Customer Relations at EYE Telecomms, Virginia USA. He is the Chairman, Board of Directors of Crescent Investment Managers Ltd. He is also a Non-Executive Director of Zam Agrochemical and Fertilizer Company Limited and was a Non-Executive Director of VFD Group Plc.

Chief Callistus Nweke is the Founder and Chairman of Chizzy Nigeria Ltd, a chemical and technical support company providing services to the paints and inks industry in Nigeria and other countries in West Africa. He is also the Chairman, Board of Directors of Nri Microfinance Bank. Chief Nweke has over 45 years' experience in the technical and trade industries both in the United Kingdom and Nigeria. He cut his teeth as a young engineer when he joined Mobil Exploration Nigeria Incorporated (now Mobil Producing Nigeria Unlimited) as a Pupil Engineer in 1974 and resigned as a Drilling Engineer in 1976. Upon his resignation from Mobil, he joined International Paints West Africa Limited (IPWA). He rose to the position of Director - Operations before he resigned in 1988 to focus on building his own company. He holds a B.Sc in Chemical Engineering from the Loughborough University of Technology, UK.

I believe these two gentlemen will bring their wealth of experience to bear and contribute meaningfully to the growth of the company.

On the other hand, two Non-Executive Directors resigned from the Board in the persons of Ms Ore Onagbesan and Mrs. Obianuju Ufudo. I want to seize this opportunity to once again thank these two Ex-Directors for their contributions towards the growth of the company.

## 2024 OUTLOOK

As we relish our humble achievements of 2023, our focus shall not be distracted from the strategic objectives the Board of Directors have set out to achieve. The current business space in which the company operates is becoming more and more competitive in the face of shrinking opportunities as a result of externalities which are beyond any individuals' influence. With this consciousness, innovations and diversification becomes an inevitable antidote that we must embrace. We are already laying foundations for new investments which we have identified to help in meeting our strategic objectives. I have no doubt in my mind that 2024 will be a year of greater exploits by our company.

## CONCLUSION

I wish to thank the members of the Board of Directors for always providing the necessary support and direction for better governance. To our clientele on behalf of the Board of Directors, I thank you immensely for believing in the Atiat brand and to the Management and Staff, thank you for your commitment to building the Atiat of our dreams.



Obinna Ufudo  
Chairman, Board of Directors

# Atiat

## Elevate Your Commute to First Class!

Experience secure, swift, and sensational rides





**Mr. Kanayo Eni-Ikeh**

Managing Director/CEO

# MANAGING DIRECTOR'S STATEMENT

Dear Esteemed Shareholders,

It is another privilege I have to present to you the financial report for the year 2023. Whilst we celebrated the achievements of the penultimate year, it is heart-warming to note that greater progress was made in 2023.

The year came with its own challenges as well as opportunities. The general elections that took place during the year culminated in the swearing in of a new President of the Federal Republic of Nigeria in the second quarter of the year. This heralded so much hope for almost an immediate turn-around of the economy and usher in a new lease of life for the generality of the citizens. This was not to be. However, the immediate removal of fuel subsidy by the new government which had its own merits though, orchestrated serial economic maladies which the government is assiduously working to upturn up till today. The inflation rate reached an alarming proportion while the foreign exchange rate dipped leading to severe devaluation of the Naira.

In the midst of the economic chaos, however the company recorded some landmark achievements. The opportunity to expand our operating lease business presented itself as we secured a new contract which significantly impacted revenue from this segment of our business.

During the last quarter of the year, the Board of Directors approved investment of N100million in OUR CAR Ltd which is considered an important entity within our eco-system. The funds were to enable the company lease and develop a showroom and maintenance facility to enhance its visibility and ultimately positioning it for greater productivity. I am happy to report that the facility

is now functional, and we are beginning to see improvement in sales. I am confident of good returns from the investment in the next couple of years.

In the same vein, the Board of Directors approved the acquisition of 60% holding of VFD Group's shares in Atiat Insurance Brokers Ltd. The transaction was consummated during the first quarter of the year. I am happy to report that the company which reported losses in 2022 financial year is now doing better as it returned to profitability in 2023. I am also confident that the company will continue to return very decent yield on investment going forward.

It is also worthy of note that the Board of Directors approved the acquisition of a three-storey building at Rauf Taylor Close in Victoria Island, Lagos during the year. The building is intended to be used as the new head-office of the company. The transaction has been fully consummated.

## 2023 FINANCIAL PERFORMANCE

Our strategic resolve to widen the revenue generation of the operating lease and rental segment of our business necessitated a substantial investment in the acquisition of new vehicles which were deployed to new contracts signed during the year. The investment impacted our gross earnings as operating lease income increased to N2.43b from N1.4b recorded in 2022. This represented 66% growth in operating lease income. Gross earnings achieved was N7.06b up by N866m from N6.22b recorded in 2022. Operating expenses declined in 2023 to N1.4b from N1.89b of 2022. This represented 22% decrease in operating expenses. Ultimately, a Profit before tax of N1b was achieved in 2023

compared to N637m of 2022 financial year. This represented a growth of 57% in PBT.

Total Assets closed at N25.4b in 2023 grew by 15% from N21.7b of 2022. Our Debt notes portfolio increased by 48% to close at N16b from N10.8b of 2022. Shareholders' funds increased by N1.2b to close at N6.8b in 2023 from N5.6b in 2022.

### Corporate Rating:

It is pertinent to mention that during the year a corporate rating of the company was carried out by DataPro Limited. The report showed a short-term rating of A2 indicating 'Fair Credit Quality and Adequate Capacity for timely payment of financial commitment'. The company's long-term rating was BBB, indicating 'Slight Risk - showing good financial strength, operating performance and business profile when compared to the standard established by DataPro'. We hope to improve on this report when the next rating exercise is conducted.

### 2024 OUTLOOK

#### New Investments:

We recognize that changes in the economic environment will influence strategic decisions aimed at meeting our short and long-term objectives as we continue in the current year.

A continuous sensitivity analysis of our revenue lines and overheads to changes in local and foreign economic policies will enable us evolve alternative strategies to remain competitive in our business space and to break out into new opportunities. This shall be done whilst keeping in focus our set strategic objectives.

In specific terms, the company shall pursue to diversify its revenue generation capacity through:

- investment in the energy sector
- investment in a bank
- investment in an insurance company.

#### Our Subsidiary Companies

Our subsidiary companies - Atiat Insurance Brokers Ltd and Ourcar Ltd are beginning to find their feet and making progress in their respective lines of business. We shall continue to provide support to these entities to sustain their going concern and to ensure that they continue to justify the investment which we have committed into them.

#### Human Capital:

We shall continue to uphold the work culture of the company that promotes entrepreneurship. Strategic hires will be made in line with the philosophy of the company whilst re-shaping existing staff members to adapt to new business opportunities requiring new set skills.

#### CONCLUSION:

As a company, we made appreciable progress in our performance this year despite all the challenges we had to contend with. This would not have been possible without our employees who showed resilience all through the times. It is also worth mentioning the support we got from other entities within the VFD Group eco-system. To you all I express my gratitude.

Dear Esteemed Shareholders, our commitment is to continue to create value and meet the expectations of all stakeholders. I will not relent in providing leadership towards realizing these goals even as we look towards a more successful 2024.

Thank you so immensely for your support so far.

Yours Sincerely,



Kanayo Eni-Ikeh  
Managing Director/CEO



# Governance

Corporate Governance Report  
Directors' Report  
Statement of Directors' Responsibilities  
Certification of Financial Statements  
Independent Auditor's Report

### THE COMPANY'S CODE OF CORPORATE GOVERNANCE

The Board meets regularly to set broad policies for the Company's business and operations and ensure that an objective and professional relationship is maintained with the Company's Auditors to promote transparency in financial and non-financial reporting.

The Guiding Principles of the Company's Code of Corporate Governance remain as follows:

- All power belongs to the shareholders
- Delegation of authority by the owners to the Board and subsequently to Board Committees and Executives is clearly defined and agreed.
- Institutionalised individual accountability and responsibility through empowerment and relevant authority.
- Clear terms of reference and accountability for Committees at Board and Executive levels.
- Effective communication and information sharing outside of meetings.
- Actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the Company and Shareholders.
- Enhancing compliance with applicable laws and regulations and the interest of the stakeholders. Where there is any conflict between the Company's rules, the local laws and legislation supersede.
- Conformity with overall Company strategy and direction
- Transparency and full disclosure of accurate, adequate and timely information regarding the personal interest of directors in any area of potential conflict regarding the Company's business.

### ROLES AND RESPONSIBILITIES OF THE BOARD

The Board determines the Company's purpose and values as well as the strategy to achieve its purpose. It ensures that procedures and practices are in place to protect the Company's assets and reputation. The Board is explicitly responsible for the stewardship of the Company.

The Board is responsible for:

- Reviewing alignment of goals, major plans of action, annual budgets and business plans with overall strategy, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditure in line with approved budget.
- Investment and capital management, financial and statutory reporting, articulation and approval of policies, setting overall strategic direction, monitoring and coordinating performance, and succession planning for the Board and Senior Management Staff.
- Ensuring the integrity of the Company's accounting and financial reporting systems (including the independent audit) and that appropriate systems are in place for monitoring risk, financial control and compliance with the law.
- Selecting, compensating, monitoring and when necessary, replacing key Executives and overseeing Management succession planning.
- Interfacing with the management of the Company to ensure harmony in implementing its strategy.
- Performing all statutory roles as required by law.
- Through the establishment of Board Committees, making recommendations and taking decisions on behalf of the Board on issues that may arise outside the normal meeting schedule of the full Board.
- Ratifying recommendations and decisions of Board Committees.

### SHAREHOLDER PARTICIPATION

The Company is conscious of and continues to take necessary steps to promote shareholder rights. All stakeholders are invited to report any concern about a threatened/suspected breach of corporate governance requirements to the office of the Company Secretary.



Nafisat Yussuf

The Structure HQ Limited Company Secretary

FRC/2023/COY/257281

20 May, 2024

## DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors have pleasure in presenting their report on the affairs of Atiat Limited together with the audited financial statements for the year ended 31 December 2023.

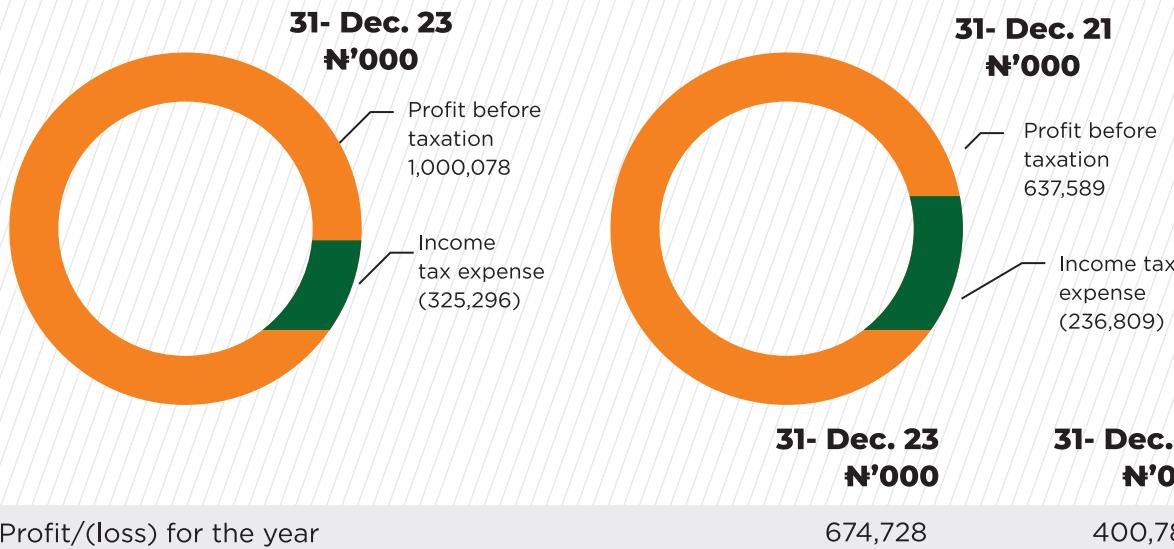
### 1. Legal Form and Principal Activity

The company was incorporated as a private liability company on 19 July 2007 and commenced business in January 2011. Its name, previously Atiat Leasing Limited, was changed to Atiat Limited by special resolution dated 8 September 2022.

The principal activity of the Company is to provide Operating lease, Structured Finance, Fleet Management, Car rentals, Insurance Brokerage and Car sales & Servicing to individuals and corporates. Atiat Limited is also an active investor in both private and listed companies of the Nigerian Stock Exchange.

### 2. Operating Results

The results for the year under review are as follows:



### 3. Proposed Dividend

No dividend was proposed by the Board as at the close of business on 31 December 2023.

### 4. Directors Interests in Contracts

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020 of any declarable interest in Contracts in which the Company is involved.

### 5. Shareholding

The shareholders who held 5% or more of the shares of Atiat Limited as at 31 December 2023 are as follows:

	Number of Ordinary share of N1.00 each as at			
	31-Dec-23		31-Dec-22	
	Number	%	Number	%
VFD Group Plc	386,099,837	64.35	389,999,835	65
CEIK Capital Limited	61,121,499	10.19	60,000,000	10
Ojemba Limited	59,400,000	9.90	-	-
QINK Limited	59,400,000	9.90	60,000,000	10
Mr. Obinna Ufudo	-	-	66,000,000	11
Mrs. Obianuju Adamma Ufudo	-	-	24,000,000	4
	600,000,000	100	600,000,000	100

## 6. Board of Directors

The Directors who held office during the year and to the date of this report are shown on page 3. In accordance with Section 285 of the Companies and Allied Matters Act (CAMA) 2020, one third of the Director is due for retirement by rotation.

## 7. Directors' Interests in Shares

The Directors' interest in the share capital of the company are as follows:

	Number of ordinary shares of 50kobo each			
	31-Dec-23		31-Dec-22	
	Direct	Indirect	Direct	Indirect
Mr. Obinna Ufudo	-	59,400,000	66,000,000	-
Mr. Kanayo Eni-Ikeh	-	61,121,499	-	60,000,000
Mr. Olisa Ifeajuna	50,000	-	-	-
Mrs. Obianuju Adamma Ufudo	-	-	24,000,000	-
Mrs. Obiageli Ejiofor	200,000	-	-	-
Mr. Gbenga Omolokun	-	250,164	165	-
Mr. Oladipupo Ayodele Adeoye	-	-	-	-
Ms. Gbeminiyi Shoda	-	150,000	-	-
Dr. Onyekachi Onubogu	-	250,000	-	-
Chief C.N.C Nweke	3,000,000	18,760,000	-	-
Mr. Suleiman Lawal	-	-	-	-
	3,250,000	140,031,663	90,000,165	60,000,000

## DIRECTOR'S REPORT -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

### 8. Donations

The Company did not make donation to any organisation during the year ended 31 December 2023:

### 9. Property, Plant and Equipment

Information relating to changes in property and equipment is given in Note 23 to the financial statements.

### 10. Events after the Reporting Period

There are no significant events after the reporting date, which could have a material effect on the state of affairs of the Company as at 31 December 2023 that have not been adequately provided or disclosed in the financial statements.

### 11. Sustainability Report

Atiat Limited was founded by skilled professionals with diverse experience, qualifications, and backgrounds. As a company, we play in the Nigerian finance and leasing environment to provide bespoke alternative finance and leasing solutions for our clients. We discovered that there are immense opportunities for value creation within this business environment. In view of this, we developed a business model that allows us to operate in major sectors of the economy through our portfolio, providing structured finance, consumer finance, operating and finance Lease, Fleet Management, insurance services and financial advisory.

We are still in the preliminary stages of our sustainability journey. However, we are committed to highest sustainability standards and practices and have put plans in place, to ensure we build a strong and viable business.

### Transformation Towards Sustainable Development

At Atiat Limited, we view sustainability as a constant endeavour to make progress on present topics and keep learning about new issues, based on scientific knowledge. Promoting social development, protecting our environment for the present and future generations and economy growth are essential in order to ensure sustainability. We believe that companies like Atiat Limited would play a role in ensuring sustainability and bring about transformational change. We will leverage on our strengths, such as entrepreneurship and the innovation of our business units, the professional knowledge of our employees, and integrity in dealing with our customers and consumers. We see our Company as a major player and partner in economy and our environment and we intend to work with others to create fundamental change.

### Diversity and Inclusion

As a company, we value employees' diversity, cultural backgrounds, and inclusion; this has continuously helped us to attract, develop and retain valued added and best talents in the industry. Our working environment is challenging, rewarding and flexible, with a value-oriented leadership style. Our employees are from different parts of the nation with blend of different cultures. We strengthen our global team.

By valuing diversity and cultural backgrounds, interacting openly and constructively with each other, and looking after the health and safety of our people.

### Economic

Economic growth and development are at the core of our business operations. This is key for

us at both the organizational and stakeholder level. Whilst we intend to ensure that we return maximum value to our shareholders by constantly increasing profit and ultimately the returns to our shareholders, we are also aware of our responsibility to our clients for economic growth. This is obvious in our drive to make funding available for businesses to aid growth, our dedication to financial inclusion and literacy, risk management framework, data privacy, amongst other key themes.

### Governance

The Board Risk Management provides oversight of the risk management systems that are employed throughout the Company and responsible for the sustainability initiatives and practices. Atiat Limited is committed to high corporate governance standards and has a governance framework that is in line with the company's strategic goals and objectives. Directors regularly review environmental, operational, market, financial, political and other risks inherent in our business in order to minimize losses and maximize returns for our shareholders.

Our Board of Directors is comprised of professionals with diverse experiences and qualities, such as leadership, strategic insights and the ability to provide oversight of risk management.

### Data Protection

As a company we have an obligation to protect the data of our employees and customers (internal and external). Data breaches, which are increasingly frequent occurrences, have a significant impact on both corporate reputation and consumer confidence. We also ensure customer privacy by aligning with best international practices. We continue to create

awareness for all our staff, customers and vendors to prevent fraud. Labour

### Labour Practices/ Training

Our employees are one of our greatest assets. As a company we would continue to train and provide competitive welfare packages to all our employees. This has been identified as key input necessary to achieve our strategic business objectives.

### 12. Employment and Employees

#### *Employment of disabled persons*

The Company does not discriminate in considering applications for employment including those from disabled persons. However, no disabled person was employed by the Company as at 31 December 2023.

#### *Employees' involvement and training*

The Company believes in the development and training of its employees and carries this out through external training and on the job training.

### 13. Auditors

The Auditors, Messrs. ricewaterHouseCoopers have indicated their unwillingness to continue in office as the Company's Auditors. The firm ensured that its responsibilities to the Company were carried out in an independent manner.

BY THE ORDER OF THE BOARD



The Structure HQ Limited  
Company Secretary  
FRC/2023/COY/257281

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors accept responsibility for the preparation of the annual financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2023, the results of its operation, cash flows and changes in equity for the year then ended. The Directors affirm that the financial statements have been prepared using appropriate accounting policies supported by reasonable judgments and estimates, in conformity with the International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act No 6,2011.

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

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

Going Concern:

The Directors have assessed the Company's ability to continue as a going concern and have no basis to believe that it will not remain a going concern for at least twelve months from the date of approval of the financial statements.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



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Obinna Ufudo  
(Chairman)  
FRC/2013/CIBN/00000002585



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Kanayo Eni-Ikeh  
(Managing Director/CEO)  
FRC/2020/003/00000022164

## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with the provisions of Section 405 of Companies and Allied Matters Act, 2020, the Chief Executive Officer and the Chief Financial Officer certify that the audited financial statements of the Company for the year ended 31 December 2023 have been reviewed and based on their knowledge confirm as follows:

- I. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the financial statements misleading.
- ii. The audited financial statements and all other financial information included in the financial statements present, in all material respects, the financial condition and results of operation of the Company as of and for, the period covered by the audited financial statements.

We state that Management and Directors:

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

We have disclosed:

- I. all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data, and we have discussed with the Company's auditor any material weaknesses in internal control observed during the course of the audit,
- ii. whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control; and
- iii. as indicated in the report, whether, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

The financial statements of the Company for the year ended 31 December 2023 were approved by the Board of Directors on 20 May, 2024.



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Oludare Sonde (Chief Financial Officer)  
FRC/2014/ICAN/00000005647



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Kanayo Eni-Ikeh (Managing Director/CEO)  
FRC/2020/003/00000022164

# Atiat

We are your seamless  
dispatch logistics plug

Delivering Excellence, Every Time!





## Independent auditor's report

To the Members of Atiat Limited

### Report on the audit of the financial statements

#### *Our opinion*

In our opinion, Atiat Limited's ("the company's") 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 International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### **What we have audited**

Atiat Limited's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the statement of financial position as at 31 December 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

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#### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

*PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria*



## *Other information*

The directors are responsible for the other information. The other information comprises the Corporate Information, Corporate Governance Report, Reports of Directors, Statement of Directors' Responsibilities, Certification of Financial Statements, Statement of Value Added and Financial Summary, 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 an audit opinion or any form of assurance conclusion thereon.

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

If, based on the work we have performed, 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 and those charged with governance for the financial statements*

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, 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.

Those charged with governance are responsible for overseeing the company's financial reporting process.

## *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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a



material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 those charged with governance 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.

From the matters communicated with those charged with governance, 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*

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- the company has kept proper books of account, so far as appears from our examination of those books;
- 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 and returns.

  
For: PricewaterhouseCoopers  
Chartered Accountants  
Lagos, Nigeria

Engagement Partner: Chidi Ojechi  
FRC/2017/PRO/ICAN/004/00000015955



23 May 2024



# Financial Statements

Statement of Profit or Loss &  
other Comprehensive Income  
Statement of Financial Position  
Statement of Changes in Equity  
Statement of Cash Flows  
Notes to the Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	31, Dec.2023 ₦'000	31, Dec. 2022 ₦'000
Gross earnings		7,060,977	6,215,061
Lease rental income	6	2,403,648	1,448,359
Direct leasing expenses	7	(1,304,877)	(860,863)
Net leasing income		1,098,771	587,496
Interest income calculated using effective interest method	8	4,482,939	4,640,542
Interest expense	9	(2,607,923)	(1,989,739)
Net interest income		2,973,787	3,238,299
Other income	11	174,390	126,160
Net operating income		3,148,177	3,364,459
Impairment charge write back/(charge)	12	215,643	(97,708)
Operating expenses	13	(1,614,766)	(1,893,306)
Depreciation and amortisation	16	(400,018)	(220,787)
Operating profit		1,349,036	1,152,658
Finance cost	10	(348,958)	(515,069)
Profit/(loss) for the year before taxation		1,000,078	637,589
Income tax expense	17	(325,296)	(236,809)
Profit/(loss) for the year after taxation		674,782	400,780
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Fair value movement on equity instruments at FVOCI		652,917	-
Other comprehensive income for the year net of taxation		652,917	-
<b>Total comprehensive income for the year</b>		<b>1,327,699</b>	<b>400,780</b>
Basic earnings/(loss) per share (Kobo)	18	234	71

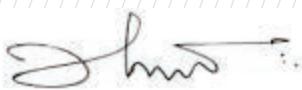
**STATEMENT OF FINANCIAL POSITION**  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	31, Dec.2022 ₦'000	31, Dec. 2021 ₦'000
<b>Assets</b>			
Cash and cash equivalents	19	1,671,343	1,075,636
Financial assets	20	12,012,947	14,872,381
Other assets	21	4,187,904	1,003,063
Operating lease assets - Motor vehicles	22	2,652,556	507,018
Property, plant and equipment	23	662,153	84,533
Intangible assets	24	800	942
Goodwill	25	4,154,627	4,154,627
Deferred tax assets	31	-	3,298
<b>Total Assets</b>		<b>25,416,944</b>	<b>21,701,498</b>
<b>Liabilities</b>			
Commercial notes	26	16,046,550	10,877,555
Borrowings	27	1,443,874	4,315,767
Other liabilities	28	581,937	647,462
Income tax liabilities	29	321,959	201,317
Deferred tax liabilities	30	236,935	81,407
<b>Total Liabilities</b>		<b>18,631,255</b>	<b>16,123,508</b>
<b>Equity</b>			
Issued and paid up share capital	31	300,000	300,000
Share premium	32	5,065,625	5,065,625
Accumulated profit/(loss)	33	71,430	(483,352)
Revaluation reserve	34	216,823	216,823
Fair value reserve	35	652,917	-
<b>Total Equity</b>		<b>6,785,689</b>	<b>5,577,990</b>
<b>Total Liabilities and Equity</b>		<b>25,416,944</b>	<b>21,701,498</b>

The financial statements were approved by the Board of Directors on 20 May 2024 and signed on its behalf by:



Obinna Ufudo (Chairman)  
FRC/2013/CIBN/00000002585



Oludare Sonde (Chief Financial Officer)  
FRC/2014/ICAN/00000005647



Kanayo Eni-Ikeh  
(Managing Director/CEO)  
FRC/2020/003/00000022164

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 31 DECEMBER 2022

Figures in thousands of Naira	Share capital ₦'000	Share premium ₦'000	Accumulated profit/(loss) ₦'000	Fair value reserve	Revaluation reserve	Total Equity ₦'000
At 1 January 2022	271,818	206,182	(403,730)	-	253,531	327,801
Profit for the year	-	-	400,780	-	-	400,780
Other comprehensive income:						
Fair value movement on equity instruments at FVOCI	-	-	-	-	-	-
Total comprehensive income for the year	-	-	400,780	-	-	400,780
Transactions with owners of the company						
Issued shares	28,182	5,338,337	-	-	-	5,366,519
Transfer between reserves	-	-	36,708	-	(36,708)	-
Less pre- merger profit of VFD Bridge Ltd	-	-	(517,110)	-	-	(517,110)
At 31 December 2022	300,000	5,544,519	(483,352)	-	216,823	5,577,990
At 1 January 2023	300,000	5,544,519	(483,352)	-	216,823	5,577,990
Profit for the year	-	-	674,782	-	-	674,782
Other comprehensive income:						
Fair value movement on equity instruments at FVOCI	-	-	-	652,917	-	652,917
Total comprehensive income for the year	-	-	-	-	-	-
Transactions with owners of the company						
Dividend paid	-	-	(120,000)	-	-	(120,000)
At 31 December 2023	300,000	5,544,519	71,430	652,917	216,823	5,099,096

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	31, Dec.2023 ₦'000	31, Dec. 2022 ₦'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit or (loss) before taxation		1,000,078	637,589
Adjustments for:			
Interest income	8	(4,482,939)	(4,640,542)
Interest expense	9	2,607,923	1,989,739
Finance cost	10	348,958	515,069
Gain on disposal of assets	11	(31,115)	(55,380)
Dividend income	11	(23,011)	-
Foreign exchange gain	11	(73,082)	( 12,375)
Impairment write back/(charge)	12	(215,643)	97,708
Depreciation and amortisation	16	400,018	220,786
Adjustment on intangible asset		-	(545)
Other non-cash items		-	(49,852)
<b>Changes in operating assets and liabilities</b>			
Financial assets - loans and advances		5,310,295	(13,848,143)
Other assets		(3,357,250)	(372,633)
Commercial notes		2,561,072	7,395,177
Other liabilities		(65,525)	(182,791)
Cash flows from operating activities		3,979,778	(8,306,192)
Interest received		3,999,679	4,872,569
Interest paid		(348,958)	(515,069)
Tax paid	29	(45,828)	(5,294)
Net cash generated from/(used in) operating activities		7,584,671	(3,953,986)
<b>Cash flows from investing activities</b>			
Purchase of operating lease assets	22	(2,536,464)	(536,318)
Purchase of property, plant and equipment	23	(617,454)	(40,023)
Investment in subsidiary	36	(74,615)	-
Purchase of financial assets - others		(926,774)	-
Dividend received		23,011	-
Proceed from sale of assets		62,000	57,445
Net cash from investing activities		(4,070,295)	(518,896)
<b>Cash flows from financing activities</b>			
Proceed from borrowings		1,563,550	-
Repayment of borrowings		(4,435,443)	-
Dividend paid		(120,000)	-

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	31, Dec.2023 ₦'000	31, Dec. 2022 ₦'000
Overdraft facility		-	9,730,826
Repayment of overdraft facility		-	(5,613,481)
Proceed from issue of shares		-	590,513
Increase in deposit for shares		-	478,894
Net cash (used in)/from financing activities		(2,991,893)	5,186,752
Net increase in cash and cash equivalents		522,624	713,870
Cash and cash equivalents, beginning of year	19	1,075,636	349,391
Foreign exchange gain		73,082	12,375
Cash and cash equivalents, end of year	19	1,671,343	1,075,636

# Atiat

## Drive Your Business Forward ➤

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1. Corporate information

Atiat Limited was incorporated as a private limited liability company on 19 July 2007 and commenced business in January 2011. Its name, previously Atiat Leasing Limited, was changed to Atiat Limited by special resolution dated 8 September 2022. The Company is domiciled in Nigeria.

The principal activity of the Company is to provide Operating lease, Structured Finance, Fleet Management, Car rentals, Insurance Brokerage and Car sales & Servicing to individuals and corporates. Atiat Limited is also an active investor in both private and listed companies of the Nigerian Stock Exchange.

The financial statements were approved for issue by the Board of Directors on 20th May 2024

### 2. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented in these financial statements.

#### 2.1 Basis of preparation

The audited financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies and Allied Matters Act, 2020.

The audited financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principle accounting policies set out below. They are presented in Naira, which is the Company's functional currency.

#### 2.2 Significant accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### *Allowances for credit losses*

The Company's loan impairment provisions are established to recognise expected credit losses in its portfolio of loans classified as loans and receivables and carried at amortised cost. A loan is impaired when there is objective evidence that events since the loan was granted have affected expected cash flows from the loan. Such objective evidence, indicative that the borrower's financial condition has deteriorated, and for loans that are individually assessed: the non-payment of principal or interest, debt restructuring, breach of limits or covenants, for collectively assessed portfolios the borrowers' payment status and observable data about relevant macroeconomic measures.

## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

The impairment is the difference between the carrying value of the loan and the present value of estimated future cash flows at the loan's original effective interest rate.

Depreciation and carrying value of property and equipment, including operating lease assets The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of items of property and equipment, including operating lease assets will have an impact on the carrying value of these items.

### 2.3 Foreign currency transactions

Foreign currency transactions are translated and recorded in Naira, using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in Other Comprehensive

Income (OCI) or profit or loss, respectively).

### 2.4 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents include cash in hand, unrestricted demand, call deposits with banks, and short term highly liquid financial assets (including money market funds), with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their value and used by the Company in the management of its short-term commitments.

### 2.5 Leases

#### *Company as a lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on specified asset, whether, the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognises a right-of-use (ROU) asset and a lease liability at the commencement date, except for short term leases of 12 months or less which are expensed in the income statement on a straight line basis over the lease term.

The lease liability is initially measured at the present value of the lease payment that are not paid at the commencement date,



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## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses incremental borrowing rate specific to the country, term and currency specific to the contract. Lease payments can include fixed payments, variable payments that depends on an index or rate known at the commencement date; and extension option payments or purchase options which the Company is reasonably certain to exercise.

The lease liability is subsequently measured at amortised cost using the effective interest method and remeasured (with a corresponding adjustment to the ROU asset) when there is a change in future lease payments in case of renegotiation, changes in an index or rate or in case of reassessment options.

At inception, the right of use asset comprises the initial lease liability, initial indirect costs and obligation to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets. ROU assets are included in the heading operating lease assets and the lease liability is included in the headings current and non-current financial liabilities.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

*Company as a lessor*

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 2.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably. Intangible assets are initially recognised at cost.

Intangible assets are initially recognised at cost. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever, there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

## a. Goodwill

Goodwill arises on business combination, and represents the excess of the cost of acquisition, over the fair value of the assets acquired, and the liabilities and contingent liabilities assumed on the date of the acquisition. For the purpose of calculating goodwill, fair values of acquired assets,

liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows to present value. Goodwill is initially recognised as an asset at cost and subsequently measured at cost less accumulated impairment losses, if any. Goodwill which is recognised as an asset is reviewed at least annually for impairment.

Any impairment loss is immediately recognised in profit or loss. For the purpose of impairment testing, goodwill is allocated to each cash-generating unit that is expected to derive benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

### b. Software

The company's computer software comprises tracking devices and computer software. Acquired softwares are capitalised on the basis of the costs incurred to acquire and bring to use the specific software when their values can be reasonably determined, and economic benefits will accrue to the Company. Software is stated at cost less amortisation and impairment losses.

### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognised as expenses when incurred.

### Amortisation

Softwares are amortized over the useful economic life estimated as the period over which the assets will be used by the Company. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Amortisation rate for intangible asset is as follows:

Item	Amortisation method	rate
Tracking device	Straight line	20%
Computer software	Straight line	33%

### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss.

### 2.7 Business combinations

The Company applies IFRS 3 Business Combinations (revised) in accounting for business combinations.

## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company.

The Company recognises goodwill as of the acquisition date measured as the excess of:

- a. the fair value of the consideration transferred; over
- b. the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

When the amount in (b) exceeds the amount in (a), a gain from a bargain purchase is recognised immediately in profit or loss on the acquisition date. The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are generally recognised in profit or loss. Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

## 2.8 Property, plant and equipment

The Company's property, plant and equipment comprise leasehold improvement, plant and machinery, office equipment, furniture and fittings and motor vehicles.

### *Recognition and measurement*

All categories of property, plant and equipment are initially recognised using the cost model and stated at their purchase cost including any costs directly attributable to bringing the asset into operation when the following conditions are met:

- their values can be reasonably determined;
- the economic benefit will accrue to the Company. Motor vehicles are measured at fair value less accumulated depreciation and

impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

### *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of ordinary day-to-day servicing and maintenance of

property and equipment are recognised in profit or loss as incurred.

### Depreciation

The depreciable amount of an asset is its cost less the estimated residual value at the end of its useful life, if this is significant and can be reasonably determined.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised. Depreciation is recognised in profit or loss on a straight line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property, plant and equipment. The annual rates are as follows:

Item	Depreciation Method	Rate
Furniture and fittings	Straight line	20%
Motor vehicle	Straight line	25%
Office equipments	Straight line	20%
Plant and machinery	Straight line	20%
Motor vehicles - Operating lease	Straight line	25%

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted for prospectively if appropriate, at the end of each reporting period.

### De-recognition

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

### 2.9 Impairment of non-financial assets

The Company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease. An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods

## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 2.10 Provisions

Provisions are liabilities that are uncertain in amount and timing. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset,<sup>2</sup> but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

### 2.11 Employee benefits

#### *Short-term benefits*

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

A provision is recognised for the amount expected to be paid under short-term cash, bonus or profit- sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### Post-employment benefit

##### Defined contribution plan

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act. The contribution of the employee and employer is 8% and 10% of the qualifying monthly emoluments (i.e. basic, housing and transport) of employees respectively.

The Company's obligations for contributions to the plan are recognised as an expense in profit or loss when they are due.

### 2.12 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is

recognised in profit or loss except to the extent that results of transactions relate to items recognised directly in equity, in which case it is recognised in equity. Current income tax is calculated on the basis of estimated taxable income for the year using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax recoverable or payable in respect of previous years.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### 2.13 Share capital and reserves

#### *Share capital*

The issued ordinary shares of the Company are classified as equity instruments. Incremental costs directly attributable to the issue of an equity instrument are shown in equity as a deduction, net of tax, from the proceeds.

#### *Share premium*

Premiums from the issue of shares are reported in share premium.

#### *Fair value reserve*

The reserve includes the net cumulative change in the fair value of investments

measured at fair value through OCI.

#### *Dividends*

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividends for the period that are declared after the reporting date are disclosed in the financial statements as a non-adjusting event.

### 2.14 Financial instruments

#### *Definition*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or liability is recognised when the Company becomes a party to the contractual provisions of the instrument.

#### *Initial recognition and measurement*

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal

## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (loans and receivables and debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

#### *Financial assets at amortised cost (loans and receivables and debt instruments)*

The Company measures financial assets at amortised cost if both of the following conditions are met:

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

#### *Financial assets at fair value through OCI (debt instruments)*

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

### *Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost

or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets are reclassified when and only when the business model for managing those assets changes. The reclassification takes effect from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

### Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest rate method, less provision for impairment.

Collection of trade receivable is expected in one year or less, they are therefore classified as current assets.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) The Company has transferred substantially all the risks and rewards of the asset, or
  - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### *Impairment of financial assets*

The Company recognises an allowance for expected credit losses (ECLs) for its loans and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and

all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A provision for impairment of loans and receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The Company considers a financial asset in default when contractual payments are 90 days past due.

The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the financial assets.

### **Financial liabilities**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings (including bank overdraft), commercial notes, trade and other payables.

#### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification, as described below:

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*Focus!*

Let us manage your fleet,  
while you focus on other things



## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

*Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

*Derecognition*

A financial liability is derecognised when and only when the obligation under the liability is discharged or cancelled or expires. When an

existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

*Offsetting offinancial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when and only when there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.15 Revenue recognition

IFRS 15 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a five-step model that applies to revenue arising from contracts with customers.

- Identifying the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.
- Identifying the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.
- Determining the transaction price: Transaction price is the amount of consideration which the Company expects to be entitled to in exchange for transferring the promised goods and services to a customer,

<p>excluding amounts collected on behalf of third parties.</p>	<p><b>Revenue: Dividends</b> Dividends are recognised when the Company's right to receive the payment is established, which is usually when shareholders approve the dividend.</p>
<ul style="list-style-type: none"> <li>Allocating the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.</li> <li>Recognise revenue as and when the Company satisfies a performance obligation. In cases where the Company determines the performance obligations are satisfied at a point in time, revenue is recognised when control over the assets that is subject to the contract is transferred to the customer.</li> </ul>	<p><b>2.16 Expense recognition</b> <b>Operating expenses</b> Operating expenses are recognised in the statement of comprehensive income on an accrual basis.</p>
<p>The specific recognition criteria described below must be met before revenue is recognized.</p>	<p>Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.</p>
<p><b>Revenue: Rental Income</b> Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.</p>	<p>Expenses are recognised on an accrual bases regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost.</p>
<p><b>Revenue: Interest income</b> Interest income is recognised as it accrues, using the effective interest method, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument.</p>	<p>Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognized as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statements as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.</p>
<p><b>Revenue: Rendering of services</b> The Company outsources personnel to various organisations. Income from outsourcing of personnel is recognised when service has been rendered to the organisation concerned.</p>	

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Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming years.

### 2.17 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 affect the numbers of shares issued, those shares are considered in calculating the diluted earnings per share. There are currently no shares that could potentially dilute the total issued shares.

## 3. NEW STANDARDS AND INTERPRETATIONS

### 3.1 Standards and interpretations effective and adopted in the current year

There were no new standards adopted by the company for the first time for the financial year beginning on or after 1 January 2023.

### 3.2 Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2023 or later periods:

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

If a parent loses control of a subsidiary which

does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The impact of this amendment is currently being assessed.

#### 3.2.2 Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The impact of this amendment is currently being assessed.

#### 3.2.3 Supplier finance arrangements-

Amendments to IAS and IFRS 7

an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs.

The objective of the new disclosures is to

## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following: The terms and conditions of SFAs.

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities in (b).
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

The effective date of the amendment is for years beginning on or after 1 January 2023. The amendment had no significant impact on the financial statements.

## 4. FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the 'exit price') in an orderly transaction that is not a forced sale, liquidation sale or a distressed sale between market participants at the measurement date. Fair value is determined based on market conditions at the measurement date and the assumptions that market participants would use (i.e. it is a market-based measurement).

Fair value measurement assumes the transaction to sell the asset or transfer the liability occurs in a principal market or, in the absence of a principal market, in the most advantageous market to which the entity has access. It does not consider an entity's intent to sell the asset or transfer the liability.

Fair value measurements of non-financial assets take into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use is determined from the perspective of market participants, even if the entity intends a different use. An entity's current use of a nonfinancial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### 5. FINANCIAL RISK MANAGEMENT

#### OBJECTIVES AND POLICIES

The primary objective of the Company's risk management framework is to protect the Company's stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The Company has established a risk management function with clear terms of reference from the Board of Directors and the executive management committees. This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the Board of Directors to executive management committees and senior managers.

The Company's principal significant risks are assessed and mitigated under three broad headings:

Strategic risks - This specifically focuses on the economic environment, the products offered and market. The strategic risks arise from a Company's inability to make appropriate decisions or implement

appropriate business plans, strategies, decision making, resource allocation and its inability to adapt to changes in its business environment.

Operational risks - These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

Financial risks - Risk associated with the financial operation of the Company including appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

The Board of Directors approves the Company's risk management policies and meets regularly to approve any commercial and organizational requirements of such policies.

These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets; and alignment to the corporate goals.

#### 5.1 STRATEGIC RISK

Capital management policies, objectives and approach. The following capital management objectives, policies and approach to managing the risks which affect the capital position are adopted by the Company.

- to maintain the required level of financial stability thereby providing a degree of security to clients,
- to allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders,

## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

- to retain financial flexibility by maintaining strong liquidity,
- to align the profile of assets and liabilities taking account of risks inherent in the business and requirements of its capital providers and shareholders, and
- to maintain financial strength to support new business growth and to satisfy the requirements of the stakeholders.

### 5.2 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors. Others are legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

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

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

- requirements for appropriate segregation of duties, including independent authorization of transactions,
- requirements for the reconciliation and

- monitoring of transactions,
- compliance with regulatory and other legal requirements,
- documentation of controls and procedures,
- training and professional development,
- ethical and business standards.

### 5.3 Financial risk

The Company's operations expose it to a number of financial risks. Adequate risk management procedures have been established to protect the Company against the potential adverse effects of these financial risks. There has been no material change in these financial risks since the prior year. The following are the risks the Company is exposed to due to financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

#### 5.3.1 Credit risk

Credit risks arise from a customer's delay or outright default of lease rentals; inability to fully meet contractual obligations by customers. Exposure to this risk results from financial transactions with customers.

Credits are given only for short-term cycle backed with adequate collateral cover. A successful credit must pass through relevant approval stages set out by management.

The Company has policies in place to mitigate its credit risks.

The Company's risk management policy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the

Company's management.

The policy is regularly reviewed for pertinence and for changes in the risk environment.

The carrying amount of the Company's loans and receivables represents the maximum exposure to credit risk.

**Credit-impaired financial asset:**

When a financial asset has been deemed credit impaired, lifetime expected credit losses thereon are determined based on the historical loss rate of the ageing bracket of the financial asset class. When a credit financial asset is impaired, accrual of interest income

on the financial asset is suspended until recoveries are made.

A credit-impaired financial asset and the related allowance for credit losses are written off fully when it is apparent that prospect of recovery has become unrealistic. For a collateralized credit, the net proceeds from the disposal of the collateral are applied in determining the amount to be written off.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting year was as follows:

31 December 2023	Note	Gross amount N'000	Impairment allowance N'000	Carrying amount N'000
Cash and cash equivalents	19	1,671,343	-	1,671,343
Loans and receivables	20	11,635,285	(778,084)	10,857,201
Investment securities	20	1,155,746	-	1,155,746
Other assets	21	3,401,378	(192,268)	3,209,110
		17,863,752	(970,352)	16,893,400

31 December 2022	Note	Gross amount N'000	Impairment allowance N'000	Carrying amount N'000
Cash and cash equivalents	19	1,075,636	-	1,075,636
Loans and receivables	20	15,560,696	(1,165,995)	14,394,701
Investment securities	20	524,767	(47,087)	477,680
Other assets	21	700,812	(20,000)	680,812
		17,861,911	(1,233,082)	16,628,829

**5.3.2 Liquidity risk**

The Company defines liquidity risk as the risk that the Company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost.

Liquidity risk management is governed by the Board. The Board is responsible for the provision of authorities, policies and procedures.

## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

The Company maintains sufficient amount of cash for its operations. Management reviews cash flow forecasts on a regular basis to determine whether the Company has sufficient cash to meet future working capital requirements and to take advantage of business opportunities. A substantial portion of the Company's assets are funded by borrowings from other corporate organisation and individuals. These borrowings, which are widely diversified by type and maturity, represent a stable source of funds.

Below is the contractual maturity of financial instruments presented in the financial statements. The amounts disclosed are the contractual undiscounted cash flows.

31 December 2023	Note	1-6 months N'000	7-12 months N'000	Over one year N'000	Contractual cashflows N'000	Carrying amount N'000
<b>Financial liabilities</b>						
Commercial notes	26	12,776,494	3,270,056	-	16,046,551	16,046,550
Borrowing	27	-	-	1,443,874	1,443,874	1,443,874
Other financial liabilities	28	342,385	-	-	342,385	342,385
		13,118,880	3,270,056	1,443,874	17,832,810	17,832,809
<b>Financial assets</b>						
Cash and cash equivalents	19	1,671,343	-	-	1,671,343	1,671,343
Loans and receivables	20	9,012,861	1,936,291	686,133	11,635,285	10,857,201
Investment securities	20	-	-	1,155,746	1,155,746	1,155,746
Other assets excluding prepayments	21	1,755,280	1,152,202	493,896	3,401,378	3,209,110
		12,439,484	3,088,493	2,335,775	17,863,752	16,893,400
		(679,396)	(181,563)	891,901	30,942	(939,409)
31 December 2022	Note	1-6 months N'000	7-12 months N'000	Over one year N'000	Contractual cashflows N'000	Carrying amount N'000
<b>Financial liabilities</b>						
Commercial notes	26	6,960,631	3,913,942	2,982	10,877,555	10,877,555
Borrowing	27	4,210,423	105,344	-	4,315,767	4,315,767
Other financial liabilities	28	422,389	528,788	-	951,177	472,283
		11,593,443	4,548,074	2,982	16,144,499	15,665,605
<b>Financial assets</b>						
Cash and cash equivalents	19	1,075,636	-	-	1,075,636	1,075,636
Loans and receivables	20	14,247,272	437,399	876,025	15,560,696	14,394,701
Investment securities	20	39,506	-	438,174	477,680	477,680
Other assets excluding prepayments	21	235,221	465,591	-	700,812	680,812
		15,597,635	902,990	1,314,199	17,814,824	16,628,829
<b>Net liquidity surplus/(deficit)</b>		<b>4,004,192</b>	<b>(3,645,084)</b>	<b>1,311,217</b>	<b>1,670,325</b>	<b>963,224</b>



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## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

### 5.3.3 Market risk

Market risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices. Market risk is monitored by the Company's management to ensure that the Company is not openly exposed to changes in the interest rates on interest bearing liabilities. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

#### Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company's transactions are denominated in Naira, but it has investments in United States Dollar.

The Company is exposed to currency risk in respect of the following financial assets:

31 December 2023	Note	Total N'000	Naira N'000	USD N'000
<b>Assets</b>				
Cash and cash equivalents	19	1,671,343	1,669,904	1,438
Investment securities	20	1,155,746	1,155,746	-
		<b>2,827,089</b>	<b>2,825,650</b>	<b>1,438</b>

31 December 2022	Note	Total N'000	Naira N'000	USD N'000
<b>Assets</b>				
Cash and cash equivalents	19	1,075,636	1,066,218	9,418
Investment securities	20	438,174	438,174	-
		<b>1,553,316</b>	<b>1,504,392</b>	<b>9,418</b>

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that are used by the Company.

Interest bearing assets comprise cash and cash equivalents and loans to counter parties which are considered short term liquid assets. The Company's interest rate liability risk arises primarily from borrowings issued at variable interest rate which exposes the Company to cash flow interest rate risk. It is the Company's policy to settle trade payables within the credit limit terms allowed, thereby not incurring interest on overdue balances. Borrowings are sourced from local financial markets, covering short and long term funding.

The Company manages interest rate risk on borrowings by ensuring access to diverse sources of funding, reducing risks of refinancing by establishing and managing in accordance with target maturity profiles.

31 December 2023	Non-rate sensitive N'000	Rate sensitive N'000	Carrying amount N'000
<b>Assets</b>			
Cash and cash equivalents	130,921	1,540,422	1,671,343
Loans and receivables	-	10,857,201	10,857,201
Investment securities	1,155,746	-	1,155,746
Other assets (excluding prepayments)	3,209,110	-	680,812
<b>Total Financial Assets</b>	<b>4,495,778</b>	<b>12,397,622</b>	<b>3,209,110</b>
<b>Liabilities</b>			
Commercial notes	-	10,877,555	16,046,550
Borrowings	-	4,315,767	1,443,874
Other financial liabilities	342,385	-	342,385
Deposit for shares	-	-	-
<b>Total Financial Liabilities</b>	<b>342,385</b>	<b>17,490,424</b>	<b>17,832,809</b>
31 December 2022	Non-rate sensitive N'000	Rate sensitive N'000	Carrying amount N'000
<b>Assets</b>			
Cash and cash equivalents	320,023	755,613	1,075,636
Loans and receivables	191,940	14,202,761	14,394,701
Investment securities	477,680	-	477,680
Other assets (excluding prepayments)	680,812	-	680,812
<b>Total Financial Assets</b>	<b>1,670,455</b>	<b>14,958,374</b>	<b>16,628,829</b>
<b>Liabilities</b>			
Commercial notes	-	10,877,555	10,877,555
Borrowings	-	4,315,767	4,315,767
Other financial liabilities	472,283	-	472,283
Deposit for shares	478,894	-	478,894
<b>Total Financial Liabilities</b>	<b>951,177</b>	<b>15,193,322</b>	<b>16,144,499</b>

	Carrying amount N'000	1 month N'000	1-3 months N'000	3-6 months N'000	6-12 months N'000	More than 1 year N'000
<b>31 December 2022</b>						
<b>Cash and cash equivalent</b>	<b>1,671,343</b>	<b>130,921</b>	<b>1,540,422</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans to customers:</b>						
Individual						
Term loan	6,029,306	5,649,798	201,020	-	6,975	171,513
Overdraft	2,397,518	-	231,777	561,811	1,289,098	314,832
Corporate						
Term loan	2,430,377	1,332,293	97,663	111,956	688,674	199,791
Overdraft	-	-	-	-	-	-
	10,857,201	6,982,091	530,460	673,767	1,984,747	686,136
<b>Total financial assets</b>	<b>12,528,544</b>	<b>7,113,012</b>	<b>2,070,882</b>	<b>673,767</b>	<b>1,984,747</b>	<b>686,136</b>
<b>Commercial notes</b>						
Individuals						
Corporate						
	3,178,830	1,532,666	867,535	573,110	205,519	-
	12,867,720	3,678,939	4,031,823	2,392,777	2,764,181	-
<b>Borrowings</b>						
Overdraft	1,443,874	23,454	66,169	78,296	138,588	1,137,367
<b>Total financial liabilities</b>	<b>17,490,424</b>	<b>5,235,059</b>	<b>4,965,527</b>	<b>3,044,183</b>	<b>3,108,288</b>	<b>1,137,367</b>
<b>Total interest repricing gap</b>	<b>(4,961,880)</b>	<b>1,877,953</b>	<b>(2,894,645)</b>	<b>(2,370,416)</b>	<b>(1,123,541)</b>	<b>(451,231)</b>

	Carrying amount N'000	1 month N'000	1-3 months N'000	3-6 months N'000	6-12 months N'000	More than 1 year N'000
<b>31 December 2022</b>						
Cash and cash equivalent	755,613	-	4,913	3,518	388,186	358,996
Loans to customers:						
Individual						
Term loan	9,594,189	9,445,414	57,457	8,737	22,915	59,665
Overdraft	1,990,821	40,611	1,009,660	163,331	777,220	-
Corporate						
Term loan	1,874,358	645,237	85,765	90,874	-	1,052,482
Overdraft	743,393	11,487	714,462	17,444	-	-
	14,202,761	10,142,749	1,867,344	280,386	800,135	1,112,147
<b>Total financial assets</b>	<b>14,958,374</b>	<b>10,142,749</b>	<b>1,872,257</b>	<b>283,904</b>	<b>1,188,321</b>	<b>1,471,143</b>
Commercial notes						
Individuals	2,828,646	857,012	1,634,973	127,527	209,134	-
Corporate	8,048,909	4,604,462	1,495,987	469,992	1,475,487	2,982
Borrowings						
Overdraft	4,315,767	4,315,767	-	-	-	-
<b>Total financial liabilities</b>	<b>15,193,322</b>	<b>9,777,241</b>	<b>3,130,960</b>	<b>597,519</b>	<b>1,684,621</b>	<b>2,982</b>
<b>Total interest repricing gap</b>	<b>(234,948)</b>	<b>365,508</b>	<b>(1,258,703)</b>	<b>(313,616)</b>	<b>(496,301)</b>	<b>1,468,160</b>



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#### 5.4 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns to stakeholders. Its approach involves managing assets, liabilities and risks in a coordinated manner. The Company's source of capital during the year was a mix of equity and borrowings.

The Company has the continued support of its parent company, VFD Group Plc. The Company is not subject to externally imposed capital requirements.

	31-Dec-23 N'000	31-Dec-22 N'000
Borrowings	1,443,874	4,315,767
Commercial notes	16,046,550	10,877,555
<b>Total borrowings</b>	<b>17,490,424</b>	<b>15,193,322</b>
Equity	6,785,689	5,577,990
Gearing ratio	258 %	272 %

#### 5.5 Classification categories of financial assets and financial liabilities

31 December 2023	Cost N'000	Amortised Cost N'000	Fair value Cost through P or L N'000	Fair value through OCI N'000	Total carrying amount N'000	
Cash and cash equivalents	130,921	1,540,422	-	-	1,671,343	
Loans and finance lease	-	10,857,201	-	-	10,857,201	
Trade receivables	424,995	-	-	-	424,995	
Investment securities	-	-	-	1,155,746	1,155,746	
Other assets (excluding prepayments)	2,784,115	-	-	-	2,784,115	
	1,289,348	12,397,622	-	1,155,746	16,893,400	
Commercial notes	-	16,046,550	-	-	16,046,550	
Borrowings	-	1,443,874	-	-	1,443,874	
Other financial liabilities	342,385	-	-	-	-	
	342,385	17,490,424	-	-	17,490,424	

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FOR THE YEAR ENDED 31 DECEMBER 2023

31 December 2022	Cost N'000	Amortised Cost N'000	Fair value Cost through P or L N'000	Fair value through OCI N'000	Total carrying amount N'000
Cash and cash equivalents	320,023	755,613	-	-	1,075,636
Loans and finance lease receivables	-	14,106,188	-	-	14,106,188
Trade receivables	288,513	-	-	-	288,513
Investment securities	-	-	39,506	438,174	477,680
Other assets (excluding prepayments)	680,812	-	-	-	680,812
	1,289,348	14,861,801	39,506	438,174	15,628,829
Commercial notes	-	10,877,555	-	-	10,877,555
Borrowings	-	4,315,767	-	-	4,315,767
Other financial liabilities	472,283	-	-	-	472,283
	472,283	15,193,322	-	-	15,665,605

	31-Dec-23 N'000	31-Dec-22 N'000
6. Lease income		
Operating lease rental	2,250,865	1,420,579
Car hire income	152,783	27,780
	2,403,648	1,448,359
7. Direct leasing expenses		
Vehicle insurance	58,041	803
Repairs and maintenance	375,313	298,990
Fuelling	368,769	132,861
Drivers salaries and pension	312,478	264,597
Drivers training expenses	1,600	60
Tracking, vehicle registration and permits	31,168	21,341
Security and parking	72,193	79,392
Vehicle hire expenses	41,190	11,914
Drivers out of station expenses	3,020	16,682
Accessories, batteries and tyres	37,468	24,925
Drivers medical expenses	3,637	9,298
	1,304,877	860,863

	31-Dec-23 N'000	31-Dec-22 N'000
<b>8. Interest income</b>		
Interest income on loans	4,173,866	4,560,666
Interest income on placements	309,073	79,876
	<b>4,482,939</b>	<b>4,640,542</b>
<b>9. Interest expense</b>		
Interest on commercial notes	2,607,923	1,989,739
<b>10. Finance cost</b>		
Interest on bank borrowings	348,958	515,069
<b>11. Other income</b>		
Dividend income	23,011	-
Insurance claims recovery	10,878	3,662
Outsourcing income	7,232	2,399
Gain on disposal of assets	31,115	55,380
Net fee and commission	16,472	48,886
Foreign exchange gain	12,600	12,375
Other income	73,082	3,458
	<b>174,390</b>	<b>126,160</b>
<b>12. Impairment charge</b>		
Financial assets measured at amortised cost	(215,643)	97,708
	<b>(215,643)</b>	<b>97,708</b>
<b>13. Operating expenses</b>		
Personnel cost	275,123	438,877
Auditors' remuneration	10,000	10,000
Bank charges	3,764	2,150
Corporate communications	936	16,607
Director related expenses	60,863	35,816
Commission	14,250	1,256
Rent	9,635	9,533
Repairs and maintenance	4,318	9,991
Subscriptions	26,533	19,979
Corporate logistics	-	39,617
Legal and professional fees	59,358	64,773
Travel expenses	9,580	20,279
Entertainment	9,685	22,579

## NOTES TO THE FINANCIAL STATEMENTS -Cont'd

FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 N'000	31-Dec-22 N'000
Business development expenses	695,316	998,744
Marketing support services	65,631	-
Insurance	30,731	17,177
Printing and stationery	4,338	1,358
IT infrastructure expenses	-	9,358
Motor vehicle expenses	32,909	14,124
Electricity/Fuel/Diesel	9,714	1,222
Advertising	176,708	-
Other expenses	115,372	159,866
	1,614,766	1,893,306
<b>14. Personnel expenses</b>		
<b>14.1 Included in direct leasing expenses</b>		
Salaries and allowances	303,009	257,968
Employer's pension contribution	9,469	6,629
Drivers' salary	312,478	264,597
<b>14.2 Included in other operating expenses</b>		
Salaries and allowances	209,266	199,334
Medical and staff training	1,424	8,705
Employer's pension contribution	10,616	7,783
Others	53,819	223,055
Other personnel cost	275,123	438,877
<b>Total personnel expenses</b>		
<b>Included in direct leasing</b>	312,478	264,597
<b>Included in other operating expenses</b>	275,123	438,877
	587,601	703,474

Short term benefits include salaries and allowances, and medical expenses. Post-employment benefits are pension contributions on behalf of employees to Pension Fund Administrators.

14.3 The average number of persons employed during the year is as follows:

	Number	Number
Executive Director	3	3
Management	5	5
Non-management	334	308
	342	316

14.4 The number of employees of the Company, other than Directors, who received emoluments (excluding pension contributions and other benefits) in the following ranges were:

	Number	Number
N1 - N500,000	2	26
N500,001 - N1,000,000	301	253
N1,500,001 - N2,000,000	11	14
N1,500,001 - N2,000,000	9	3
N2,000,001 - N2,500,000	1	4
N2,500,001 - N3,000,000	3	4
N3,000,001 - N3,500,000	3	3
N3,500,001 - N4,000,000	2	2
Above N4,000,000	10	7
	342	316

### 15. Directors' remuneration

Remuneration of Directors of the Company is as follows:

Fees	12,733	4,900
Other benefits	16,047	13,237
Emolument as executive	72,120	53,114
	100,900	71,251

Fees and other emoluments disclosed above include amounts paid to:

Chairman	3,520	3,462
The highest paid Director	28,639	26,167

The number of Directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

	Number	Number
N1 - N2,000,000	7	5
N2,000,001 - N4,000,000	1	3
N4,000,001 and above	2	2
	10	10

	31-Dec-23 N'000	31-Dec-22 N'000
16. Depreciation and amortisation		
Operating lease assets	366,677	162,587
Property, plant and equipment	33,199	50,478
Intangible assets	142	7,721
	400,018	220,786

**NOTES TO THE FINANCIAL STATEMENTS -Cont'd**

FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 N'000	31-Dec-22 N'000
<b>17. Income taxes</b>		
<b>17.1 Recognised in income statement</b>		
<b>Current</b>		
Current income tax	128,861	120,557
Police trust fund	50	31
Education tax	37,558	22,679
	166,470	143,267
<b>Deferred</b>		
Deferred tax assets	-	58,241
Deferred tax liabilities	158,826	35,301
	158,826	93,542
	<b>325,296</b>	<b>236,809</b>

17.2 Current year taxation charge was computed at the applicable rate of 30% of taxable profit (2022: 30%) plus education taxation at 3% of assessable profit (2022: 2.5%).

<b>17.3 Reconciliation of tax charge</b>		
Profit/(loss) before income tax	1,000,078	637,589
Tax at the applicable tax rate of 30% (2022: 30%)	300,023	191,277
Tax effect of adjustments on taxable income		
Non-deductible expenses	75,561	84,376
Balancing charge	11,000	-
Education tax	37,558	22,679
Adjustments to deferred tax	158,827	93,542
Police trust fund	50	31
Capital allowance utilised	(257,723)	(155,096)
Income tax reported in the income statement	<b>325,296</b>	<b>236,809</b>

**18. Earnings per share**

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

<b>Profit/(loss) for the year attributable to equity holders of the parent</b>	674,782	400,780
Number of shares in issue at the end of the year	600,000	600,000
Weighted average number of ordinary shares in issue	567,108	567,108
Earnings/(loss) per share (kobo)	119	71

	31-Dec-23 N'000	31-Dec-212 N'000
<b>19. Cash and cash equivalents</b>		
Cash on hand	217	938
Balances held with banks	1 30,704	319,085
Short-term deposits	1,540,422	755,613
	1,671,343	1,075,636
<b>20. Financial assets</b>		
Financial assets measured at amortised cost	10,857,201	14,394,701
Financial assets measured at FVTPL	-	39,506
Financial assets measured at FVOCI	1,155,746	438,174
	12,012,947	14,872,381
<b>20.1 Financial assets measured at amortised cost</b>		
Loans and advances	11,619,176	15,264,938
Trade receivables	-	288,513
Finance lease receivables	16,109	7,245
	11,635,285	15,560,696
Impairment allowance	(778,084)	(1,165,955)
	10,857,201	14,394,701
<b>20.1.1 Movement in impairment allowance</b>		
Balance, beginning of year	1,165,995	1,068,287
(Writeback)/impairment charge	(387,911)	97,708
Balance at end of year	7 78,084	1,165,995
<b>20.2 Financial assets measured at FVTPL</b>		
Unquoted investments	-	39,506
<b>20.3 Financial assets measured at FVOCI</b>		
Quoted equity investments	786,044	-
Unquoted equity investments	369,702	438,174

**NOTES TO THE FINANCIAL STATEMENTS -Cont'd**

FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 N'000	31-Dec-22 N'000
<b>21. Other assets</b>		
Due from related parties	1,330,285	202,618
Withholding tax recoverable	493,896	426,333
Other receivables	1,063,374	71,861
Operating lease receivables	4 24,995	-
Deposit for shares	88,828	-
	3,401,378	700,812
Impairment allowance	(192,268)	(20,00)
	3,209,110	680,812
<b>Non-financial assets</b>		
Prepayments	978,794	322,251
	4,187,904	1,003,063
<b>21.1 Movement in impairment allowance</b>		
Balance, beginning of year	20,000	20,000
On business combination	172,268	-
Balance, end of year	192,268	20,00
<b>22. Operating lease assets - Motor vehicles</b>		
<b>Cost</b>		
Balance, beginning of year	1,546,261	1,185,168
Additions	2,536,464	536,318
Disposals	(46,200)	(175,225)
Balance, end of year	4,036,525	1,546,261
<b>Accumulated depreciation</b>		
Balance, beginning of year	(1,039,243)	(1,050,531)
Charge for the year	(367,260)	(162,587)
On disposal	22,533	173,875
Balance, end of year	(1,383,970)	(1,039,243)
Carrying amount at the end of the year	2,652,556	507,081

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**NOTES TO THE FINANCIAL STATEMENTS -Cont'd**  
 FOR THE YEAR ENDED 31 DECEMBER 2023

	Leasehold improvement N'000	Plant & machinery N'000	Furniture & fittings N'000	Motor vehicles N'000	Office equipment N'000	Computer equipment N'000	Total N'000
<b>23. Property, plant and equipment</b>							
Cost							
Balance at 1 January 2022	4,888	2,147	12,209	20,000	15,319	-	54,563
Additions	-	-	1,544	111,240	6,275	-	119,059
As at 31 December 2022	4,888	2,147	12,209	20,000	15,319	-	173,622
Accumulated depreciation							
Balance at 1 January 2022	3,206	2,147	8,416	13,917	7,670	-	35,356
Depreciation charge for the year	1,682	-	882	48,522	2,647	-	53,733
As at 31 December 2022	4,888	2,147	9,298	62,439	10,317	-	89,089
<b>Net Book Amount at 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,455</b>	<b>68,801</b>	<b>-</b>	<b>84,533</b>
Cost							
Balance at 1 January 2023	-	-	13,753	131,240	7,744	13,850	166,586
Additions	590,532	-	376	25,280	1,266	-	617,454
Disposal	-	-	-	(13,000)	-	-	(13,000)
As at 31 December 2023	590,532	-	14,129	143,520	9,010	13,850	771,041
Accumulated depreciation							
Balance at 1 January 2023	-	-	9,298	62,439	2,489	7,828	82,054
Depreciation charge for the year	-	-	1,198	28,327	1,605	2,069	33,199
Disposal	-	-	-	(6,365)	-	-	(6,365)
As at 31 December 2023	-	-	10,496	84,401	4,094	9,897	108,888
<b>Net Book Amount at 31 December 2023</b>	<b>590,532</b>	<b>-</b>	<b>3,633</b>	<b>59,119</b>	<b>4,916</b>	<b>3,953</b>	<b>662,153</b>

	31-Dec-23 N'000	31-Dec-22 N'000
<b>24. Intangible assets</b>		
Tracking device		
Cost		
Opening balance	21,456	19,391
Additions	-	2,065
Balance at end of year	21,456	21,456
Amortisation		
Opening balance	20,514	12,248
Adjustment on opening balance	-	545
Charge for the year	142	7,721
Balance at end of year	20,656	20,514
Carrying amount as at end of year	800	942
<b>25. Goodwill</b>		
Cost		
Opening balance	4,154,627	-
Addition	-	4,154,627
Carrying amount as at end of year	4,154,627	4,154,627
<b>26. Commercial notes</b>		
Balance, end of year	16,046,550	10,877,555
Commercial notes is analysed as:		
Current	16,046,550	10,874,573
Non-current	-	2,982
	16,046,550	10,877,555
<b>27. Borrowings</b>		
Bank overdraft	-	4,315,767
Loan	1,443,874	-
	1,443,874	4,315,767

**NOTES TO THE FINANCIAL STATEMENTS -Cont'd**

FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-22 N'000	31-Dec-21 N'000
27.1 Bank overdraft		
Fidelity Bank Plc	-	4,210,423
Globus Bank Plc	-	105,344
Stanbic IBTC Bank	1,443,874	-
	1,443,874	4,315,767
27.1.1 Movement in Stanbic IBTC Bank loan		
Balance, beginning of year	-	-
Additions	1,563,550	-
Interest charges	147,273	-
Management fee and other charges	14,104	-
Repayments	(281,053)	-
	1,443,874	-

This represents a Vehicle Acquisition Facility (VAF) of N1.7 Billion granted by Stanbic IBTC Bank to Atiat Limited. The facility is at the rate of 19.5% for a period of 48 months, inclusive of 3 months moratorium

**28. Other liabilities**

Financial liabilities		
Directors account	-	6,269
Due to related parties	5,119	35,167
Account payable	337,266	430,847
	342,385	472,283
Non-financial liabilities		
Deferred revenue	-	45,741
Accrued expenses	239,551	129,438
	581,937	647,462

The Director's account are non-interest bearing

**28.1 Analysis of other liabilities is as follows:**

Current	581,937	647,462
Non-current	-	-
	581,937	647,462

	31-Dec-23 N'000	31-Dec-22 N'000
<b>29. Income tax liabilities</b>		
Balance, beginning of year	201,317	63,344
Charge for the year	166,470	143,267
Payment during the year	(45,828)	(5,294)
Balance, end of year	321,959	201,317
<b>30. Deferred tax</b>		
<b>30.1 Deferred tax assets</b>		
Balance at beginning of year	3,298	61,539
Temporary difference	(3,298)	(58,241)
Balance, end of year	-	3,298
The deferred tax assets are attributable to:		
Property, plant and equipment	-	1,831
Intangible assets	-	1,467
	-	3,298
Deferred tax liabilities		
Balance, beginning of year	81,407	20,619
On business combination	-	25,487
Temporary differences	155,528	35,301
Balance, end of year	236,935	81,407
<b>31. Share capital</b>		
<b>Authorised</b>		
600,000,000 ordinary shares of 50 kobo each	300,000	300,000
<b>Issued</b>		
600,000,000 ordinary shares of 50 kobo each	300,000	300,000
<b>Movement in Issued share capital:</b>		
At beginning of year	300,000	271,818
Issued during the year	-	28,182
Balance at end of period	300,000	300,000

**NOTES TO THE FINANCIAL STATEMENTS -Cont'd**

FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 N'000	31-Dec-22 N'000
<b>32. Share premium</b>		
Share premium	5,544,519	5,065,625
At beginning of year	5,544,519	206,182
On share exchange	-	5,338,337
Balance, end of year	5,544,519	5,544,519
<b>33. Accumulated deficit</b>		
At beginning of year	(483,352)	(403,730)
Profit or loss for the period	674,782	400,780
Transfer from revaluation reserve	-	36,708
Pre-acquisition profit of VFD Bridge Limited	-	(517,110)
Dividend paid	(120,000)	-
Balance, end of year	71,430	(483,352)
<b>34. Revaluation reserve</b>		
At beginning of year	216,823	253,531
Movt during the year	-	(36,708)
Balance at end of year	216,823	216,823
<b>35. Fair value reserve</b>		
At beginning of year	-	-
Gain in market value of financial asset FVTOCI	652,917	-
Balance at end of year	652,917	-
<b>36. Investment in subsidiary</b>		
Atiat Insurance Brokers Limited	74,615	-
<b>38. Capital commitments and contingent liabilities</b>		
There were no capital commitments or contingent liabilities as at 31 December 2023 (2022: Nil).		
<b>39. Related party disclosures</b>		
A number of transactions are entered into with related parties during the normal course of business. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. Related parties include subsidiaries, associates, joint ventures as well as key management personnel.		

	31-Dec-22 N'000	31-Dec-21 N'000
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Key management personnel are defined as those persons having authority for planning, directing and controlling the activities of the Company. Key management personnel include both Non-Executive and Executive Directors.

Atiat Limited operates as a subsidiary of VFD Group Plc while the relationships between other entities within the Group are shown below:

Names	Relationship
VFD Group Plc	Parent Company
Atiat Insurance Brokers Limited	Subsidiary
Anchoria Asset Management Limited	Co-subsidiary of parent company
Anchoria Investment and Securities Limited	Co-subsidiary of parent company
VFD Microfinance Bank Limited	Co-subsidiary of parent company
Herel Limited	Co-subsidiary of parent company
Kairos Capital Limited	Co-subsidiary of parent company
VFD Technologies Limited	Co-subsidiary of parent company
VFD Ghana Limited	Co-subsidiary of parent company
Movis Logistics Limited	Subsidiary of sister company
Cedi Capital Microfinance Bank Limited	Subsidiary of sister company
Xenia Lifestyle Limited	Subsidiary of sister company
Abbey Mortgage Bank Plc.	Associate of parent company

	31-Dec-23 N'000	31-Dec-22 N'000
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Detail of balances and transactions with related parties are disclosed as follows:

Cash and cash equivalents:

VFD Microfinance Bank Limited - Cash at bank	2,140	50,361
Anchoria Asset Management Limited - Fixed deposit	69,417	388,186
Herel Limited	-	308,995
	71,557	747,542

Due to related entities:

Atiat Insurance Brokers	598	6,510
VFD Bridge Limited	-	12,748
Abbey Mortgage Bank Plc	-	40,000
VFD Group Plc	213,912	44,847
VFD Microfinance Bank Limited	1,003,517	-
Cedi Capital Microfinance Bank Limited	346	-
	1,218,374	104,105

**NOTES TO THE FINANCIAL STATEMENTS -Cont'd**

FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 N'000	31-Dec-22 N'000		
Detail of balances and transactions with related parties are disclosed as follows:				
Due to related entities:				
VFD Bridge Limited	-	12,896		
VFD Group Plc	5,047	22,199		
	5,047	35,095		
Commercial notes:				
Anchoria Asset Management Ltd	4,483,333	2,140,504		
Anchoria Invstment & Securities Ltd	2,289	13,951		
Atiat Insurance Brokers Limited	16,724	5,580		
	4,502,346	2,160,035		
Compensation to Directors and other key management staff:				
Short-term employee benefits	86,344	39,736		
Post-employment benefits	918	1,409		
	87,262	41,145		
Events after the reporting period				
There are no significant events after the reporting date which could have a material effect on the state of affairs of the Company as at 31 December 2023 that have not been adequately provided or disclosed in the financial statements.				
	31-Dec-23 N'000	%	31-Dec-22 N'000	%
Value added by operating activities				
Gross earnings	7,060,977		6,215,061	
Interest expense - Local	(2,607,923)		(1,989,739)	
Finance cost	(348,958)		(515,069)	
	4,104,096		3,710,253	
Impairment charge	215,643		(97,708)	
Bought - in materials and services	(1,614,766)		(2,050,696)	
Value added	2,704,972	100	1,561,849	100
Applied to pay:				
To Pay Employees				
Personnel expenses	587,601		703,474	
	587,601	22	703,474	45

	31-Dec-23 N'000	%	31-Dec-22 N'000	%
To Pay Government				
Income tax expense	166,470		143,267	
	166,470	6	143,267	9
To be retained in the business for expansion and future wealth creation:				
Value reinvested				
Depreciation	399,876		213,065	
Amortisation	142		7,721	
Deferred tax	158,826		93,542	
	558,844	21	314,328	20
Value retained				
Profit for the year	674,782		400,780	
	674,782	25	400,780	26
	2,704,972	100	1,561,849	100

Value added represents the additional wealth created by the Company during the reporting period. The statement shows the allocation of wealth among employees, shareholders, government and that retained for future creation of more wealth.



# Other National Disclosures

Statement of Value Added  
Five Year Financial Summary  
Atiat Moments

**FIVE YEAR FINANCIAL SUMMARY**

FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-19 N'000
<b>Statement of Financial Position</b>					
<b>Assets</b>					
Cash and cash equivalents	1,671,343	1,075,636	349,391	99,579	272,098
Financial assets	12,012,947	14,872,381	3,739,247	942,550	315,692
Other assets	4,187,904	1,003,063	630,430	461,306	351,246
Operating lease assets	2,652,556	507,018	134,637	359,412	683,860
Property, plant and equipment	662,153	84,533	19,207	15,121	14,113
Intangible assets	800	942	7,143	8,882	13,133
Goodwill	4,154,627	4,154,627	-	-	-
Deferred tax assets	-	3,298	42,762	176,230	81,055
Investment in subsidiary	74,615	-	-	-	-
<b>Total Assets</b>	<b>25,416,944</b>	<b>21,701,498</b>	<b>4,922,817</b>	<b>2,063,080</b>	<b>1,731,197</b>
<b>Liabilities</b>					
Commercial notes	16,046,550	10,877,555	3,482,378	1,194,386	659,170
Borrowings	1,443,874	4,315,767	198,422	-	358,678
Other liabilities	581,937	647,462	830,253	197,503	577,565
Income tax liabilities	321,959	201,317	63,344	109,698	41,832
Deferred tax liabilities	236,935	81,407	20,619	71,899	-
<b>Total Liabilities</b>	<b>16,602,402</b>	<b>16,123,508</b>	<b>4,595,016</b>	<b>1,573,486</b>	<b>1,637,245</b>
<b>Shareholders' Equity</b>					
Share capital	300,000	300,000	271,818	271,818	100,000
Share premium	5,544,519	5,544,519	206,182	206,182	-
Reserves	216,823	216,823	253,531	264,972	278,323
Accumulated loss	71,430	(483,352)	(403,730)	(253,378)	(284,371)
Fair value reserve	652,917	-	-	-	-
<b>Total Equity</b>	<b>6,785,689</b>	<b>5,577,990</b>	<b>327,801</b>	<b>489,594</b>	<b>93,952</b>
<b>Total Liabilities and Equity</b>	<b>25,416,944</b>	<b>21,701,498</b>	<b>4,922,817</b>	<b>2,063,080</b>	<b>1,731,197</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>					
Gross earnings	7,060,977	6,215,061	2,045,026	1,444,388	1,683,180
Lease rental income	2,403,648	1,448,359	1,266,752	1,282,800	1,590,589
Direct leasing expenses	(1,304,877)	(860,864)	(720,950)	(717,235)	(917,439)
Net leasing income	1,098,771	587,495	545,802	565,565	673,150
Interest income	4,482,939	4,640,542	721,929	121,742	57,719

**FIVE YEAR FINANCIAL SUMMARY -Cont'd**

FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-18 N'000
Interest expense	(2,607,923)	(1,989,739)	(214,170)	(74,607)	(154,630)
Other income	174,390	126,160	56,345	39,846	29,872
Other operating expenses	(1,799,141)	(2,211,800)	(1,103,391)	(546,956)	(680,187)
Finance cost	(348,958)	(515,069)	(36,997)	(41,207)	(78,458)
Profit/(loss) before taxation	1,000,078	637,589	(30,482)	64,383	(152,534)
Income tax expense	(325,296)	(236,809)	(131,311)	(46,741)	(5)
Profit/(loss) after taxation	674,782	400,780	(161,793)	17,642	(152,539)
Earnings per share (Basic) (Kobo)	119	71	(30)	3	(76)



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