AVA

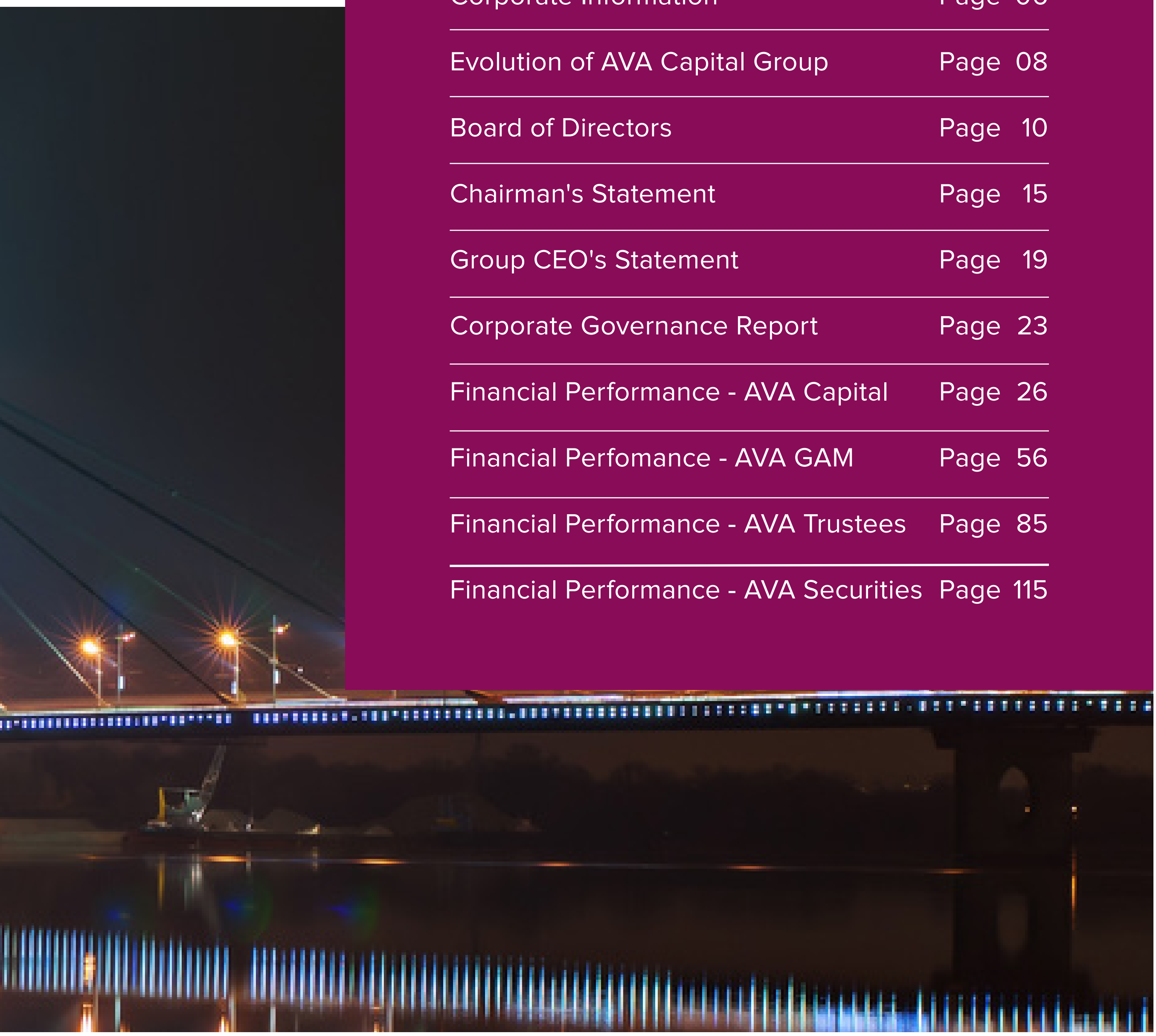
CAPITAL GROUP

Annual Report 2021

About AVA Capital Group

AVA Capital Group was founded with a commitment to help investors achieve and maintain long-term financial success by connecting and guiding our clients through the ever-changing, dynamic financial markets.

At AVA Capital Group, we offer a wide range of innovative and quality financial products that help our clients establish a solid foundation for today and a clear vision for tomorrow.



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Notice of Annual General Meeting

Notice is hereby given that the 2nd Annual General Meeting (AGM) of the Members of AVA Capital Group will be held on the 23rd day of February, 2022 at 12:30pm, via Zoom Video Conference Call, to transact the following business:

AS ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Financial Statements of the Company comprising the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement and Notes thereto for the financial year ended on December 31, 2021 together with the Report of the Board of Directors and Auditors' thereon;

2. To elect/re-elect Directors;

3. To declare Dividend;

4. To elect/re-elect members of the Audit Committee;

5. To authorize the Directors to appoint and fix the remuneration of the Auditors;

6. To disclose the Remuneration of Managers of the Company.

AS SPECIAL BUSINESS

1. To approve the remuneration of Directors.

NOTES FOR MEMBERS' ATTENTION:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a registered member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Members/proxies attending the meeting are requested to send their duly filled proxy forms to the Company Secretary at least 48 hours before the meeting.

3. Corporate members intending to send their authorised representatives to attend the meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.

4. If the payment of a dividend is approved and declared by members at the Annual General Meeting, the Dividend will become payable to shareholders whose names are registered in the Company's Register of Members as at close of business on February 28, 2022.

5. In accordance with Section 404(6) of the Companies and Allied Matters Act (CAMA) 2020, any shareholder may nominate another shareholder for appointment to the Audit Committee. Such nomination should be in writing and should be forwarded to reach the Company Secretary at least 21 days before the Annual

General Meeting.

6. Shareholders/Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before the 21st day of February, 2022.

Dated 1st February, 2022
By Order of the Board

OLADIPO ADEWUMI
Company Secretary
3, Glover Road, Ikoyi,
Lagos.

Corporate Information

REGISTERED OFFICE
No 3, Glover Road, Ikoyi, Lagos, Nigeria
Website: www.avacapitalplcgroup.com
Email Address: info@avacapitalplcgroup.com

BOARD OF DIRECTORS
- Adeyinka Adedeji: Chairman, AVA Capital Group
- Olukayode Falasinnu: CEO, AVA Capital Group
- Olukayode Fadahunsi: Managing Director, AVA Global Asset Managers Limited
- Olufemi Fadahunsi: Director, AVA Trustees Limited
- Tadeni Balogun: Managing Director, AVA Trustees Limited
- Temiloluwa Okunrounmu: Director, AVA Securities Limited
- Adedotun Adegbite: Director, AVA Capital Partners Limited
- Taiwo Okurounmu: Director, AVA Capital Partners Limited
- Samson Adekunle: Director, AVA Capital Group
- Kayode Olarinde: Managing Director, AVA Securities Limited

OFFICERS & PROFESSIONAL ADVISERS
Company Secretary: Oladipo Adewumi

Principal Banker: Guaranty Trust Bank Plc, Access Bank Plc, United Bank for Africa Plc, Keystone Bank Limited, Providus Bank Limited, Globus Bank Limited & Coronation Merchant Bank Limited.

Auditors: Joseph Dauda & Co. (Chartered Accountants)

BUSINESS AFFILIATES
AVA Capital Partners Limited
RC Number: 1093540
Address: No 3, Glover Road, Ikoyi, Lagos, Nigeria.

AVA Securities Limited
RC Number: 815347
Address: No 3, Glover Road, Ikoyi, Lagos, Nigeria.

AVA Global Asset Managers Limited
RC Number: 1210383
Address: No 3, Glover Road, Ikoyi, Lagos, Nigeria.

AVA Trustees Limited
RC Number: 1696508
Address: No 3, Glover Road, Ikoyi, Lagos, Nigeria.

Execution is Everything.

Vision, Mission and Core Values

"Birthed from the identification of a significant gap in the industry, AVA Capital Group has been able to deepen its offering to its diverse base of clients in the financial markets since the acquisition of its first company."

AVA Capital Group ('the group') offers a boutique of Financial services to its clients which includes investment banking, asset management, securities trading and trusteeship. The Group focuses on delivering cutting edge financial solutions to clients which includes Small, Medium & Large- sized Corporates, Governments (Federal, State & Local) and individuals (HNIs and Retail Clients).
The Group was founded by a team of highly skilled and exceptional professionals with extensive experience in financial services.

Birthed from the identification of a significant gap in the industry, the Group has been able to deepen its offering to its clientele and industry participation in both the debt and equity capital markets.
The Group started with two companies - 'AVA Capital Partners Limited' in 2018 and 'AVA Securities Limited', in the same year. At this stage, the Group commenced implementation of the intelligent roadmap and business model set up at the start of operations.

During this same phase, specifically in 2019, the Group added another company to its portfolio called 'AVA Global Asset Managers Limited'. AVA GAM was created to provide customized asset management solutions to our clients based on our understanding of their needs and objectives. The business through innovative and disruptive product and services currently has an AUM in excess of N7 billion.

In 2020, the Group began another phase of evolution, adding 'AVA Trustees Limited' to its bouquet of financial services.AVA Trustees is positioned to provide comprehensive structuring and administrative services on a varlety of trust arrangements, acting In a number of trustee roles from small portfolios trusts to more complex arrangements.

Our Mission

- To deliver long term value by providing innovative financial solutions that achieve optimal returns for our clients.

- To provide excellent operational & strategic advisory that promotes sound financial management.

- To contribute towards our communities and nation-building.

" Coming together is a beginning. Keeping together is progress. Working together is success."
- Henry Ford

Our Vision

To be the preferred choice for financial advisory and management in all the markets we operate.

Our Vision

Performance
We focus on the details.
With innovation and creativity, every step we take is intentional.
We strive to outperform our competition fairly and deliver the best returns to our clients.

Execution
We believe in the relentless pursuit of excellence in execution-we work with passion, utilizing innovation, moving with speed and dexterity because time is our most valuable resource.

Adaptability
We are forward-thinking.
We proactively seek out ways to do things more efficiently and focus on maintaining our effectiveness in these rapidly evolving times.

Character
We hold ourselves to the highest ethical standards.
Our overarching philosophy is built around the 6 pillars of character: Trustworthiness, Respect Responsibility, Fairness, Caring and Citizenship.

Enterprise
We are initiators.
We are in constant pursuit of solutions to stakeholder's needs and challenges.
Our collective focus is on providing sustainable value to our clients and the communities we serve.

Board of Directors

Adedeji Adeyinka, PhD
Chairman

Dr. Yinka Adedeji , a fervent finance professional who served as the Group Divisional Head of Digital Banking for the UBA Group before he joined the board of Prosperis Holdings Ltd as a Non-Executive Director. He holds a BSc (First Class) degree in Chemical Engineering from University of Lagos, Nigeria, MSc, and PhD in Polymer Physics from the Case Western Reserve University, USA; Master's in Business Administration and Master's in Finance from State University of New York. He was a Post Doctorate Fellow at the Chemical Engineering Department of the University of Minnesota, USA. Dr Yinka is currently the Group Director Payments at Equity Bank Group.

Kayode Falasinnu
Chief Executive Officer, AVA Capital Group

Kayode joined the organization with over 16 years commercial banking and investment banking/capital market experience. He was the Managing Director of Boston Advisory Limited before joining the organisation. He began his career in commercial banking with Guaranty Trust Bank Plc before joining BGL Plc where he worked in corporate finance and Investment banking for 3 years. After BGL, Kayode was team lead, Corporate finance at Kedari Capital Limited where he led a corporate finance team on both public and private sector transactions.
Kayode holds a B.Sc. Degree in Economics from University of Lagos and an MBA, from ESADE Business School, Barcelona.

Kayode Fadahunsi
Managing Director, AVA Global Asset Managers' Limited

Kayode is an ardent finance professional with over 22 years' experience spanning Principal Investment & Capital Markets and Investor Relations. He holds an MBA from University of Lagos and a BSc Degree in Chemical Engineering from Obafemi Awolowo University. He also has completed the Chief Executive Programme ("CEP 25") and Senior Management Programme ("SMP 35") at Lagos Business School Pan African University, Lagos and currently undergoing the Owners President Management Program ("OPM 55") at the Harvard Business School.

Tadeni is the Managing Director of AVA Trustees Limited. She has over 18years post-call work experience most of which has been in Trusteeship. She holds a Bachelor of Law (LL.B) and Master of Laws degree (LL.M) degrees from the Obafemi Awolowo University (OAU) Ile-Ife and the University of Jos respectively.

Prior joining AVA Trustees Limited, she was the Head, Public Trust at United Capital Trustees Limited. She was at various times, Head, Legal Services and Head, Collective Investment Schemes at United Capital Trustees Limited.

She is a Chartered Secretary, member of the Nigerian Bar Association, an Associate Member of the Association of Investment Advisers and Portfolio Managers (IAPM), Women in Finance NG and member of the International Federation of Women Lawyers (FIDA). She obtained an Executive Certificate from the Singapore Management University (SMU) and has attended several business trainings in a bid for further hone her skills.

Tadeni Balogun
Managing Director, AVA Trutees Limited

Kayode is a chartered accountant and chartered stockbroker. He is a trained auditor and an associate member of the Chartered Institute of Stockbrokers of Nigeria (CISN) and Institute of Chartered Accountants of Nigeria (ICAN) and has attended various trainings locally covering internal control, financial reporting and compliance. He has experience in Equity and Fixed Income trading, Research, Financial Reporting and Treasury Management.

He holds a HND Degree in Accounting from Yaba College of Technology and an MBA from University of Lagos.

Kayode Olarinde
Managing Director, AVA Securities

Femi Fadahunsi is a non-executive director with over 33 years of experience in the Information Technology industry. He worked as the Country General Manager for NCR Nigeria Plc a company involved in computer marketing and support services and a leader in the ATM market in Nigeria. He holds a Bc degree in Social Science Economics from Obafemi Awolowo University, Ile Ife and a Law (LLB) degree from the University of Ibadan. Mr. Fadahunsi graduated from the Nigerian Law School in 1987 and holds a certificate in Mediation from the School of Conflict Management, Kennesaw State University, Georgia, USA.

Femi Fadahunsi
Director

Board of Directors (Cont'd)

Samson Adekunle
Director

Samson Adekunle is a Certified Risk Analyst (CRA®), Associate Member of the Chartered Institute of Securities and Investment (ACSI) UK and Fellow – GAFM® Global Academy of Finance and Management.

He has over 14 years working experience spanning Banking and Capital Market with core expertise in Strategy, Business Development and Enterprise-wide Risk Management. Samson obtained his MBA and first degree from Obafemi Awolowo University and Executive Certificate in Innovation and Commercialization from the Massachusetts Institute of Technology (MIT). He is trained on Disruptive Innovations from the Harvard business school and is also currently undergoing Advanced Management Programme (AMP 34) at the Lagos Business School Pan-Atlantic University.

Dotun Adegbite
Director

Dotun provides overall strategic leadership to the firm's financial advisory, capital raising and principal investment businesses. He is a finance professional with over 13 years' experience spanning Investment Banking, Financial Advisory and Management Consulting.

He has served in various senior positions at world-class global and Nigerian firms and has led transactions advising several Nigerian state government cabinets, federal ministries and agencies; and private sector entities on their strategic, operational, financing and capital raising programs.

Taiwo Okunrounmu
Director

Taiwo is a chartered accountant with over 13 years' experience in the banking and advertising industry. He has core expertise in financial management having worked in the financial control units of two banks and as the country accountant for the Alliance Media Ghana Limited. He also has had brief stints in marketing and credit relations within the banking industry. Taiwo is a graduate of Business Administration and Management, he holds an MBA in management from Warwick Business School (2010) and has worked at different times in Magnum Trust Bank, UBA Ghana Limited, Alliance Media Ghana Limited and Bank PHB Plc.

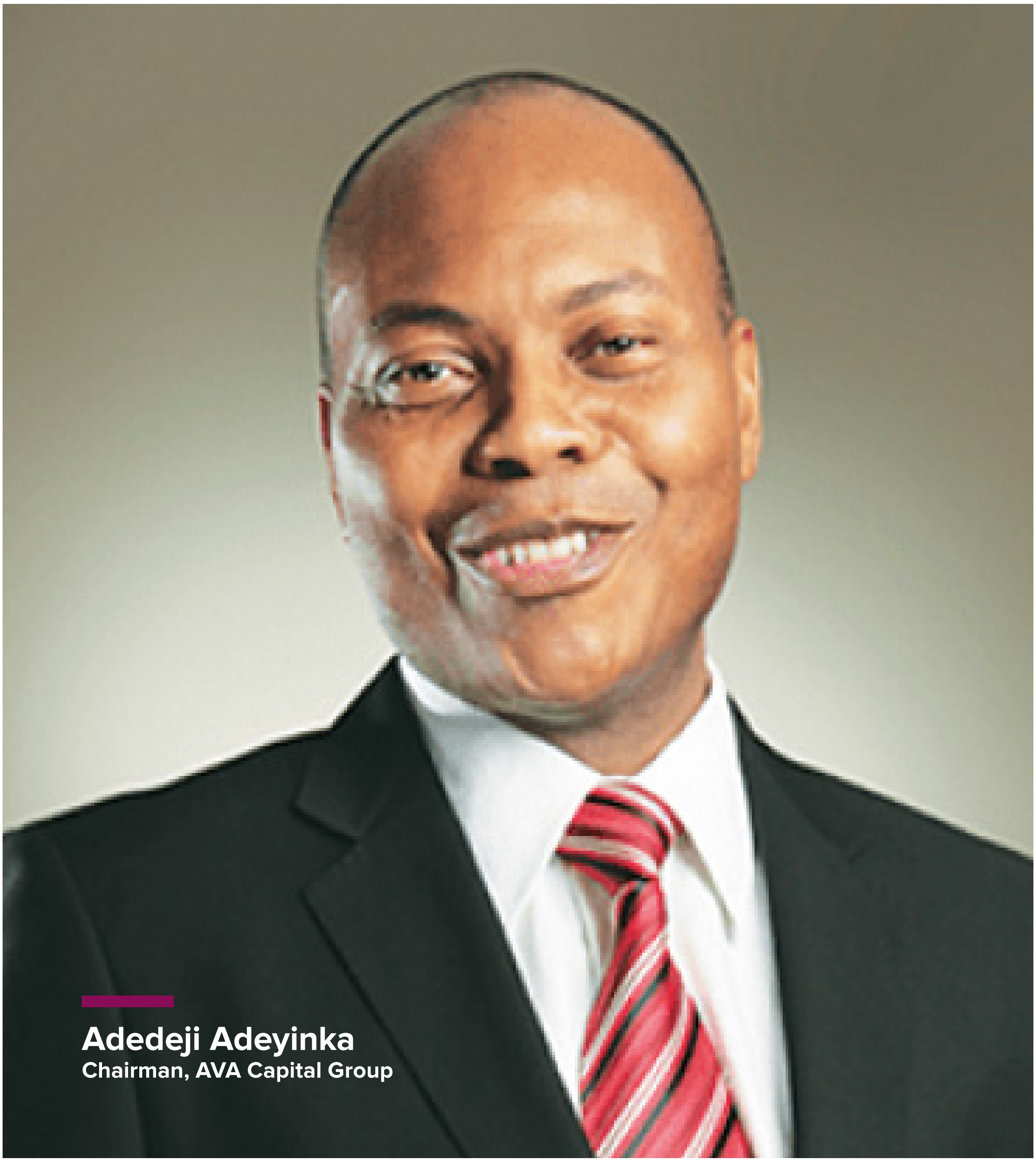
Temiloluwa Okurounmu is the Chief Operating Officer of 08 Limited. She was the Unit Head, Bills for Collections, Export and Trade Finance at Union Bank Pic. Before then, she worked for Keystone Bank Limited as the Team Lead, Inward Cheques Central Clearing Unit. She has over 15 years of banking, operational and managerial experience with leading banking brands in Nigeria. She specialized in core banking such as International Trade, Expense Payments and Processing, Collections and Remittances, Business Support and Domestic Operations. Temiloluwa, an entrepreneur, obtained her first degree in Biochemistry from University of Ilorin, Ilorin, Nigeria in 2002 and Masters in Business Administration from Obafemi Awolowo University in 2008.

Temilolu Okunrounmu
Director

Mr. Shaire is a Chartered Financial Analyst (CFA) and has over 19 years of professional experience spanning corporate finance & banking, capital markets and mergers and acquisitions across Africa. He has led multi-disciplinary teams encompassing clients, advisors, regulators and internal stakeholders to deliver both financial and non-financial goals.
He holds a BSc Degree in Biochemistry from Ambrose Ali University.

Efe Shaire
Director

CHAIRMAN'S STATEMENT



Dear Esteemed Shareholders,

It is with great pleasure I welcome you all to AVA Capital Group 2021 Annual General Meeting. During this meeting we will present the separate financial statements of all the companies under the Group for the year ended 31st December 2021.

Economic and Business Environment

2021 marked the commencement of economic recovery for many countries, driven by the lifting of lockdowns and global acceptance of vaccinations. As at 2022, about 52.4% of the world population had been vaccinated; though skewed towards the advanced economies as against the Emerging and Developing Economies (EMDEs). As at February, 62.7% of the world population has received at least one shot of the vaccine. As at the beginning of 2021, the International Monetary Fund (IMF) projected that the global economy would grow by 5.5% in 2021. By year end, growth clocked in at 5.9%. Demand surged and productivity was positively affected, such that the unemployment rate for December 2021 in the US and Germany fell to 3.9% (November: 4.2%) and 5.2% (November: 5.3%) respectively. The Consumer Price Index (CPI) in many nations jumped notably, closing the year as high as 7% and 5.4% in the United States and United Kingdom In similar fashion, EMDEs like Brazil and Russia closed the year with Inflation growth of 10.06% and 8.40% respectively to further underscore global growth. This began to impact interest rates, with the UK hiking the key rate from 0.1% to 0.25% in December 2021. Oil, having closed the year at $77.78pb hovers around $90pb; further stressing growing demand. Oil, alongside other variables has also shaped the domestic scene. The foreign reserves have now trended upwards, ending the year at $40.52bn on the back of higher oil prices, despite supply disruptions. In like manner, growth returned to levels that preceded the pandemic, with Q3 logged at 4.03% compared to -3.62% in the same period the previous year. In similar fashion, Inflation ended the year at 15.63%, rising by a higher rate for the first time in 9 months as the base effects resulting from low demand in the previous year continued to wear off. However, Inflation, being cost push; has defied monetary policies. Hence, the monetary policy rate has remained at 11.5%; last changing in September 2020. On the foreign exchange end, the CBN attempted to unify exchange rates and scrapped the parallel market in the course of the year. However, monetary policies targeted at buoying the value of the naira have been frowned at by Supranational organizations like the World Bank and the IMF, who have insisted the naira should be devalued and allowed to embark on a journey of price discovery. As at end of the year, the official exchange rate closed at ₦413.49/$, compared to ₦308/$ in the same period the previous year.

On the trade end, the trade balance for Q3 2021 dipped to - ₦3.02tr from - ₦1.87tr the previous year with imports skyrocketing, further stressing

the need to develop our local economy. In like manner, the balance of payment recorded dipped further in the negative region to -$16.98bn.
Examining some of the sectors, yields on the 10-year fixed income space averaged circa. 11.4% compared to 8.4% in the previous year, indicating higher prices. In similar fashion, the NGXASI racked up 6.1% in 2021. The passage of the Petroleum Industry bill and rising oil prices are also responsible for the growth of the oil sector, with the index expanding by 52.62% in 2021. However, supply disruptions hindered Nigeria and several other oil producing nations from producing at full capacity, thus impacting revenues. As at Q3 2021, oil production was averaging 1.67mbpd, versus 1.81mbpd the previous quarter and 2.04mbpd same period the previous year.

Looking ahead, the IMF predicts that the global economy will expand by 4.4% in 2022, versus 4.9% predicted in October 2021. Except for Asian nations India and Japan, the outlook of most countries was downgraded. The pandemic is expected to adversely impact economies in 2022 and supply disruptions are expected to persist. Inflation is expected to average 3.9% in advanced economies, beyond the 2% threshold; and 5.9% in developing economies. Inflation surge has begun to impact monetary policy decisions. The UK has raised rates again from 0.25% to 0.5%. The US Fed intends to taper asset purchases and raise rates much earlier than expected in 2022, while the European Central Bank (ECB) intends to end asset purchases by March 2022.

On the domestic scene, growth for 2022 is projected at 2.7% by the IMF. Oil price is expected to average $62pb in 2022, with daily production capped at 1.88mbpd with supply disruptions expected to curb revenue (Oil rigs down to 6). Hence, the monetary reserves could experience a dip, but the passage of the Petroleum Industry Bill is expected to provide some succour in this regard. Further still, a weakening naira is imminent due to weak FX policies while unemployment is expected to trend upwards from weak production levels in 2022. However, efforts and opportunities could result in revenue diversification which could bode well for the Balance of Trade and Balance of Payment positions.

Being a pre-election year, yields could rise like previous occasions; but uncertainty around the emergence of a new government could limit the upside. The tax holiday on Fixed income securities, which lapsed on the 2nd of January 2021, stands to further erode income on fixed income securities, but the equities market stands to benefit from this. In addition, growing inflation could completely absorb interest rate upside gains from rate hikes in 2022, particularly for banks. However, it remains our view that rate hikes will be experienced in 2022 giving global precedence.

Spaces like Telecoms and Agriculture remain attractive investment opportunities. The industrial goods sector should also benefit from government infrastructure spending and it remains a space to keep a keen eye on. In conclusion, the budget, estimated at ₦17.13tr is expected to drive infrastructure spending and further spur growth in 2022.

Financial Performance
Despite the global and domestic economic turmoil, all our companies delivered impressive results. Below is a brief highlight of our financial performance during the year 2021:

AVA Capital Partners Limited (AVA Capital)
• AVA Capital delivered a gross earnings of N123m representing 11% year-on-year growth.
• Shareholders' fund increased by 95% to N527million at the end of the year.

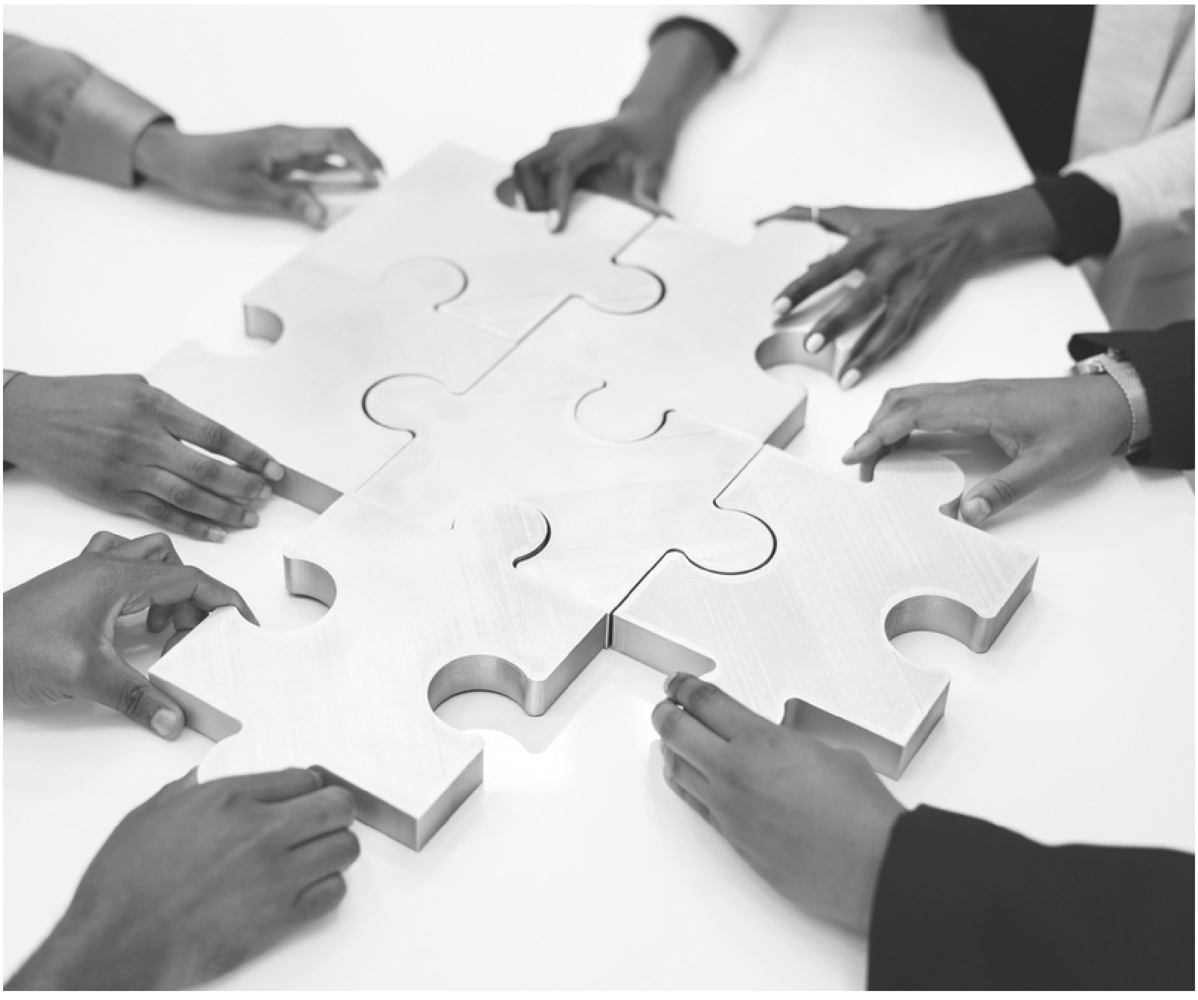
AVA Global Asset Managers Limited (AVA GAM)
• AVA GAM continued on its profit trajectory, recording a profit after tax increase of 547% year-on-year from N5.1 million in 2020 to N32.7 million in 2021.
• Shareholder's fund increased by 305% to N1.04billion as a result of further capitalization by shareholders.

AVA Securities Limited (AVA Securities)
• Despite the high volatility in the capital market in 2021, AVA Securities generated N32.33 million revenue, an increase of 88% from the value in 2020.
• The company had a profit after tax of N2.13 million representing 8.86% increase from 2020 figure.
• Shareholder's fund grew marginally by 1.02% t N208.51 million.

AVA Trustees Limited (AVA Trustees)
• The Trusteeship business commenced in 2021 ending the year with a gross earning of N38.97million.
• The company also had a profit after tax of N1.59 million.

This performance was born out of our commitment and strategic planning to the Group's long-term goal of continuously generating value for you – our shareholders and other stakeholders.

Looking Ahead in 2022
2021 was remarkable in all regards, we were able to achieve great financial results due to your support and loyalty. As we move further 2022, we are convinced that these results will be replicated and surpassed with a combination of strategic planning, assiduousness, goal orientation and help of our brilliant staff. Once again, I appreciate you all for your commitment and support in the year 2021 and wish us all a prosperous 2022.



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Esteemed Shareholders,

It is an honour to welcome you and address you again. I am delighted to share with you what AVA Capital Group achieved in 2021. Our priority in 2021 was to build on the strong foundation we had laid for the future of the business by strengthening our core competency with the addition of a new business unit - AVA Trustees Limited which kicked off operations in 2021. AVA Trustees Limited is our Trustee firm licensed by the Securities and Exchange Commission (SEC) to provide trusteeship services to both private, corporate and public institutions.

We have undertaken an ambitious range of strategic decisions that are transforming AVA Capital Group's business operationally and financially. Also, top on our priority list was drawing up the direction for the rest of the decade – with a strong emphasis on improving financial performance and driving market share growth for each of our four companies – AVA Capital Partners Limited, AVA Global Asset Managers Limited, AVA Securities Limited and AVA Trustees Limited.

We began the year in a state of almost constant change and innovation, experiencing the virus's second major wave, a contracting economy and despite the best-laid plans, prospects were uncertain. We focused on identifying and delivering the right priorities, streamlining and simplifying our processes internally and externally, collaborating across the Group to deliver an improved client experience as well as creating value for all our stakeholders.

I am proud to announce that we delivered a solid performance in FY2021, and this is a result of the dedication and hard work of our employees, Board and management, who stayed motivated and focused on these challenging times. I will share some of our key areas of focus over the past year, the challenges we took on and the results we achieved.
AVA Capital Group is well-positioned to continue creating value for clients, developing innovative and future-ready offerings that will maximize shareholder value. We are optimistic about our business performance in 2022.

2021 Business Performance

AVA Capital Partners Limited
At the start of 2021, we continued to focus on public sector transactions which led the team to close the year strong on one of its public sector mandates acting as Sole Financial Adviser and Lead Issuing House on the **Minaret Sukuk Company Limited** N22.1 Bn ***Series 1*** Private Company Bond sponsored by Katsina State.

Whilst we were strong in the public sector, we did also close out of several private-sector mandates in the capacity of Joint Issuing House. These include the Series 2 N6.5 Bn **Green Bond Issuance by NSP Power SPV Plc**; **Transcorp Hotels Plc** N10 Bn Rights Issue and the **VFD Group** Rights Issue. Other public sector transactions closed in 2021 include **KSIP SPV Funding Limited** Series 1 N14.3 bn and Series 2 N4.1 Bn Private Bond Issuance sponsored by **Kano State and Valley Funding SPV Limited** N2.7 bn Private Company Bond sponsored by Plateau State.

On December 31, 2021, the business closed the year with gross revenue of N107.60 mn representing a decline from N110.50 mn recorded in the preceding year. Year-on-year profit also declined slightly to

N8.1 mn as of December 31, 2021, from N13.03 mn as of December 31, 2020. However, cash and cash equivalents increased which pushed the overall assets to N583 million from N576 mn.

AVA Global Asset Managers Limited

AVA Global Asset Managers Limited (AVA GAM) commenced operations in 2019 with a clear objective of offering superior fund/asset management services to all its clientele. We have been intentional and strategic about this. In 2021, we were appointed independent fund managers to the Gombe State Contributory Healthcare Management Agency and revitalized the assets handed over to GOS Management Company Limited (A company incorporated to serve as the financing vehicle to raise capital for the redevelopment and restoration of identified assets transferred by Gombe State to GROCOL, Gombe State Revenue Optimization Company Limited). We generated revenues of over N200m.

We secured the approval of the Securities and Exchange Commission (SEC) to launch a naira fixed income fund in 2020. After diligent study of the market, we officially launched the Fund on the 6th of April 2021 when yields were favourable for the fund investors. Just like all our products, this was borne out of the need to address the demands of our retail and institutional investors. The AVA GAM Naira Fixed Income Fund closed the year at N1,067.66 per unit to post a year-to-date growth of 6.77%

Due to the impact of COVID-19 on the oil market and the depreciation of the naira, our AVA GAM Dollar Fund which was launched 4th of May 2020 has been a safer haven for investors looking to hedge inflation and depreciation of their funds. The Fund is targeted at High-Net-Worth Individuals (HNIs), Africans and Nigerians in diaspora, and institutional investors (both local and foreign) who desire to invest in dollar-denominated fixed-income instruments. The AVA GAM Dollar Fund closed the year at $107.94 to post a year to date growth of 6.13%.

At the end of 2021, Gross income increased by 189.05% while net income increased by 607.88%. The business closed its income statement at N32.7 million, representing an increase of 646.94% from a profit of N5.05 million made in 2022. Retained earnings increased by 613.58% to N39.10 million on the back of the increase in profit after taxation. Cash and cash equivalents decreased by 88.63% year-on-year because all funds under management are warehoused by our appointed custodians in compliance with the SEC rules and regulations' guiding Fund/Portfolio Management Operations.

AVA Securities Limited

Our securities trading business started the year with the strategy of leveraging on our existing mandates from pension fund administrators and institutional investors whilst intensifying conversation around onboarding new ones in the Fixed Income Brokerage space. During the year, the company demonstrated innovation through its fixed-income trading strategy and generated businesses from the signed mandates from institutional clients. The company maintained its position as one of the fastest-growing fixed income brokers in the Nigerian fixed income market in 2021.

Keeping our strategy on equity brokerage business through growth in the retail segment driven by technology, we consolidated on our custom-made software with added features to improve our clients' experience in addition to direct funding and self-trading.

At the end of 2021, AVA Securities’ fees and commission income increased by 88% year-on-year, this was achieved through a 120% increase in brokerage commission and impressive commission on bond trading despite being the first year of operating the product. This impressive performance was a result of focus, aggressive marketing and strategic alliances.

AVA Trustees Limited

AVA Trustees Limited, the newest addition to the Group, commenced business in 2021 to provide flexible and efficient ways to safeguard assets and meet a variety of financial and estate planning objectives in the private and public sectors.

A purpose-built team of experts armed with the technical capability to formulate and execute innovative market-changing transactions, our trustee business started the year by securing trusteeship mandates on private structured debt issuances such as the Minaret Sukuk Company Limited’s N22.1 billion, an innovative private Sukuk issuance sponsored by the Katsina State Government and the Pinnacle Oil and Gas N50 Billion Bond Issuance Programme.

With expert Private Trust Advisors rendering Estate Planning and Trust services, the Business was able to create an array of bespoke Estate Planning Advisory Services that ensures the proper constitution and administration of gifting and succession structures such as Trusts, Wills, and Charities, among others. Notably, the launch of the AVA Trustees Savings & Investment Trust (A-SIT), the AVA Education Trust and the AVA SOFT WILL.

In the period under review, the Business closed the financial year with gross revenue of N38.9 million and was able to maintain Funds Under Management (FUM) in the excess of N1.5 billion.

Beyond creating strong brand visibility for our trust business through enhanced collaboration and partnerships, the Business intends to grow its funds and asset under management in the 2022 financial year by maintaining transaction portfolios that will guarantee continuing/recurring income.

2022 Strategy and Outlook

Since its inception, it has been our goal to build not just any company, but one of the world’s fastest-growing financial services groups in Sub-Saharan Africa. A business that will disrupt the traditional way of doing business while optimizing value to all our stakeholders.

This is why we have created and worked with the Lean management framework as our guiding principle.

The framework is a way to do more with less waste as we ensure we provide exactly what our customers need. This principle has shaped our business approach as we continually work towards providing value to our clients.

In addition to the lean initiative, we have also embraced technological solutions to enable provide efficient services to our clients as we grow. Our Securities and Asset Management business have continued to focus on improving our customer experience via technology thereby providing seamless access to our clients on their fund management and securities trading accounts whilst allowing for seamless self-service thereby reducing the need for direct contact with our operation teams. Whilst reviews obtained from clients have been satisfactory, we continue to embrace new technologies to improve our competitiveness and customer experience, expand our coverage, reduce our cost to income ratio whilst ensuring stakeholder value is maximized.

At AVA Capital Partners, we have expanded our team to facilitate origination and seamless execution of mandates that will ensure successful closure of our transactions in line with our goal to be one of the best Investment Banking Firms in Nigeria. Whilst we acknowledge that 2021's success was mostly a result of public sector transactions, AVA Capital is committed to ensuring that our clientele base is diversified in 2022. In line with this, we have an aggressive plan to participate in more Commercial Paper and Corporate Bond transactions in 2022. We are also engaging with various relevant stakeholders and prospects on new products as we seek to provide solutions to strategic financing challenges.

AVA Trustees will continue to focus on promoting new products that enhance our value creation capabilities to our institutional and retail clients. We will also improve our customer experience through the adoption of technology solutions that allow seamless interaction between us and our clients. We are also going to consolidate on the progress of 2021 by continuing aggressive business development on our public sector and corporate clients working with our strong industry network to secure transaction mandates.

As we continue to lean our processes while embracing technology, we have entered into another phase of our strategic plan which is to scale our businesses to potential while eradicating all forms of waste in our processes in delivering cutting edging solutions to our customers.

Conclusion
I want to use this avenue to thank you, our esteemed and highly supportive Clients, Shareholders, Board of Directors, Management and the entire staff of AVA Capital Group for your support, patience and counsel throughout the year 2021.
I look forward to another prosperous year with you. I hope you enjoy reading our 2021 Annual Report.

CORPORATE GOVERNANCE REPORT

1. Corporate Governance Structure

Committed to maintaining fair and efficient corporate activities, the Group commits to retaining the trust of our shareholders, customers, suppliers, local communities, employees, and other stakeholders, and to make further contribution to the international community in order to continue to grow and develop as a sustainable Group. To achieve this AVA Capital Group recognizes that continuous improvement of corporate governance is essential and top priority, hence we ensure adoption and compliance with relevant laws and regulations in line with global best practices.

In the pursuit of attainment of the principles in the Corporate Governance Code, the Group will continue to build structures that will enhance the rights and equality of the Shareholders and also enhance the effectiveness of the Board of Directors as well as those of the Audit & Supervisory Board. The Group will also continually work towards regularly upgrading the internal control system in light of internal and global changes.

Also, in order to be trusted further by society and stakeholders, we will continue to disclose information quickly in a fair and accurate manner as prescribed in laws and regulations and actively disclose information that we consider is beneficial to deepen their understanding of the Group and to further enhance transparency.

2. The Board of Directors

The Board has the overall responsibility for ensuring that the highest standards of corporate governance are maintained and developing the Group's strategy. In addition to its statutory and fiduciary duties, it must ensure that the Group's available assets are employed towards attaining its set strategies and goals. The Board exercises supervisory jurisdiction over Management's activities, ensuring that the affairs of the Group are conducted in a way and manner beneficial (and leading to the increase) to shareholders and stakeholders of the Group respectively (and cumulatively).

The attributes taken into consideration in appointing Board Members are on the basis of strategic competence, financial literacy, communication and interaction skills, professional qualifications, knowledge and experience of seasoned professionals who have excelled in their various fields of human resource management, law, financial management, general management, information and communication technology and other relevant competencies related to the organization. There must be a balance of skills, character, and commitment.

At the end of the reporting year, the Board of Directors was comprised of the following:

1. Adeyinka Adedeji;
2. Olukayode Falasinnu;
3. Olukayode Fadahunsi;
4. Samson Adekunle;
5. Adedotun Adegbite;
6. Olufemi Fadahunsi
7. Taiwo Okurounmu;
8. Temiloluwa Okuounmu
9. Tadeni Balogun
10. Efe Shaire
11. Kayode Olarinde

CORPORATE GOVERNANCE REPORT (Cont'd)

The Group Company Secretary provides advice to the board on Corporate Governance, regulatory, and best practices.

3. Board Committees

Tasks and area of responsibility for each Committee of the Board of Directors
The powers and responsibilities of each Committee are established in the applicable Committee Charter, which is approved by the Board. Each Committee is entitled to engage outside counsel.

3.1. Corporate Governance Committee

The members of the corporate governance committee are nominated by the Board. It consists of members of the board, the Group Company Secretary, Head Human Resources, and Head of Compliance. It reports to the full Board of Directors in order to act as a consultant body to the Board and expedite, whenever necessary, the handling of the Group's business. The Committee regularly reviews the Corporate Governance of the Group and prepares recommendations for the Board. It also advises on certain finance-related matters including the Group's financing and financial management and periodically reviews its asset and liability management. While the Committee has limited authority regarding the Board Regulations, it may in exceptional and urgent matters deal with business matters which might arise between Board meetings. In all cases it keeps the Board fully appraised. It reviews the Board's annual work plan.

3.2. Audit Committee

The Audit Committee consists of a Chairman, who chairs the Committee, a minimum of two other non-executive members of the Board, and the Group's Internal Auditor, excluding the CEO and any former member of the Executive Board. At least one member of the committee must have recent and relevant financial expertise, while others must be familiar with the issues of accounting and audit and be able to demonstrate reasonable financial judgment. In discharging its responsibilities, it has unrestricted access to the Group's management, books and records. The Audit Committee supports the Board of Directors in its supervision of financial controls through a direct link to external auditors and the Group Audit (corporate internal auditors). The Audit Committee's main duties include the following:

i. to discuss the Group's internal accounting procedures;
ii. to make recommendations to the Board of Directors regarding the nomination of external auditors to be appointed by the shareholders;
iii. to discuss the audit procedures, including the proposed scope and the results of the audit;
iv. to keep itself regularly informed on important findings of the audits and of their progress;
v. to oversee the quality of the internal and external auditing;
vi. to present the conclusions on the approval of the Financial Statements to the Board of Directors;
vii. to review certain reports regarding internal controls and the Group's annual risk assessment.

The Audit Committee regularly reports to the Board on its findings and proposes appropriate actions. The responsibility for approving the annual Financial Statements remains with the Board of Directors.

4. Work methods of the Board of Directors and its Committees

The Board meets as often as necessary, at least quarterly in each financial year, and on notice by the Chairman or a person designated by him. In addition, the Board is convened as soon as a Board member requests the Chairman to call a meeting. All Committees provide a detailed report to the full Board at each meeting in a dedicated Chairman's session.

The average attendance at the Board meetings was 98%. Selected members of the Executive Board and senior management participate in certain Committee meetings.

5. Information and control instruments vis-à-vis the Executive Board

The Board of Directors is, on a regular basis, informed on material matters involving the Group's business. The members of the Executive Board attend the Board of Directors meetings and report on significant projects and events. In addition, regular written reports are provided, including consolidated financial information, capital investment and strategy progress reports. The Chairman and the CEO ensure the proper information flow between the Executive Board and the Board of Directors. The Board of Directors receives regular and ad-hoc reports from the Board's Committees, the Chairman, the CEO, as well as from the Executive Board. The minutes of Committee meetings are made available to the full Board. Furthermore, the Audit Committee reviews the financial performance and assesses the effectiveness of the internal and external audit processes as well as the internal risk management organisation and processes. Members of the Executive Board and other senior management may, upon the request of the Committee Chairman, attend the Audit Committee meetings.

Additional information and control instruments include: –

i. The external auditors, who conduct their audit in compliance with Nigerian law and in accordance with International Standards on Auditing.

ii. The Group and Market Audit function, the corporate internal auditors, which has a direct link to the Audit Committee. It comprises a unit of international auditors who travel worldwide, completing audit assignments.

iii Group Risk Services, the corporate risk management unit, providing assistance to all corporate entities with regard to risk management, loss prevention, claims handling and insurance. A top-level risk assessment is performed once a year for all businesses.

iv Group Compliance and other risk and control-related functions provide additional guidance and oversight. Risk and compliance activities are regularly co-ordinated through the Group Risk Committee to ensure a holistic, entity-wide approach.

AVA CAPITAL PARTNERS LIMITED | REPORT OF THE AUDIT COMMITEE

FOR YEAR ENDED 31ST DECEMBER, 2021.

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of AVA Capital Partners limited hereby report on the financial statements for the year ended 31 December 2021 as follows:

1. We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of Management and Staff in the conduct of these responsibilities;

2. We are of the opinion that the accounting and reporting policies of the company is in line with legal requirements and global best practices. Additionally, the scope and planning of both the external and internal audits for the year ended 31 December 2021 were satisfactory and reinforce the company's internal control systems;

3. We have deliberated on the findings of the external auditors, who have confirmed that necessary cooperation was received from management in the course of their audit, and are satisfied with Management's responses thereon; with the efficiency of the company's system of accounting and internal control.

Samson Adekunle
Chairman, Audit Committee

Members of the Audit Committee are;

1	Samson Adekunle	Director	Chairman
2	Kayode Olarinde	Shareholder Representative	Member
3	Bolanle Ekanim	Shareholder Representative	Member

AVA CAPITAL PARTNERS LIMITED | FINANCIAL STATEMENTS.
YEAR ENDED 31ST DECEMBER, 2021.

Statement of Directors' Responsibilities

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in manner required by the provisions of the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Act No 6, of 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; and
- Making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

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

Going Concern:

The Directors have made an assessment of the Company’s ability to continue as a going concern and have no reason to believe it will not remain a going concern for at least twelve months from the date of this financial statements.

The financial statements of the Company for the year ended 31 December, 2021 were duly approved by directors.

On behalf of the Directors of the company

Olukayode Samson Fadahunsi
Director

Samson Adeboye Adekunle
Director

REPORT OF DIRECTORS
FOR YEAR ENDED 31ST DECEMBER, 2021.

1. ACCOUNTS
The directors are pleased to submit their report together with the audited Financial Statements of the company for the year ended 31 December, 2021.

2. RESULT

	2021	2020
	₦'000	₦'000
Profit for the Year before Taxation	11,904	20,043
Provision for Taxation	(3,785)	(7015)
Profit after Taxation	8,119	13,028

3. PRINCIPAL ACTIVITIES
The company is engaged in the business of investment banking and provides issuing house, corporate investment advisory services, project finance, debt restructuring, mergers and acquisitions, and debt capital markets.

4. LEGAL FORM
The Company was incorporated under the Companies and Allied Matters Act 1990 as a Private Limited Liability company on 29 January, 2014.

5. SHAREHOLDING STRUCTURE
The shareholding structure of the company as at 31 December, 2021 was as detailed below:

S/N	SHAREHOLDER	NO. OF UNITS	%TAGE
I	Prosperis Holdings Company Limited	300,000,000	75
II	Simple Business Combination Limited	100,000,000	25
	Total	400,000,000	100

6. DIRECTORS RESPONSIBILITIES
The directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the company at the end of the financial year and of the results for that period and comply with the International Financial Reporting Standards and the Companies and Allied Matters Act (CAMA) 2020. In doing so, they ensure that:

* Proper accounting records are maintained.
* Applicable accounting standards are followed.
* Suitable accounting policies are adopted and consistently applied.
* Judgements and estimates made are reasonable and prudent.
* The financial statements are prepared on a going concern basis as it is presume that the Company will continue in business.
* Adequate internal control procedures are instituted to safeguard assets and to prevent and detect fraud and other irregularities.

7. CORPORATE GOVERNANCE AND COMPLIANCE
The company maintains corporate policies and standards designed to encourage good and transpaces. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards.

This enables the Board of Directors and Management to accomplish the company's strategic goals, ensure good growth and corporate stability for the benefit of all stakeholders.

8. NON-CURRENT ASSETS

Movements in non-current assets during the year are shown in Notes to the financial statements. In the opinion of the directors, the market value of the company's properties is not less than the value shown in the audited accounts.

9. EVENTS AFTER REPORTING PERIOD

There is no any post-reporting date event that can have material effect on the state of affars of the company as at 31 December, 2021.

10. HUMAN CAPITAL

The company reviews its employment policy in line with the needs of its business. Careful recruitment is undertaken to ensure that potential high performers are attracted and retained. The company provides equal opportunities to qualified individuals and does not discriminate against disabled persons.
The company continues to place premium on its Human Capital Development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition.

11. RISK MANAGEMENT

The Board ensures that appropriate means and measures are put in place by the Management to enable identification, analysis and continued improvement in the management of risks to which the company is exposed as a result of its operations.

12. INDEPENDENT EXTERNAL AUDITORS

Messrs. Joseph Dauda & Company (Chartered Accountants) served as the independent external auditors during the year under review. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA) 2020, the Auditors have indicated their willingness to continue in office. A resolution will be proposed to appoint them and to authorize directors to fix their remuneration.

By order of the Board

Oladipo Adewunmi
Company Secretary

JOSEPH DAUDA & CO.
CHARTERED ACCOUNTANTS
52, OGUNNUSI ROAD, OJODU IKEJA, LAGOS.
P. O. BOX 703, MARINA - LAGOS.
TEL: 08033249201, 08092234673
E-mail: joseph_dauda123@yahoo.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVA CAPITAL PARTNERS LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021.

Report on the Audit of the Financial

Statements Opinion

We have audited the financial statements of Ava Capital Partners Limited which comprise the statements of financial position as at 31 December, 2021, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 10 to 37. Statement for the year ended 31 December, 2021, Summary of Significant Accounting Policies and other explanatory notes set out in the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2021, and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011 and the Securities and Exchange Commission Act, relevant Guidelines and Circulars.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

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

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

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

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

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

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

We also provide Board of Directors/Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements
Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act (CAMA) 2020.

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and 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.

Joseph Dauda
FRC/2020/004/00000021544
For: Joseph Dauda & Co.
(Chartered Accountants)
Lagos, Nigeria.
31 January, 2022.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31ST DECEMBER, 2021.

	Note	2021	2020
		₦'000	**₦'000**
Fees and Commission Income	4	107,603	110,557
Interest Income	5	15,861	624
Gross Earnings		**123,464**	**111,181**
Fees, Commission and Interest Expenses	6	(38,441)	
Net Operating Income		**85,023**	**111,181**
Other Operating Income	7	14,072	341
Total Operating Income		**99,095**	**111,522**
Personnel Expenses	8	(11,480)	(16,315)
Depreciation of Properties & Equipment	9	(1,397)	(1,177)
Other Operating Expenses	10	(74,314)	(73,986)
Profit Before Taxation		**11,904**	**20,043**
Taxation	11	(3,785)	(7,015)
Profit After Taxation		**8,119**	**13,028**
Other comprehensive Income		-	-
Total comprehensive profit for the year		8,119	13,028
Earnings per share			
Basic profit per share (Kobo)	12	0.02	0.03

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2021.

	Note	2021 ₦'000	2020 ₦'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	13	533,226	538,502
Receivables	14	17,873	21,985
Prepayment		15,600	-
		566,699	**560,487**
Non-Current Assets			
Property, Plant and Equipment	15	2,759	2,038
Other Assets	16	14,226	14,226
		16,985	16,264
Total Assets		**583,684**	**576,750**
EQUITY AND LIABILITIES			
Equity			
Share Capital	18	400,000	400,000
Share Premium	21	250,000	-
Retained Earnings	19	(122,348)	(130,467)
		527,652	**269,533**
Liabilities			
Non Current Liabilities			
Deposit for shares	20	-	250,000
		-	250,000
Current Liabilities			
Payables	22	41,791	31,062
Other Payables	23	9,936	19,140
Tax Payable	11	4,305	7,015
		56,032	**307,217**
Total Equity and Liabilities		**583,684**	**576,750**

The financial statements on pages 1 to 37 were approved by the Board of Directors on 31st January, 2022 and signed on its behalf by:

OLUKAYODE S. FADAHUNSI
Director

SAMSON ADEKUNLE
Director

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR END 31ST DECEMBER, 2021.

	Share Capital	Deposit for Shares	Share Premium	Retained Earnings	Total Equity
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Balance at 1 January, 2020	400,000	-	-	(143,495)	256,505
Issue of Share Capital	-	-	-	-	-
Deposit for Shares		250,000	-		250,000
Profit for the year	-	-	-	13,028	13,028
Balance at 31 December, 2020	**400,000**	**250,000**	**-**	**(130,467)**	**519,533**
Balance at 1 January, 2021	**400,000**	**250,000**	**-**	**(130,467)**	**519,533**
Issue of Share Capital	-	-	-	-	-
Deposit for Shares	-	(250,000)	-	-	(250,000)
Share Premium	-	-	250,000	-	250,000
Profit for the year	-	-	-	8,119	8,119
Balance at 31 December, 2021	**400,000**	**-**	**250,000**	**(122,348)**	**527,652**

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF CASH FLOW
FOR THE YEAR END 31ST DECEMBER, 2021.

	Note	2021 ₦'000	2020 ₦'000
OPERATING ACTIVITIES			
Profit before Taxation		11,904	20,043
Depreciation	15	1,397	1,177
Profit before changes in operating assets		**13,301**	**21,220**
Changes in operating assets:			
Receivables	14	4,112	42,655
Prepayment		(15,600)	
Other Assets	16	-	
Changes in operating liabilities:			
Payables	22	10,729	5,734
Other Payables	23	(9,204)	
Cash generated from operating activities		**3,337**	**69,610**
INVESTING ACTIVITIES			
Financial Assets (Loans)		-	-
Property, Plant and Equipment Acquisition	15	(2,118)	(295)
Tax Paid	11	(6,495)	(642)
FINANCING ACTIVITIES			
Share Capital	18	-	-
Deposit for Shares	20	(250,000)	250,000
Share Premium	21	250,000	
INCREASE IN CASH AND BANK BALANCES		**(5,276)**	**318,673**
Cash and Bank balances at 1 January,	13	538,502	
Cash and Bank balances at 31 December	13	**533,226**	**538,502**

STATEMENT OF VALUE ADDED
FOR THE YEAR END 31ST DECEMBER, 2021.

	2021		2020	
	₦'000	%	₦'000	%
Value added by operating activities:				
Fee and Commission Income	123,464		111,181	
Cost of fund and services	(47,353)		(79,130)	
	76,111		32,052	
Other operating income	14,072		341	
Total Value Added	**90,183**	**100**	**32,392**	**100**
Applied as Follows:				
To pay employees				
salaries, allowances and fringe benefits	11,480		11,172	34
To pay government				
Income tax	6,495		7,015	22
To provide for enhancement of assets and growth				
Depreciation of property,plant and equipment	1,397		1,177	4
Augument/(deplete) retained earnings	29,313		13,028	40
Total Value Distributed	**48,685**		**32,392**	**100**

Statement of value added represents the additional wealth the company has been able to create by its own and employees efforts. This statement shows the allocation of that wealth among employees, providers of capital as well as government and that retained for future creation of more wealth.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR END 31ST DECEMBER, 2021.

1. THE COMPANY

1.1 Legal form

AVA Capital Partners Limited was incorporated under the Companies and Allied Matters Act. N0.3, 2020 as a Private Limited Liability company on 29 January, 2014. As at incorporation, the company's name was Elixir Capital Partners Limited. The name was changed to AVA Capital Partners Limited in October 2019.

There was change of ownership and management of the company as a result of buy-over of 75% of the company by Prosperis Holdings Company Limited effective 1 January, 2019.

1.2 Principal activities

The company is primarily engaged in issuing of shares and bonds and financial advisory services. The company was licensed by Securities and Exchange Commission and commenced business in January 2019.

1.3 Operating Environment

Flowing from the adverse operating business climate witnessed worldwide in previous year, the company's board and executive management strategized and remained focussed in year 2021 to increase value for all stakeholders. All financial indices were upward moving at year-end. With the strategic plans in place and the operational tactics fashioned for the coming year, there is hope that year 2022 would be far better than 2021.

1.4 Financial Period

These financial statements cover one year from 1 January, 2021 to 31 December, 2021

2.1 **Going concern**

The directors believe that there is no intention or threat from any source to curtail significantly its line of business in the forseable future. Thus, these financial statements are prepared on a going concern basis.

2.2 Statement regarding status of compliance with IFRSs

The company's financial statements for the year ended 31 December, 2021 are prepared in accordance with IFRS. The company's financial statements are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these statements.

2.3 Basis of preparation

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgment in the process of applying the company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Directors believe the underlying assumptions are appropriate and that the company's financial statements therefore present the financial position and results fairly.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

2.4 Income recognition
Income is measured as the fair value of interest earned on investments in fixed income securities and fixed deposits placed with banks after considering the direct interest expenses paid on funds under management of the company during the year under review.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets.

2.5 Foreign currency translation
For the purpose of these financial statements, the results and financial position of the Company are expressed in Naira, which is the functional currency of the Company, and the presentation currency for the financial statements.

(i) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’).

(ii) Transactions and balances
Transactions in currencies are recognised at the rates of exchange prevailing at the dates of the transactions. Translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

2.6 Taxation
(i) Tax expense
Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax and education tax payable are provided on taxable profit and adjusted profit respectively at the current statutory rates.

(ii) Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accouning profit.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.7 Property, Plant and Equipment
All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, furniture and equipment is calculated on a straight-line basis at rates deemed appropriate to write off the cost of the assets to their residual values over their expected useful lives.

Motor Vehicle	4 years
Computer Equipment	2 years
Office Equipment	5 years
Furnitures and Fittings	5 years

If the expected residual value is equal or greater than the carrying value,no depreciation is provided for. The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate.Cost prices include costs directly attributable to the acquisition of property and equipment, as well as sebsequent expenditure when it is probable that the future economic benefits associated with the items will flow to the company and the expenditure, can be measured relaibly .

2.8 Impairment of tangible and intangible assets excluding goodwill and financial assets
At the end of the reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

3.1.1 Financial assets
The company’s financial assets are classified into available for sale (AFS) and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3.1.1a Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of

each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3.2 Financial liabilities and equity instruments

3.2.1 Classification as debt or equity

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

3.2.2 Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

3.3 Critical accounting judgments and key sources of estimating uncertainty

In the application of the company's accounting policies, which are described in note (2.1), the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3.4 Critical judgments in applying the Company's accounting policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

3.5 Review of the useful lives of tangible assets

Based on management judgment, the useful lives of tangible assets remain constant during the reporting period.

3.6 Key sources of estimation uncertainty

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

3.6.1 Valuation of financial liabilities

Financial liabilities have been measured at amortised cost in line with the provisions of IAS 39. The effective interest rate used in determining the amortised cost of the financial liabilities also allows for the use of contractual Cashflow in instances where the expected Cashflow cannot be reliably estimated. However, the effective interest rate has been determined to be the rate that effectively discounts all the future contractual Cashflow on the loans including processing, management fees and other fees that are incidental to the different loan transactions.

3.7 Receivables

The receivables are stated after making adequate specific provision in respect of debts considered to

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

be doubtful of recovery.

3.8 Pension scheme
The company in line with the provisions of the Pension Reform Act, 2014 has instituted a defined contribution pension scheme for its employees. The employees contribute 8% of the pensionable emoluments. Company's contribution which is charged to the statement of profit or loss is 10% of the employees total pensionable emoluments.

3.9 Related parties
For the purposes of these financial statements, a party is considered to be related to the company if,

(i) directly, or indirectly related through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company, has an interest in the company that gives it significant influence over the company, or has joint control over the company;

(ii) the party is an associate of the company;

(iii) the party is a member of the key management personnel of the company or its parent;

(iv) the party is a close member of the family of any individual referred to in (a) or (c);

(v) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or

(vi) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3.10 Finance income and Finance costs
3.10.1 Finance Income
Finance income comprises interest income on funds invested, dividend income and changes in the fair value of financial' assets at fair value through profit or loss where the Company holds such financial assets. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that company’s right to receive payment is established.

3.10.2 Finance Costs
Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, banking charges, changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets and impairment losses recognized on financial assets (other than trade receivables).

3.10.3 Interest income
Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within 'investment income' and 'finance costs' in the income statement using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument.

Interest income is recognized in the statement of profit or loss, using the effective interest rate method, and taking into account the expected timing and amount of cash flows. Interest income includes the amortization of any discounts or premiums or other difference between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on an effective interest rate method.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

3.11 Administration and management expenses

Management expenses are operating expenses. They are accounted for on an accrual basis. This includes auditors' remuneration, repairs and maintenance, telephone and Internet, printing and stationaries, rent, salaries and wages and other expenses not separately disclosed

3.12 Earnings per share

The company presents basic and diluted earnings per share (EPS) data 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 year, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

3.13 Provisions, contingent liabilities and contingent assets

3.13.1 Provisions

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

3.13.2 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has a present obligation as a result of past event. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liabilty is not likely to occur. Contingent liabilities are disclosed in the financial statement when they arise.

3.13.3 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognised but are disclosed in the financial statement when they arise.

3.14 Segment reporting

Segment Reporting requires that all entities that carry on different classes of business or operates in different geographical areas that is subject to risk and returns that are different from those of the other classes of business carried on by the entity should report their financial results in segment.

The company carries out all its operations from one central point and does not have a reportable segment that meets the requirements of IFRS 8 Operating Segment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.15 Off-statement of financial positions transactions

Events and transactions which do not pose direct risks on assets and liabilities of the company are not reported on the face of the statement of financial position. Instead, they are disclosed in the notes to the financial statements.

3.16 Disclosures

In order to enhance better understanding and economic decisions of users, adequate disclosures have been made in the financial statements where necessary.

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR END 31ST DECEMBER, 2021.

		2021	2020
		N'000	N'000
4	**FEES AND COMMISSION INCOME**		
	Fees and Commision Income (Advisory Management Income)	107,603	110,558
		107,603	**110,558**
5	**INTEREST INCOME**		
	Interest and Investment Income	15,861	624
		15,861	**624**
6	**DIRECT COMMISSION AND INTEREST EXPENSES**		
	Fees and Commission Expenses	38,441	-
		34,441	**-**
7	**OTHER OPERATING INCOME**		
	Reimbursable Income	14,072	341
		14,072	**341**
8	**PERSONNEL EXPENSES**		
	Salaries and Allowances	11,480	11,172
	Staff Training	-	5,143
		11,480	**16,315**
9	**DEPRECIATION OF PROPERTIES AND EQUIPMENT**		
	Depreciation - Motor Vehicle	858	
	Depreciation - Computer	319	
	Depreciation - Office Equipment	40	-
	Depreciation - Furniture and Fittings	109	-
		1,397	**1,177**
10	**OTHER OPERATING EXPENSES**		
	Travel & Accommodation	22,173	21,345
	Telephone & Internet	7,998	2,697
	Subscription & Registration	5,644	3,917
	Printing & Stationery	3,411	8,552
	Motor Vehicle Expenses	3,749	648
	Medicals	4,165	1,162
	Insurance	1,249	703
	Cleaning and Office Supplies	2083	2,532
	Advertising & Branding	1,541	140

NOTES TO THE FINANCIAL STATEMENT (Cont'd)

		2021	2020
		₦'000	**₦'000**
	Office Refurbishment	-	491
	Courier and Delivery	410	43
	Computer Expenses	70	6,323
	Bank Charges	1,697	102
	Audit Fee	350	300
	Repairs & Maintenance	6,397	3,898
	Electricity & Water	1,249	527
	Rent	5,415	3,812
	AGM Expenses	-	1,496
	Local Transportation	1,507	2,174
	Diesel and Fuel	3,540	5,692
	Security	1,666	580
	Group Support cost allocated	-	3,338
	Entertainment and Public Relations	-	3,513
		74,314	**73,986**
11	**TAXATION**		
11.1	**Profit and loss account**		
	Company income tax	3,519	6,391
	Education tax	266	624
	Deferred tax	-	-
		3,785	**7,015**
11.2	**Current Income Tax Payable**		
11.2.1	Company Income Tax		
	At the behinnning of the year	7,015	642
	Tax provision for the year	3,785	7,015
	Payment during the year	(6,495)	(642)
	At the end of year	**4,305**	**7,015**
11.3	**Deferred tax asset/(charge)**		
	Balance brought forward	14,226	14,226
	Deferred tax asset/ (charge)	-	-
	Balance carried forward	**14,226**	**14,226**
	Deferred tax liability is attributable to Property, Plant and Equipment. Deferred tax is calculated on the temporary difference under the liability method using an effective tax rate of 30%.		
12	**EARNINGS PER SHARE**		
	Basic profit per kobo	**0.02**	**0.03**
	The Profit or (loss) per share has been computed using the financial information below:		
	Proft or (loss) for the period attributable to the owners of the company (₦)	8,119	13,028
	Weighted average number of ordinary shares for the purpose of basic profit or (loss) per share	0.02	0.03

		2021	2020
		₦'000	₦'000
13	**CASH AND CASH EQUIVALENTS**		
	Cash Balances	-	-
	Balances with Other Banks	533,226	538,502
	Cash and Bank Balances	533,226	538,502
14	**RECEIVABLES**	**3,002**	**6,979**
	Trade Receivable	-	2,375
	Receivable from related companies	-	3,896
	Shareholders' Receivable	14,871	8,734
	Other Receivables	**17,873**	**21,985**

15 PROPERTY, PLANT & EQUIPMENT

ASSETS	Motor Vehicle	Computer Equipment	Office Equipment	Furnitures & Fittings	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Cost					
As at 1 January, 2021	2,600	933	-	-	3,533
Addition during the year	-	-	1,640	478	12,118
As at 31 December, 2021	**2,600**	**933**	**1,640**	**478**	**5,651**
Depreciation					
As at 1 January, 2021	1,073	422	-	-	1,495
Charged for the year	858	390	40	109	1,397
At 31 December, 2021	**1,931**	**812**	**40**	**109**	**2,892**
Carrying Cost					
At 31 December, 2021	**669**	**121**	**1,600**	**369**	**2,759**
At 31 December, 2020	1,527	511	-	-	2,038

		2021	2020
		₦'000	₦'000
16	**OTHER ASSETS**		
	Deferred Tax	14,226	14,226
17	**BALANCES WITH OTHER BANKS**		
	Providus Bank Limited	50,633	536,980
	Zenith Bank Plc	167	167
	Access Bank Plc	3,745	1,346
	Suntrust Bank Limited	10	10
	United Bannk For Africa Plc	20	-
	Placement with Globus	478,651	-
		533,226	**538,502**
18	**SHARE CAPITAL**		
	Authorised, Issued and fully paid		
	400,000,000 Ordinary Shares of N1.00 each	400,000	400,000
		400,000	400,000

NOTES TO THE FINANCIAL STATEMENT (Cont'd)

		2021	2020
		₦'000	**₦'000**
		400,000	400,000
19	**RETAINED EARNINGS**		
	Retained Earnings brought forward	(130,467)	(143,495)
	Profit for the year	8,119	13,028
	Retained Earnings carried forward	(122,348)	(130,467)
20	**DEPOSIT FOR SHARES**		
	Deposit for share	-	250,00
		-	**250,000**
21	**SHARE PREMIUM**		
	Share Premium	250,000	-
		250,000	**-**
22	**PAYABLES**		
	Payable to related companies	41,791	31,062
		41,791	**31,062**
23	**OTHER PAYABLES**		
	WHT Payable	8,976	8,976
	VAT Payable	270	1,950
	Pension Payable	122	171
	PAYE Payable	88	893
	NHF Payable	130	142
	Accrued Audit Fees	**350**	**575**
	Salary Payable	-	141
	Other Liabilities	-	6,291
		9,936	**19,140**

24 RISK MANAGEMENT FRAMEWORK

24.1 Introduction

AVA Capital Partners Limited uses its financial skills to provide competitive financial advisory services to a broad range of customers - local and foreign. As a result, Risk management is a central part of its strategic management

Risk Management is the process whereby the company methodically addresses the risks attaching to its activities with the goal of achieving sustained benefits within each activity and across the portfolio of all activities.

Therefore, the focus of the company's risk management framework is the identification and treatment of these risks with the objective of adding maximum sustainable value to all its activities so as to give value to its customers through effective and efficient execution of briefs.

The Board of Directors acknowledges its responsibilty for establishing, monitioring and communicating appropriate risk and control policies.

24.2 Significant risks

The Company has exposure to significant risks which are categorized as follows:

. Regulatory (capital adequacy, legal, accounting, and taxation);

. Business envronment (reputation and strategic);

. Market (equity prices, interest rate and currency);
. Liquidity; and
. Concentration

24.3 Accounting classification and fair value of financial assets and liabilities
The table below sets out the carrying amounts and fair values of the Company's financial assets and financial liabilities:

		Trading	Loans and receivables	Total carrying amount	Fair value
	Note	**₦'000**	**₦'000**	**₦'000**	**₦'000**
31 December, 2021					
Cash and cash equivalents	6	533,226	-	533,226	533,226
Trade receivables	7	-	17,873	17,873	17,873
Other assets	8	-	14,226	14,226	14,226
		533,226	**32,099**	**565,325**	**565,325**
Trade payables	9	41,791	-	41,791	41,791
Other liabilities	9	9,936	-	9,936	9,936
		51,727		51,727	51,727
		481,499	**32.099**	**513,598**	**513,598**

24.4 Detailed disclosure of signicant risks
24.4.1 **Regulatory risk**
Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry regulations that pertain to the business of the company. In order to manage this risk, the company is an active participant in industry and engages in discussions with The Securities and Exchange Commission, which is the regulatory body.

24.4.2 **Regulatory capital risk**
Regulatory capital risk is the risk that the company does not have sufficient capital to meet either minimum regulatory or internal amounts. The Securities and Exchange Comission sets and monitors capital requirements for the company to protect its clients and counter-parties. As a result, the company is required to maintain a prescribed minimum level of risk adjusted capital of N200 million (Two Hundred Million Naira Only) calculated in accordance with such requirements as Securities and Exchange Commission may from time to time prescribe.

Therefore, the company's objectives in managing its capital are:

- To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for the shareholder and benefits for other stakeholders

- To provide an adequate return to the shareholder commensurately with the level of risk The table below summarizes the minimum required capital and the regulatory capital held.

	2021	2020
	₦'000	**₦'000**
Regulatory minimum capital requirement(N'000)	200,000	200,000
Actual qualifying capital (N'000)	400,000	400,000
Actual capital ratio (times)	2.00	2.00

NOTES TO THE FINANCIAL STATEMENT (Cont'd)

24.4.3 Legal risk
Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for.

The company has a policy of ensuring that all the contractual obligations are documented and appropriately evidence to agreements with the relevant parties to the contract. All significant contracted claims are reviewed by independent legal resources and amounts are provided for, if there is consensus as to any possible exposure.

At 31 December 2021, the Directors are not aware of any significant obligation not provided for.

24.4.4 Taxation risk
Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of tax legislation or due to the impact of new tax legislation on existing products.

Consequently, taxation risk occurs in the following key areas:
(i) Transaction risk;
(ii) Operational risk;
(iii) Compliance risk; and
(iv) Financial accounting risk

(i) Transaction risk
This risk concerns specific trasactions entered into by the company, including restructuring projects and reorganisations.

(ii) Operational risk
This constitutes the underlying risk of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

(iii) Compliance risk
This is the risk associated with non-compliance with statutory and regulatory obligations.

(iv) Financial accounting risk
This risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the company's taxation risk, the company tax policy is as follows:
- The company will fulfill its responsibilties under tax law in each of the jurisdiction in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:
- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with relevant tax legislation;

- The company continually reviews its existing operations and planned operations in this context; and analyses and reacts to external factors, which could impact the future direction of the relevant business unit.

The company's risk management function identifies and assesses both risks qualitatively as part of a quarterly evaluation and on the basis of this evaluation, the company's risk management framework creates an overview of local and global risk which also includes reputational risks, analyses the risk profile of the company and regularly informs directors and management.

24.5 Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. To manage this risk, the initiation of all transactions and their adminstration are conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

24.6 Market risk

Market risk includes asset liability matching risk, interest rate risk and equity price risk.

24.6.1 Asset liability matching risk

Asset liability mismatches and market risks are assessed by means of a number of stress tests that are designed to examine different components of markets and mismatch risk. Therefore, liquidity requirements and cash resources are reviewed on a monthly bais by the asset liability matching and capital management committee. The company's assets are relatively liquid with listed equities, bonds and cash being easily realizable. The company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

24.6.2 Interest rate and market price risk

These risks have different impacts on the various categories of business used in the company's Assets and Liabilities Management framework as interest rate and market price risk interact on certain types of liabilities.

24.6.3 Interest rate risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will flunctuate due to changes in market interest rates. And as a result, investments and liabilities which are held at fair value will be directly impacted by changes in market interest rates. Accounts receivable and account payable where settlement is expected within 90 days are not included in the analysis, since the effect of interest rate risk on these balances is not considered material given to the short-term duration of these underlying cash flows. The majority of financial instruments subject to interest rate risk are allocated to match liabilities. shareholders specific assets and the shareholders therefore carries full risk. If equity prices had been 1% higher/ lower.

The revenues and profit generation of the company are linked to the value of assets under managements. Therefore, movements in interest rates and commodity prices that adversely affect the values of assets under management will impact the company's revenues and reported looss. The company manages this risk through its structured investment process.

24.7 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation. Key area where the company is exposed to credit risk are:

- Certain classes of financial assets such as bonds, term deposits and cash and cash equivalents; and

NOTES TO THE FINANCIAL STATEMENT (Cont'd)

- Certain accounts within trade and other receivables

24.8 Financial assets

Various debt instruments are entered into by the company in order to invest surplus shareholder funds. The company is exposed to issuer's credit standing on these instruments. To manage this risk, exposure to outside financial institutions is being monitored in accordance with parameters which have been approved by the company's Board of Directors

24.9 Other receivables

Investment sale debtors are protected by the security of the underlying investment not being transferred to the purchaser prior to payment. Established broker relationships and protection afforded through the rules and directives of the NSE further reduces credit risk

24.10 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instrument. The company is a registered financial services company and is required to hold minimum Liquid Capital. The Securities and Exchange Commission is the regulatory authority that regularly reviews compliance with these minimum capital requirements.

24.11 Sensitivities

Management applies a number of sensitivity tests to the earnings of the company to better understand the exposure to and importance of each of the main drivers of the profitability. IFRS 7 requires management to report on the changes in the net income after tax following "reasonable possible" changes in each of the factors to which the company is exposed. Management has set the upward and downward movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation result.

These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the the 75th and 25th percentiles of observed changes as these bound an interval which may be expected to contain 50% of the changes in the coming year. Management believes this represent in some sense what is 'reasonably possible', though it is important to note that its opinion is based on past experience and the tested range is not sensitive to all of the relevant information in the market as at the reporting date.

Management has considered the impact of upside and downside movements in foreign exchange rates. In relation to these sensitivities:
- The earnings are sensitive to changes in both the shape and level of the yield curve. Management has not considered changes in the shape of the yield curve due to several constraints altough this may be reviewed in the following year;
- The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative corrrelations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjudted for. This treatment has resulted in the presentation of a slightly more extreme view of what could reasonably occur over the following year. Future rates of expenses inflation, catastrophes and tax assumptions were considered but no sensitives are presented as it is unlikely, in management's opinion that, these assumptions will change over the following year.

It should be noted that each impact on profits after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practise this is unlikely to occur, as changes in some of the variables may be correlated.

25 Information Regarding Employees

The average number of employees employed in the year were as follows:

	Number
Managerial	2
Senior	4
Junior	3
	9

Below shows the salary bands and number of employees during the year

	Number
₦200,000 - ₦400,000	-
₦400,000 - ₦1,000,000	2
₦1,000,000 - ₦1,500,000	3
₦1,500,000 - ₦2,000,000	2
Above ₦3,000,000	2
	9

26 Related Party Transaction

The company's transactions with related parties have been fairly stated in the financial statements.

27 Financial Commitments

The directors are of the opinion that all known commitments which are relevant in assessing the state of affairs of the company have been taken into consideration in the preparation of these financial statements.

28 Contingent Liability

The Directors are of the opinion that there were no contingent liabilities against the company for the year ended 31 December, 2021.

29 Events After Reporting Period

There is no any post-reporting date event that can have material effect on the state of affars of the company as at 31 December, 2021.

30 Approval of Financial Statements

The Financial Statements were duly approved by the Board of Directors on 31st January, 2022.

FIVE YEARS FINANCIAL SUMMARY

	2021	2020	2019	2018	2017
	₦'000	₦'000	₦'000	₦'000	₦'000
Statement of Financial Position					
Assets					
Current assets	566,699	560,487	284,468	423,510	424,751
Non-current assets	16,985	16,264	17,146	51,208	59,756
Total assets		**576,750**	**301,615**	**474,718**	**484,507**
Equity					
Share Capital		400,000		400,000	400,000
Share Premium		250,000			
Retained Earnings		(130,467)		(144,685)	(53,796)
Total equity	**527,652**	**519,533**		**255,315**	**346,204**
Liabilities					
Current liabilities	56,032	57,217	45,110	219,403	138,303
Total Liabilities	**56,032**	**57,217**	**45,110**	**219,403**	**138,303**
Total equity and liabilities		**576,750**	**301,615**	**474,718**	**484,507**
Statement of Profit or Loss and Other Comprehensive Income					
Fees and Commission Income	123,464	111,181	78,598	12,364	26,050
Fees and Commission Expenses	(38,441)	-	-	-	(12,800)
Gross profit	**85,023**	**111,181**	**78,598**	**12,364**	**13,250**
Other operating income	14,072	341	742	703	22,359
Other operating expenses	(87,191)	(91,478)	(77,505)	(107,623)	(55,470)
Operating Profit or (loss)	**11,904**	**20,043**	**1,835**	**(94,556)**	**(19,861)**
Other non-operating gains(losses)	-	-	-	-	(5,637)
Profit or Loss before taxation	**11,904**	**20,043**	**1,835**	**(94,556)**	**(25,498)**
Taxation	(3,785)	(7,015)	(642)	3,664	10,563
Loss from discontinued operations	**-**	**-**	**-**	**(90,892)**	**(14,935)**
Profit or (Loss) for the year	**8,119**	**13,028**	**1,192**	**(90,892)**	**(14,935)**
Retained Profit or (loss) for the year	**8,119**	**13,028**	**1,192**	**(90,892)**	**(14,935)**
Statement of Cash Flows					
Cash flow from operating activities	3,337	69,610	32,449	53,423	-87,706
Cash flow from investing activities	(8,613)	295	(12,722)	30,000	(30,001)
Cash flow from financing activities	-	250,000	-	1,461	112,875
Cash movement for the year	**(5,276)**	**319,315**	**19,725**	**84,884**	**(4,832)**

AVA GLOBAL ASSET MANAGERS LIMITED | REPORT OF THE AUDIT COMMITEE

FOR YEAR ENDED 31ST DECEMBER, 2021.

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of AVA Capital Partners limited hereby report on the financial statements for the year ended 31 December 2021 as follows:

1. We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of Management and Staff in the conduct of these responsibilities;

2. We are of the opinion that the accounting and reporting policies of the company is in line with legal requirements and global best practices. Additionally, the scope and planning of both the external and internal audits for the year ended 31 December 2021 were satisfactory and reinforce the company's internal control systems;

3. We have deliberated on the findings of the external auditors, who have confirmed that necessary cooperation was received from management in the course of their audit, and are satisfied with Management's responses thereon; with the efficiency of the company's system of accounting and internal control.

Taiwo Okunrounmu
Chairman, Audit Committee

Members of the Audit Committee are;

1	Taiwo Okunrounmu	Director	Chairman
2	Tolulope Sofela	Shareholder Representative	Member
3	Dipo Wintoki	Shareholder Representative	Member

In attendance:
Oladipo Adewumi - Company Secretary

FINANCIAL STATEMENTS
FOR YEAR ENDED 31ST DECEMBER, 2021.

Responsibilities of Directors

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in manner required by the provisions of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Act No 6, of 2011.

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

The directors have made assessment of the company's ability to continue as a going concern and have no reason to believe that the company will not remain a going concern in the years ahead.

Director

Director

REPORT OF DIRECTORS
FOR YEAR ENDED 31ST DECEMBER, 2021.

The directors have the pleasure of presenting the audited financial statements of AVA Global Asset Managers Limited for the year ended 31 December 2021 which comply with the International Financial Reporting Standards (IFRS).

Legal form
AVA Global Asset Managers Limited was incorporated under the Companies and Allied Matters Act 1990 as a Private Limited Liability Company on 18 August 2014.

Principal activities
The principal activities of the company are assets management and financial advisory services and other functions specified in the regulatory guidelines issued by the Securities and Exchange Commission.

Result for the year
The reserve of the Company is arrived at as follows:-

	2021	2020
	N	N
Profit Before Taxation	45,223,276	7,439,531
Taxation	(12,495,457)	(2,380,650)
Profit After Taxation	32,727,819	5,058,881
Retained Profit brought forward	6,372,454	1,313,572
Retained Profit carried forward	**39,100,273**	**6,372,454**

Directors and their interests
The Directors who served during the year together with their interests in the shares of the Company as recorded in the register of members for the purpose of Section 275 of the Companies and Allied Matters Act as at 31 December 2021 were as follows:

Name	Share in units
Prosperis Holdings Limited	375,000,000
Hermes Supply Limited	125,000,000
	500,000,000

None of the directors has notified the company for the purposes of relevant Section of the Companies and Allied Matters Act (CAMA), 2020 of their direct or indirect interest in contracts or proposed contracts with the company either as at 31 December 2021 or as at the date of this report.

Donation
During the year, no donation was made to deserving organizations and individuals. In compliance with Section 38 (2) of the Companies and Allied Matters Act (CAMA), 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose during the year.

Related party transactions
The company also carried out businesses with other companies that have some directors on their board, however, in line with the company policy, all business transactions are done at arm's length.

REPORT OF DIRECTOR'S (Cont'd)

Shareholding structure

At an Extra Ordinary General Meeting of the company on December 13, 2021, Prosperis Holdings Limited surrendered 124million units of its shareholding and Samson Adekunle also surrendered his one million units of shares and all the shares surrendered totalling 125million units were alloted to Hermes Supply Limited.

The shareholding structure of the company as at 31st December 2021 was as follows:

	Units	%tage
Prosperis Holdings Limited	375,000,000	75.0%
Hermes Supply Limited	125,000,000	25.0%
	500,000,000	**100%**

Dividend

No dividend was paid during the year.

Employment and employees

During the year ended 31 December 2021, the company maintained an average of 12 (Twelve) employees.

Health, safety and welfare of employees

The company gives priority to the health and safety of its employees by ensuring that health and safety procedures are substantially complied with and maintained in its daily operations.

Employees development and training

The company is committed to keeping employees informed as much as possible regarding the company's performance and progress through regular briefings and meetings. Their views are sought wherever practicable on matters which particularly affect them as employees.

The company believes that professional and technical expertise of its managers and staff constitutes a major asset, and investment in developing such skills continues to receive constant attention. The company's skill base has been expanding steadily with the range of training provided including short courses and these have broadened the opportunities for career development within the company.

Acquisition of own shares

The company did not purchase any of its own shares during the year.

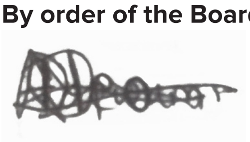
Events after the reporting date

There are no significant or material events after their reporting date which could have an effect on the financial statements of the company as at 31 December, 2021 which have not been adequately recognized or disclosed in the financial statements.

Auditors

The auditors, Joseph Dauda & Co have indicated their willingness to continue in office in accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA), 2020. A resolution will be proposed authorising the directors to fix their remuneration.

By order of the Board



Company Secretary
31st January, 2022.

CORPORATE GOVERNANCE REPORT

Governance Structure
The board comprises of four directors.
The management is responsible to the directors for value creation and the board leadership and direction. All the directors bring to the board wide range of experiences for the desired positioning of the company.

Company Secretary
All the directors have access to the services of the Company Secretary and may take independent professional advice at the company's expense. The company Secretary is responsible for the board minutes and circulation as well as dealings with the Corporate Affairs Commission.

Environment, Health and Safety
The affairs of the company is conducted in a safe and hygienic environment that promotes staff and third party well being. Applicable environmental and safety laws are adhered to.

Employment of Disabled Persons
The company offers full and fair consideration to all applications for employment. During the year under review however, there were no disabled persons in the company's employment for the year ended 31 December 2021.

Employee involvement and Training
The company maintains communication and consultations on a regular basis with employees on matters affecting the employees. Training is carried out at various levels within the company through internal and external means.

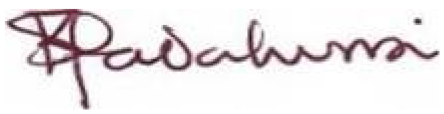
Related Party Transactions
The company also carried out businesses with other companies that have same directors on their board. However, in line with the company's policy, all business transactions are done at arm's length.

Donations
During the year, no donation was made to deserving organizations and individuals. In compliance with Companies and Allied Matters Act (CAMA 2020), the company did not make any donation or gift to any political party, political association or for any political purpose during the year

Events after the End of the Reporting Date
There have been no significant or material event after their reporting date which could have an effect on the financial statements of the company as at 31 December, 2021 which have not been adequately recognized or disclosed in the financial statements.

Auditors
The Auditors, Joseph Dauda & Co have indicated their willingness to continue in office in accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA 2020). A resolution will be proposed authorising the directors to fix their remuneration.

BY ORDER OF THE BOARD



Director

JOSEPH DAUDA & CO.
CHARTERED ACCOUNTANTS
52, OGUNNUSI ROAD, OJODU IKEJA, LAGOS.
P. O. BOX 703, MARINA - LAGOS.
TEL: 08033249201, 08092234673
E-mail: joseph_dauda123@yahoo.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVA GLOBAL ASSET MANAGERS LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021.

Report on the Audit of the Financial

Opinion
We have audited the financial statements of AVA Global Asset Managers Limited for the year ended 31 December, 2021. The financial statements comprise the Statements of Financial Position as at 31 December, 2021, and the Statement of Profit or Loss and other comprehensive income, Statement of Changes in Equity and Statement of Cashflows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out in the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011 and the Securities and Exchange Commission Act, relevant Guidelines and Circulars.

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of the Directors for the Financial Statements
The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA 2020) and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from

material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements.

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

We also provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with Board of Directors, 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

In compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act (CAMA 2020), we confirm that:

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

The company did not contravene any guideline or circular of Securities and Exchange Commission (SEC) during the year, and therefore, did not pay any fine or penalty during the year. The audited financial statements for the year ended 31 December, 2021 was approved by the Board of Directors of the company.

Adesoji Adedeji
FRC/2021/004/00000024526
For: Joseph Dauda & Co.
(Chartered Accountants)
Lagos, Nigeria.
31st January, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31ST DECEMBER, 2021.

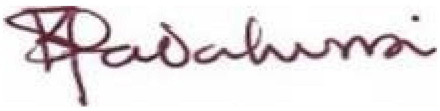
	NOTE	2021 N	2020 N
Fee Income	4	104,807,380	274,175,890
Cost Of Funds	5	-	(218,736,104)
Total Income		**104,807,380**	**55,439,786**
Administrative Expenses	6	(59,584,103)	(48,000,255)
Net Profit Before Taxation		**45,223,276**	**7,439,531**
Provision For Taxation	2.6, 7	(12,495,457)	(2,380,650)
Profit After Taxation		**32,727,819**	**5,058,881**
Profit/(Loss) Brought Forward		6,372,454	1,313,572
Profit/(Loss) Carried Forward		39,100,273	6,372,454

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2021.

		2021	2020
	NOTE	N	N
ASSETS			
Cash and Cash Equivalents	8	218,499,325	1,922,369,344
Fixed Income Assets	9	871,149,259	1,689,586,134
Other Assets	10	14,737,933	26,186,410
Property, Plant and Equipment	2.7; 15	11,688,232	438,333
Total Assets		**1,116,074,749**	**3,638,580,221**
LIABILITIES			
Trade Payables	11	-	3,323,555,162
Other Liabilities	12	64,409,588	56,204,026
Taxation	2.6; 7	12,564,888	2,448,580
Total Liabilities		**76,974,476**	**3,382,207,768**
TOTAL NET ASSETS		**1,039,100,273**	**256,372,454**
FINANCED BY:			
Share Capital	13	250,000,000	250,000,000
Share Premium		750,000,000	-
Retained Earnings		39,100,273	6,372,454
		1,039,100,273	**256,372,454**

The financial statements on pages 1 to 14 were approved by the Board of Directors on 31st January, 2022 and signed on its behalf by:



OLUKAYODE FADAHUNSI
Director

SAMSON ADEKUNLE
Director

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR END 31ST DECEMBER, 2021.

	Share Capital	Share Premium	Retained Earnings	Total Equity
	₦'000	**₦'000**	**₦'000**	**₦'000**
Balance at 1 January, 2020	250,000,000	-	1,313,572	251,313,572
Issue of Share Capital	-	-	-	-
Profit for the year	-	-	5,058,881	5,058,881
Balance at 31 December, 2020	**250,000,000**	**-**	**6,372,453**	**256,372,453**
Balance at 1 January, 2021	**250,000,000**	**-**	**6,372,453**	**256,372,453**
Issue of Share Capital	-	-	-	-
Share Premium		750,000,000	-	750,000,000
Profit for the year	-		32,727,819	32,727,819
Balance at 31 December, 2021	**250,000,000**	**750,000,000**	**39,100,272**	

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF CASH FLOW
FOR THE YEAR END 31ST DECEMBER, 2021.

	NOTE	2021 N	2020 N
OPERATING ACTIVITIES			
Profit before Tax		45,223,276	7,439,531
Depreciation	15	869,359	220,000
Profit before changes in operating assets		46,092,635	7,659,531
Changes in operating assets:			
Fixed Income Securities		818,436,874	(1,002,487,694)
Other Assets	10	11,448,477	48,816,452
Changes in operating liabilities:			
Trade Payables	11	(3,323,555,162)	1,092,738,886
Other Liabilities	12	8,205,562	39,438,500
CASH GENERATED FROM OPERATIONS		**(2,439,371,613)**	**186,165,675**
INVESTING ACTIVITIES			
Fixed Assets Acquisition	15	(12,119,257)	(525,000)
Tax Paid		(2,379,150)	(639,378)
FINANCING ACTIVITIES			
Share Capital	13	-	-
Share Premium		750,000,000	
INCREASE IN CASH AND BANK BALANCES		**(1,703,870,020)**	**185,001,297**
Cash and Bank balances as at 1st January		1,922,369,344	1,737,368,047
Cash and Bank balances as at 31st December	8	218,499,325	1,922,369,344

STATEMENT OF VALUE ADDED
FOR THE YEAR END 31ST DECEMBER, 2021.

	2021		2020	
	₦'000	%	₦'000	%
Value added by operating activities:				
Fee and Commission Income	104,807,380		274,175,890	
Cost of fund and services	(50,951,267)		(263,968,040)	
Total Value Added	**53,856,112**	**100**	**10,207,850**	**100**
Applied as Follows:				
To pay employees				
salaries, allowances and fringe benefits	7,763,477	14.42	2,548,318	25
To pay government				
Income tax	12,495,457	23.2	2,380,650	23
To provide for future tax				
Deferred taxation				
To provide for enhancement of assets and growth				
Depreciation of property,plant and equipment	869,359	1.614	220,00	2
Augument/(deplete) retained earnings	32,727,819	60..77	5,058,881	50
Total Value Distributed	**53,856,112**	**100**	**10,207,849**	**100**

Statement of value added represents the additional wealth the company has been able to create by its own and employees efforts. This statement shows the allocation of that wealth among employees, providers of capital as well as government and that retained for future creation of more wealth.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR END 31ST DECEMBER, 2021.

1. THE COMPANY

1.1 Legal Form

AVA Global Asset Managers Limited was incorporated under the Companies and Allied Matters Act 1990 as a Private Limited Liability Company on 18th August, 2014. As at incorporation, the company's name was Nachtwey Advisory Services Limited. The name was changed to Ava Global Asset Managers Limited in October 2019.

1.2 Principal Activities

The company is primarily engaged in asset management and financial advisory services. The Company was licensed by Securities and Exchange Commission and commenced business in January 2019.

1.3 Operating Environment

COVID-19 pandemic continued to rampage the whole world in 2021, and Nigeria was not left out. Businesses and offices were adversely affected as most of them were closed and staff working from home or rotation.

Notwithstanding the above, the company's executive management was focussed during the year to increase value for all stakeholders. All financial indices were positive at year-end. There is no doubt that the company has positioned itself strategically in the sub-sector to create more value to its stakeholders.

1.4 Financial Period

These financial statements cover one year from 1st January, 2021 to 31st December, 2021
Standards (IFRSs), including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC.

2.1 Going Concern

The directors believe that there is no intention or threat from any source to curtail significantly its line of business in the future. Thus, these financial statements are prepared on a going concern basis.

2.2 Statement regarding status of compliance with IFRSs

The company's financial statements for the year ended 31 December, 2021 are prepared in accordance with IFRS. The company's financial statements are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these statements.

2.3 Basis Of Preparation

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IAS) and interpretations issued by the

International Financial Reporting Interpretations Committee (IFRIC). Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgment in the process of applying the company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Directors believe the underlying assumptions are appropriate and that the company's financial statements therefore present the financial position and results fairly.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

2.4 Income recognition

Income is measured as the fair value of interest earned on investments in fixed income securities and fixed deposits placed with banks after considering the direct interest expenses paid on funds under management of the company during the year under review.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

2.5 Foreign currency translation

For the purpose of these financial statements, the results and financial position of the Company are expressed in Naira, which is the functional currency of the Company, and the presentation currency for the financial statements.

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’).

(ii) Transactions and balances

Transactions in currencies are recognised at the rates of exchange prevailing at the dates of the transactions. Translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

2.6 Taxation

(i) Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax and education tax payable are provided on taxable profit and adjusted profit respectively at the current statutory rates.

(ii) Deferred tax

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

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

2.7 Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, furniture and equipment is calculated on a straight-line basis at rates deemed appropriate to write off the cost of the assets to their residual values over their expected useful lives.

Motor Vehicles	25%
Furniture and Fittings	20%
Office Equipment	20%
Computer Equipment	50%

If the expected residual value is equal or greater than the carrying value,no depreciation is provided for.The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate.Cost prices include costs directly attributable to the acquisition of property and equipment, as well as sebsequent expenditure when it is probable that the future economic benefits associated with the items will flow to the Company and the expenditure, can be measured relaibly .

2.8 Impairment of tangible and intangible assets excluding goodwill and financial assets

At the end of the reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.1 Financial instruments

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

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

3.1.1 Financial assets

The company's financial assets are classified into available for sale (AFS) and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3.1.2 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3.2 Financial liabilities and equity instruments

3.2.1 Classification as debt or equity

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

3.3 Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

3.4 Critical accounting judgments and key sources of estimating uncertainty

In the application of the company's accounting policies, which are described in note (2), the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3.5 Critical judgments in applying the Company's accounting policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

3.6 Review of the useful lives of tangible assets

Based on management judgement, the useful lives of tangible assets remain constant during the reporting period.

3.7 Key sources of estimation uncertainty

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

3.8 Valuation of financial liabilities

Financial liabilities have been measured at amortised cost in line with the provisions of IAS 39. The effective interest rate used in determining the amortised cost of the financial liabilities also allows for the use of contractual cashflow in instances where the expected cashflow cannot be reliably estimated. However, the effective interest rate has been determined to be the rate that effectively discounts all the future contractual cashflow on the loans including processing, management fees and other fees that are incidental to the different loan transactions.

3.9 Receivables

The receivables are stated after making adequate specific provision in respect of debts considered to

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.9 Receivables

The receivables are stated after making adequate specific provision in respect of debts considered to be doubtful of recovery.

3.10 Pension scheme

The company in line with the provisions of the Pension Reform Act, 2014 has instituted a defined contribution pension scheme for its employees. The employees contribute 8% of the pensionable emoluments. Company's contribution which is charged to the statement of profit or loss is 10% of the employees total pensionable emoluments.

3.11 Related parties

For the purposes of these financial statements, a party is considered to be related to the company if,

(i) directly, or indirectly related through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company, has an interest in the Company that gives it significant influence over the company, or has joint control over the company;

(ii) the party is an associate of the company;

(iii) the party is a member of the key management personnel of the company or its parent;

(iv) the party is a close member of the family of any individual referred to in (a) or (c);

(v) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or

(vi) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3.12.1 Finance Income

Finance income comprises interest income on funds invested, dividend income and changes in the fair value of financial' assets at fair value through profit or loss where the Company holds such financial assets. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that Company's right to receive payment is established.

3.12.2 Finance Costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, banking charges, changes in the fair value of financial assets at fair value through profit or loss where the company holds such financial assets and impairment losses recognized on financial assets (other than trade receivables).

3.12.3 Interest income

Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within 'investment income 'and 'finance costs' in the income statement using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument.

Interest income is recognized in the statement of profit or loss, using the effective interest rate method, and taking into account the expected timing and amount of cash flows. Interest income includes the amortization of any discounts or premiums or other difference between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on an effective interest rate method.

When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

3.13 Administration and management expenses

Management expenses are operating expenses. They are accounted for on an accrual basis. This include auditors' remuneration, repairs and maintenance, telephone and Internet, printing and stationaries, rent, salaries and wages and other expenses not separately disclosed.

3.14 Earnings per share

The company presents basic and diluted earnings per share (EPS) data 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 year, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

3.15 Provisions, contingent liabilities and contingent assets

3.15.1 Provisions

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

3.15.2 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or the company has a present obligation as a result of past event. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is likely to occur. Contingent liabilities are disclosed in the financial statement when they arise.

3.15.3 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognised but are disclosed in the financial statement when they arise.

3.16 Segment reporting

Segment Reporting requires that all entities that carry on different classes of business or operates in different geographical areas that is subject to risk and returns that are different from those of the other classes of business carried on by the entity should report their financial results in segment.

The company carries out all its operations from one central point and does not have a reportable segment that meets the requirements of IFRS 8 Operating Segment.

3.17 Off-statement of financial positions transactions

Events and transactions which do not pose direct risks on assets and liabilities of the company are not reported on the face of the statement of financial position. Instead, they are disclosed in the notes to the financial statements.

3.18 Disclosures

In order to enhance better understanding and economic decisions of users, adequate disclosures have been made in the financial statements where necessary.

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR END 31ST DECEMBER, 2021.

		2021	2020
		N	N
4	**FEE INCOME**		
	Interest income	-	260,870,890
	Asset Management Fees	88,079,324	-
	Fund Administration Fees	11,501,340	13,305,000
	Other Income	5,226,716	-
		104,807,380	**274,175,890**
5	**OPERATING COST**		
	Interest Expense	-	218,736,104
	Commissions and Fees	-	-
		-	**218,736,104**
6	**ADMINISTRATIVE EXPENSES**		
	Salaries and Allowances	7,763,477	2,548,318
	Bank Charges	1,668,979	2,312,806
	Medical Expenses	2,484,014	1,504,502
	Local Transportation Expenses	-	56,306
	Travelling and Accommodation	10,853,521	8,496,836
	Priinting & Stationery	1,802,847	1,703,201
	Telephone & Internet	3,347,873	4,341,482
	Audit Fees	350,000	300,000
	Registration and Subscriptions	6,168,961	1,677,899
	Depreciation	869,359	220,000
	Office Expenses	1,799,902	354,655
	Computer Expenses	2,499,784	1,974,413
	Software Expenses	5,324,941	4,954,210
	Staff Training	2,519,862	3,550,194
	Repairs and Maintenance	2,699,853	3,814,999
	Electricity & Water	539,971	599,714
	Insurance	568,105	368,113
	Rent	2,339,872	2,527,724
	Entertainment and Public Relations	-	657,059
	AGM Expenses	-	689,289
	Cleaning and Office Supplies	899,951	1,549,723
	Diesel and Oil	1,529,916	2,570,408
	Security	719,961	386,126
	Motor Running Expenses	1,619,912	-
	Advertising	665,964	842,279
	Legal Fees	547,080	-
		59,584,103	**48,000,255**

NOTES TO THE FINANCIAL STATEMENT (Cont'd)

		2021	2020
		N	N
7	**TAXATION**		
7.1	**Income Tax Expenses**		
	Income tax expenses are recognized in the Income Statement		
7.2	**Taxation Balance**		
	Tax Payable brought forward	2,448,580	707,308
	Tax Paid during the year	(2,383,787)	(644,015)
	Provision for the year	12,495,457	2,380,650
	Prior Year Adjustment	4,637	4,637
	Balance Carried Forward	**12,564,887**	**2,448,580**
8	**CASH AND CASH EQUIVALENTS**		
	Cash Balances	-	-
	Balances with Other Banks	218,499,325	1,922,369,34
	Cash and Bank Balances	**218,499,325**	**1,922,369,344**
9	**FIXED INCOME SECURITIES**		
	Fixed Income Securities	60,510,000	1,234,586,134
	Investment in Bond	810,639,259	455,000,000
		871,149,259	**1,689,586,134**
10	**OTHER ASSETS**		
	Fees Receivable	545,616	19,929,328
	Related Companies	-	6,257,082
	WHT Receivable	12,467,179	
	Prepayments	1,725,138	
		14,737,933	**26,186,410**
11	**TRADE PAYABLES**		
	Funds under management	-	3,323,555,16
		-	**3,323,555,162**

In line with Securities and Exchange Commission's guidelines for operating an asset management company, all the funds undermanagement are to be kept with a Custodian company. Hence all funds have been moved to the custodian

12	**OTHER LIABILITIES**		
	Related Companies	31,916,557	47,379,332
	Other Payables	31,868,031	8,249,694
	Accrued Audit Fees	625,000	575,000
		64,409,588	**56,204,026**

		2021	2020
		N	N
13	**SHARE CAPITAL**		
	AUTHORISED, ISSUED AND FULLY PAID:		
	500,000,000 Ordinary Shares of N0.50 each	250,000,000	250,000,000
14	**BALANCES WITH OTHER BANKS**		
	GTBank Plc	196,787,572	1,064,989
	Keystone Bank Limited	2,911,485	876,610
	Access Bank Plc	1,538	1,538
	First Bank Plc	3,641	3,641
	UBA Plc	5,737	34,571
	Providus Bank Ltd	205,870	214,719,426
	Taj Bank	579	579
	Globus Bank Limited	741,315	736,483
	Placement with Keystone Bank Limited	-	1,450,000,000
	Placement with Providus Bank Limited	16,234,028	254,931,507
	UBA Placement Account	1,607,560	-
		218,499,325	**1,922,369,344**

15 PROPERTY, PLANT & EQUIPMENT

ASSETS	Motor Vehicle	Furniture & Fitting	Office Equipment	Computer Equipment	Total
	N	N	N	N	N
Cost					
As at 1 January, 2021	-	-	-	725,000	725,000
Addition during the year	11,400,000	653,167	66,090	-	12,119,257
As at 31 December, 2021	**11,400,000**	**653,167**	**66,090**	**725,000**	**12,844,257**
Depreciation					
As at 1 January, 2021	-	-	-	286,666	286,666
Charged for the year	316,667	108,861	5,508	438,323.72	869,359
As at 31 December, 2021	**316,666.67**	**108,861.08**	**5,507.50**	**724,990**	**1,156,025**
NBV as at 31 December, 2021	**11,083,333**	**544,305**	**60,583**	**10**	**11,688,232**
NBV as at 31 December, 2020	-	-	-	438,334	438,334

16 RISK MANAGEMENT FRAMEWORK

1.1 Introduction

AVA Global Asset Managers Limited uses its financial skills to provide competitive financial advisory services to a broad range of customers - local and foreign. As a result, Risk Management is a central part of its strategic management.

Risk Management is the process whereby the compnay methodically addresses the risks attaching to its activities with the goal of achieving sustained benefits within each activity and across the portfolio of all activities.

Therefore, the focus of the company's risk management framework is the identification and treatment of these risk with the objective of adding maximum sustainable value to all its activities so as to give value to its customers through effective and efficient execution of trades.

The Board of Directors acknowledges its responsibilty for establishing, monitioring and communicating appropriate risk and control policies.

1.2 Significant risks

The Company has exposure to significant risks which are categorized as follows:

- Regulatory (capital adequacy, legal, accounting, and taxation)
- Business environment (reputation and strategic)
- Market (equity prices, interest rate and currency);
- Liquidity; and
- Concentration

1.3 Accounting classification and fair value of financial assets and liabilities

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

		Trading	Loans and receivables	Total Carry-ing amount	Fair Value
	Note	**N'000**	**N'000**	**N'000**	**N'000**
December 31, 2021					
Cash and cash equivalents	8	218,499	-	218,499	218,499
Trade receivables	9	-	871,149	871,149	871,149
Other assets	10	-	26,426	26,426	26,426
		218,499	897,575	1,116,075	1,116,075
Trade payables	11	-	-	-	-
Other liabilities	12	12,565	64,410	76,974	76,974
		12,565	64,410	76,974	76,974
		205,934	**833,166**	**1,039,100**	**1,039,100**

1.4 Detailed disclosure of signicant risks

1.4.1 Regulatory risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry regulations that pertain to the business of the company. In order to manage this risk, the Company is an active participant in the industry and engages in discussions with The Securities and Exchange Commission, which is the regulatory body.

1.4.1.1 Regulatory capital risk

Regulatory capital risk is the risk that the Company does not have sufficient capital to meet either minimum regulatory or internal amounts. The Securities and Exchange Commission sets and monitors capital requirements for the Company to protect its clients and counter-parties. As a result, the Company is required to maintain a prescribed minimum level of risk adjusted capital of N150 million (One Hundred and Fifty Million Naira Only) calculated in accordance with such requirements as Securities and Exchange Commission may from time to time prescribe.

Therefore, the company's objectives in managing its capital are:
- To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for the shareholder and benefits for other stakeholders.
- To provide an adequate return to the shareholders commensurately with the level of risk.

The table below summarizes the minimum required capital and the regulatory capital held.

	2021	2020
	N'000	N'000
Regulatory minimum capital requirement	150,000	150,000
Actual qualifying capital	1,000,000	250,000
Actual capital ratio (times)	6.67	1.67

1.4.2 Legal risk
Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for.

The company has a policy of ensuring that all the contractual obligations are appropriately documented to evidence agreements with the relevant parties to the contract. All significant contracted claims are reviewed by independent legal resources and amounts are provided for, if there is consensus as to any possible exposure.

At 31 December 2021, the directors are not aware of any significant obligation not provided for.

1.4.3 Taxation risk
Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of tax legislation or due to the impact of new tax legislation on existing products.

Consequently, taxation risk occurs in the following key areas:
- Transaction risk;
- Operational risk;
- Compliance risk; and
- Financial accounting risk

Transaction risk
This risk concerns specific trasactions entered into by the company, including restructuring projects and reorganisations.

Operational risk
This constitutes the underlying risk of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

Compliance risk
This is the risk associated with meeting the company's statutory obligations

Financial accounting risk
This risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the company's taxation risk, the company tax policy is as follows:
The company will fulfill its responsibilities under tax law in each of the jurisdiction in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:
All taxes payable by the company are correctly identified, calculated, paid and accounted for in accordance with relevant tax legislation;

The company continually reviews its existing operations and planned operations in this context; and analyses and reacts to external factors, which could impact the future direction of the relevant business unit.
The company's risk management function identifies and assesses these risks qualitatively as part of a quarterly evaluation and on the basis of this evaluation, the company's risk management framework creates an overview of local and global risk which also includes reputational risks, analyses the risk profile of the company and regularly informs directors and management.

1.4.4 Operational risk
Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. To manage this risk, the initiation of all transactions and their administration are conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

1.4.5 Market Risk
Market risk includes asset liability matching risk, interest rate risk and equity price risk.

Asset liability matching risk
Asset liability mismatches and market risks are assessed by means of a number of stress tests that are designed to examine different components of markets and mismatch risk. Therefore, liquidity requirements and cash resources are reviewed on a monthly basis by the asset liability matching and capital management committee. The company's assets are relatively liquid with listed equities, bonds and cash being easily realizable. The Company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

Interest rate and market price risk
These risks have different impacts on the various categories of business used in the company's Assets and Liabilities Management framework as interest rate and market price risk interact on certain types of liabilities.

Interest rate risk
Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates. And as a result, the following investments and liabilities which are held at fair value will be directly impacted by changes in market interest rates. Accounts receivable and account payable where settlement is expected within 90 days are not included in the analysis below,

since the effect of interest rate risk on these balances is not considered material given to the short-term duration of these underlying cash flows. The majority of financial instruments subject to interest rate risk are allocated to match liabilities.

The revenues and profit generation of the company are linked to the value of assets under managements. Therefore, movements in interest rates and commodity prices that adversely affect the values of assets under management will impact the company's revenues and reported loss. The Company manages this risk through its structured investment process.

1.4.6 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation. Key area where the company is exposed to credit risk are:

Certain classes of financial assets such as bonds, term deposits and cash and cash equivalents; and
Certain accounts within trade and other receivables.

Financial assets

Various debt instruments are entered into by the company in order to invest surplus shareholder funds. The company is exposed to issuer's credit standing on these instruments. To manage this risk, exposure to outside financial institutions is being monitored in accordance with parameters which have been approved by the company's Board of Directors.

1.4.7 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instrument. AVA Global Asset Managers Limited is a registered financial services company and is required to hold minimum Liquid Capital. The Securities and Exchange Commission is the regulatory authority that regularly reviews compliance with these minimum capital requirements.

1.5 Sensitivities

Management applies a number of sensitivity tests to the earnings of the company to better understand the exposure to and importance of each of the main drivers of the profitability. IFRS 7 requires management to report on the changes in the net income after tax following "reasonable possible" changes in each of the factors to which the company is exposed. Management has set the upward and downward movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation result.

These opinions have been informed by an analysis of historical one-year changes in those factors. The upper and lower limits have been set at the 75th and 25th percentiles of observed changes as these bound an interval which may be expected to contain 50% of the changes in the coming year. Management believes this represent in some sense what is 'reasonably possible', though it is important to note that its opinion is based on past experience and the tested range is not sensitive to all of the relevant information in the market as at the reporting date.

Management has considered the impact of upside and downside movements in foreign exchange rates. In relation to these sensitivities:
- The earnings are sensitive to changes in both the shape and level of the yield curve.
- Management has not considered changes in the shape of the yield curve due to several constraints although this may be reviewed in the following year;
- The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative correlations between factors would tend to dampen the effects presented.

These correlations are not very large and they have not been adjusted for. This treatment has resulted in in the presentation of a slightly more extreme view of what could reasonably occur over the following year. Future rates of expenses inflation, catastrophes and tax assumptions were considered but no sensitives are presented as it is unlikely, in management's opinion that, these assumptions will change over the following year.

It should be noted that each impact on profits after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practice this is unlikely to occur, as changes in some of the variables may be correlated.

17 Information Regarding Employees

The average number of employees employed in the year were as follows:

Senior	2
Medium	6
Junior	4
	12

Below shows the salary bands and number of employees during the year

	Number
N200,000 - 400,000	-
N400,000 - 1,000,000	-
N1,000,000 - 1,500,000	2
N1,500,000 - 2,000,000	2
Above N3,000,000	8
	12

18 Related Party Transaction

The company's transactions with related parties have been fairly stated in the financial statements.

19 Financial Commitments

The directors are of the opinion that all known commitments which are relevant in assessing the state of affairs of the company have been taken into consideration in the preparation of these financial statements.

20 Contingent Liability

The directors are of the opinion that there were no contingent liabilities against the company for the year ended 31 December, 2021.

21 Events After Reporting Period

There is no any post-reporting date event that can have material effect on the state of affairs of the company as at 31 December, 2021.

22 Approval of Financial Statements

The Financial Statatements were approved by the Board of Directors on January 31, 2022.

AVA TRUSTEES LIMITED | REPORT OF THE AUDIT COMMITEE
FOR YEAR ENDED 31ST DECEMBER, 2021.

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of AVA Capital Partners limited hereby report on the financial statements for the year ended 31 December 2021 as follows:

1. We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of Management and Staff in the conduct of these responsibilities;

2. We are of the opinion that the accounting and reporting policies of the company is in line with legal requirements and global best practices. Additionally, the scope and planning of both the external and internal audits for the year ended 31 December 2021 were satisfactory and reinforce the company's internal control systems;

3. We have deliberated on the findings of the external auditors, who have confirmed that necessary cooperation was received from management in the course of their audit, and are satisfied with Management's responses thereon; with the efficiency of the company's system of accounting and internal control.

Kayode Falasinnu
Chairman, Audit Committee

Members of the Audit Committee are;

1	Kayode Falasinnu	Director	Chairman
2	Busayo Adeniyi	Director	Member
3	Kemi Ogunjimi	Shareholder Representative	Member

In attendance:
Oladipo Adewunmi - Company Secretary

AVA TRUSTEES LIMITED | FINANCIAL STATEMENTS.
YEAR ENDED 31ST DECEMBER, 2021.

Statement of Directors' Responsibilities

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in manner required by the provisions of the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Act No 6, of 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; and
- Making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

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

Going Concern:

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe it will not remain a going concern for at least twelve months from the date of this financial statements.

The financial statements of the Company for the year ended 31 December, 2021 were duly approved by directors.

On behalf of the Directors of the company:

Olukayode Fadahunsi
Director

Samson Adekunle
Director

REPORT OF DIRECTORS
FOR YEAR ENDED 31ST DECEMBER, 2021.

1. ACCOUNTS

The directors are pleased to submit their report together with the audited Financial Statements of the company for the year ended 31 December, 2021.

2. RESULT

	₦'000
Profit for the Year before Taxation	2,219
Provision for Taxation	(620)
Profit for the year after Taxation	**1,599**

3. PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of trust services to individuals and corporate bodies.

4. LEGAL FORM

The Company was incorporated under the Companies and Allied Matters Act, No.3, 2020 as a Private Limited Liability company on 12 August, 2020.The company commenced business in January, 2021.

5. SHAREHOLDING STRUCTURE

The shareholding structure of the company as at 31 December, 2021 was as detailed below:

S/N	SHAREHOLDER	NO. OF UNITS	%TAGE
I	Prosperis Holdings Company Limited	594,000,000	99
II	Fadahunsi Samson Olukayode	6,000,000	1
	Total	**600,000,000**	**100**

6. DIRECTORS RESPONSIBILITIES

The directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the company at the end of the financial year and of the results for that period and comply with the International Financial Reporting Standards and the Companies and Allied Matters Act (CAMA) 2020. In doing so, they ensure that:

* Proper accounting records are maintained.
* Applicable accounting standards are followed.
* Suitable accounting policies are adopted and consistently applied.
* Judgements and estimates made are reasonable and prudent.
* The financial statements are prepared on a going concern basis as it is presume that the Company will continue in business.
* Adequate internal control procedures are instituted to safeguard assets and to prevent and detect fraud and other irregularities.

7. CORPORATE GOVERNANCE AND COMPLIANCE

The company maintains corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards. This enables the Board of Directors and Management to accomplish the company's strategic goals,

REPORT OF DIRECTORS (Cont'd)

8. NON-CURRENT ASSETS

Movements in non-current assets during the year are shown in Notes to the financial statements. In the opinion of the directors, the market value of the company's properties is not less than the value shown in the audited accounts.

9. EVENTS AFTER REPORTING PERIOD

There is no any post-reporting date event that can have material effect on the state of affars of the company as at 31 December, 2021.

10. HUMAN CAPITAL

The company reviews its employment policy in line with the needs of its business. Careful recruitment is undertaken to ensure that potential high performers are attracted and retained. The company provides equal opportunities to qualified individuals and does not discriminate against disabled persons.

The company continues to place premium on its Human Capital Development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition.

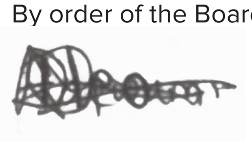
11. RISK MANAGEMENT

The Board ensures that appropriate means and measures are put in place by the Management to enable identification, analysis and continued improvement in the management of risks to which the company is exposed as a result of its operations.

12. INDEPENDENT EXTERNAL AUDITORS

Messrs. Joseph Dauda & Company (Chartered Accountants) served as the independent external auditors during the year under review. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA), 2020 the Auditors have indicated their willingness to continue in office. A resolution will be proposed to appoint them and to authorize directors to fix their remuneration.

By order of the Board



Oladipo Adewunmi
Company Secretary

JOSEPH DAUDA & CO.
CHARTERED ACCOUNTANTS
52, OGUNNUSI ROAD, OJODU IKEJA, LAGOS.
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TEL: 08033249201, 08092234673
E-mail: joseph_dauda123@yahoo.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVA TRUSTEES LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021.

Report on the Audit of the Financial

Opinion

We have audited the financial statements of Ava Trustees Limited which comprise the statements of financial position as at 31 December, 2021, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 10 to 37. Statement for the year ended 31 December, 2021, Summary of Significant Accounting Policies and other explanatory notes set out in the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2021, and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011 and the Securities and Exchange Commission Act, relevant Guidelines and Circulars.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of the Direcotrs for the Finanacial Statements

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

INDEPENDENT AUDITORS REPORT (Cont'd)

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

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

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

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

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

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

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

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

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

We also provide Board of Directors/Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act (CAMA) 2020. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and 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.

Joseph Dauda
FRC/2020/004/00000021544
For: Joseph Dauda & Co.
(Chartered Accountants)
Lagos, Nigeria.
31st January, 2022

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
1198614

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31ST DECEMBER, 2021.

	Note	₦'000
Fees and Commission Income	4	35,588
Interest Income	5	3,385
Gross Earnings		**38,973**
Personnel Expenses	6	(7,409)
Depreciation of Properties & Equipment	7	(2,947)
Other Operating Expenses	8	(26,398)
Profit Before Taxation		**2,219**
Taxation	9	(620)
Profit After Taxation		**1,599**
Other comprehensive Income		-
Total comprehensive profit for the year		**1,599**

Earnings per share		
Basic profit per share (Kobo)	10	**0.01**

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2021.

ASSETS	Note	₦'000
Current Assets		
Cash and Cash Equivalents	11	1,632,110
Receivables	12	3,609
		1,635,719
Non-Current Assets		
Property, Plant and Equipment	13	26,362
Other Assets	14	790
		27,152
Total Assets		**1,662,871**
EQUITY AND LIABILITIES		
Equity		
Share Capital	16	300,000
Retained Earnings	17	1,599
		301,599
Liabilities		
Non Current Liabilities		
Trust Sinking Fund	18	461,524
		461,524
Current Liabilities		
Payables	19	894,560
Other Payables	20	4,568
Tax Payable	9	620
		899,748
Total Equity and Liabilities		**1,662,871**

The financial statements on pages 1 to 37 were approved by the Board of Directors on 31st January, 2022 and signed on its behalf by:

OLUKAYODE FADAHUNSI
Director

SAMSON ADEKUNLE
Director

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR END 31ST DECEMBER, 2021.

	Share Capital	Retained Earnings	Total Equity
	₦'000	**₦'000**	**₦'000**
Issue of Share Capital	300,000		300,000
Profit for the year		1,599	1,599
Balance at 31 December, 2021	**300,000**	**1,599**	**301,599**

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF CASH FLOW
FOR THE YEAR END 31ST DECEMBER, 2021.

	Note	₦'000
OPERATING ACTIVITIES		
Profit before Taxation		2,219
Depreciation	13	2,947
Profit before changes in operating assets		5,166
Changes in operating assets:		
Receivables	12	(3,609)
Other Assets	14	(790)
Changes in operating liabilities:		
Payables	19	894,560
Other Payables	20	4,568
Cash generated from operating activities		**899,895**
INVESTING ACTIVITIES		
Property, Plant and Equipment Acquisition	13	(29,309)
FINANCING ACTIVITIES		
Share Capital	16	300,000
Trust Sinking Fund	18	461,524
INCREASE IN CASH AND BANK BALANCES		**1,632,110**
Cash and Bank balances at 1 January,	13	-
Cash and Bank balances at 31 December,	13	1,632,110

STATEMENT OF VALUE ADDED
FOR THE YEAR END 31ST DECEMBER, 2021.

	₦'000	%
Value added by operating activities:		
Fee and Commission Income	35,588	
Interest Income	3,385	
Total Value Added	**38,973**	**100**
Applied as Follows:		
To pay employees		
salaries, allowances and fringe benefits	7,409	19
To pay government		
Income tax	620	2
To provide for enhancement of assets and growth		
Depreciation of property,plant and equipment	2,947	8
Augument/(deplete) retained earnings	27,997	72
Total Value Distributed	**38,973**	**100**

Statement of value added represents the additional wealth the company has been able to create by its own and employees efforts. This statement shows the allocation of that wealth among employees, providers of capital as well as government and that retained for future creation of more wealth.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR END 31ST DECEMBER, 2021.

1 THE COMPANY

1.1 Legal form
AVA Trustees Limited was incorporated under the Companies and Allied Matters Act 1990 as a Private Limited Liability company on 12 August, 2020.

1.2 Principal activities
The principal activity of the Company is the provision of trust services to individuals and corporate bodies.

1.3 Operating Environment
Flowing from the adverse operating business climate witnessed worldwide in previous year, the company's board and executive management strategized and remained focused in year 2021 to increase value for all stakeholders. All financial indices were upward moving at year-end. With the strategic plans in place and the operational tactics fashioned for the coming year, there is hope that year 2022 would be far better than 2021.

1.4 Financial Period
These financial statements cover one year from 1 January, 2021 to 31 December, 2021

2 Basis of Preparation and Statement of Compliance
2.1 Statement of Compliance
The financial statements have been prepared in accordance with, International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), the financial statements comply with the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act, 2011,and the Securities and Exchange Commission Act, relevant Guidelines and Circulars.

2.2 Going concern
The directors believe that there is no intention or threat from any source to curtail significantly its line of business in the forseable future. Thus, these financial statements are prepared on a going concern basis.

2.3 Functional and Presentation Currency
The financial statements have been prepared in Nigerian Naira, which is the Company's functional and presentation currency. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand (N'000).

2.4 Basis of Measurement
These financial statements are prepared on the historical cost basis except for the following:
- Available-for-sale financial assets are measured at fair value.
Historical cost is generally based on the fair value of the consideration given in exchange for assets or liabilities assumed on initial recognition.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or liabilities assumed on initial recognition.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Use of judgements and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in notes to the financial statements.

2.6 Income recognition

Income is measured as the fair value of interest earned on investments in fixed income securities and fixed deposits placed with banks after considering the direct interest expenses paid on funds under management of the company during the year under review.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets.

2.7 Foreign currency translation

For the purpose of these financial statements, the results and financial position of the Company are expressed in Naira, which is the functional currency of the Company, and the presentation currency for the financial statements.

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Transactions in currencies are recognised at the rates of exchange prevailing at the dates of the transactions. Translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

2.8 Taxation

(i) Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax and education tax payable are provided on taxable profit and adjusted profit respectively at the current statutory rates.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accouning profit.

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

2.9 Property, Plant and Equipment
All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on property, furniture and equipment is calculated on a straight-line basis at rates deemed appropriate to write off the cost of the assets to their residual values over their expected useful lives.

Motor Vehicle	**3 years**
Computer Equipment	**2 years**
Office Equipment	**5 years**
Furnitures and Fittings	**5 years**

If the expected residual value is equal or greater than the carrying value,no depreciation is provided for.The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate.Cost prices include costs directly attributable to the acquisition of property and equipment, as well as sebsequent expenditure when it is probable that the future economic benefits associated with the items will flow to the company and the expenditure, can be measured relaibly .

2.10 Impairment of tangible and intangible assets excluding goodwill and financial assets
At the end of the reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.11 Changes in accounting policies
The Company has applied the accounting policies as set out in Note 3 to all aspects of these financial statements. A number of other new standards are also effective from 1 January, 2021 but they do not have a material effect on the financial statements. Such standards are discused below:

i Definition of Material (Amendments to IAS 1 and IAS 8)
The amendments in Definition of a Material(Amendments to IAS 1 and IAS 8) clarify the definitrion of 'material' and align the definition used in the Conceptual Framework and the standards.

ii Interest rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedged cash flows and cashflows from the hedging instruments are based will not be altered as a result of interest rate benchmark reform.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. New standards, amendments and interpretation issued not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments have not been adopted in preparing the financial statements for the year ended 31 December, 2021:

(i) Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

(ii) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective date 1 January, 2022;

(iii) Annual Improvements to IFRS Standards 2018 - 2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41) effective date 1 January, 2022;

(iv) References to Conceptual Framework (Amendments to IFRS 3) effective date 1 January 2022.

(v) IFRS17 Insurance Contracts (effective 1 January, 2023)-In June 2020, the IASB issued amendments to IFRS 17, including a deferral of its effective date to 1 January, 2023.

3 Summary of Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are as set in this section and these policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Financial instruments

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

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

3.1.1 Financial assets

The company’s financial assets are classified into available for sale (AFS) and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3.1.1a Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3.2 Financial liabilities and equity instruments

3.2.1 Classification as debt or equity

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

3.2.2 Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

3.3 Critical accounting judgments and key sources of estimating uncertainty

In the application of the company's accounting policies, which are described in note (2.1), the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3.4 Critical judgments in applying the Company's accounting policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

3.5 Review of the useful lives of tangible assets

Based on management judgment, the useful lives of tangible assets remain constant during the reporting period.

3.6 Key sources of estimation uncertainty

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

3.6.1 Valuation of financial liabilities

Financial liabilities have been measured at amortised cost in line with the provisions of IAS 39. The effective interest rate used in determining the amortised cost of the financial liabilities also allows for the use of contractual Cashflow in instances where the expected Cashflow cannot be reliably estimated. However, the effective interest rate has been determined to be the rate that effectively discounts all the future contractual Cashflow on the loans including processing, management fees and other fees that are incidental to the different loan transactions.

3.7 Receivables

The receivables are stated after making adequate specific provision in respect of debts considered to be doubtful of recovery.

3.8 Pension scheme

The company in line with the provisions of the Pension Reform Act, 2014 has instituted a defined contribution pension scheme for its employees. The employees contribute 8% of the pensionable emoluments. Company's contribution which is charged to the statement of profit or loss is 10% of the

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

the employees total pensionable emoluments.

3.9 Related parties
For the purposes of these financial statements, a party is considered to be related to the company if,

(i) directly, or indirectly related through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company, has an interest in the company that gives it significant influence over the company, or has joint control over the company;

(ii) the party is an associate of the company;

(iii) the party is a member of the key management personnel of the company or its parent;

(iv) he party is a close member of the family of any individual referred to in (a) or (c);

(v) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or

(vi) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3.10 Finance income and finance costs
3.10.1 Finance Income
Finance income comprises interest income on funds invested, dividend income and changes in the fair value of financial' assets at fair value through profit or loss where the Company holds such financial assets. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that company’s right to receive payment is established.

3.10.2 Finance Costs
Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, banking charges, changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets and impairment losses recognized on financial assets (other than trade receivables).

3.10.3 Interest income
Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within 'investment income' and 'finance costs' in the income statement using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument.

Interest income is recognized in the statement of profit or loss, using the effective interest rate method, and taking into account the expected timing and amount of cash flows. Interest income includes the amortization of any discounts or premiums or other difference between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on an effective interest rate method.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

3.11 Administration and management expenses

Management expenses are operating expenses. They are accounted for on an accrual basis. This includes auditors' remuneration, repairs and maintenance, telephone and Internet, printing and stationaries, rent, salaries and wages and other expenses not separately disclose.

3.12 Earnings per share

The company presents basic and diluted earnings per share (EPS) data 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 year, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

3.13 Provisions, contingent liabilities and contingent assets

3.13.1 Provisions

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

3.13.2 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has a present obligation as a result of past event. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liabilty is not likely to occur. Contingent liabilities are disclosed in the financial statement when they arise.

3.13.3 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognised but are disclosed in the financial statement when they arise.

3.14 Segment reporting

Segment Reporting requires that all entities that carry on different classes of business or operates in different geographical areas that is subject to risk and returns that are different from those of the other classes of business carried on by the entity should report their financial results in segment.

The company carries out all its operations from one central point and does not have a reportable segment that meets the requirements of IFRS 8 Operating Segment.

3.15 Off-statement of financial positions transactions

Events and transactions which do not pose direct risks on assets and liabilities of the company are not reported on the face of the statement of financial position. Instead, they are disclosed in the notes to

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

to the financial statements.

3.16 Disclosures

In order to enhance better understanding and economic decisions of users, adequate disclosures have been made in the financial statements where necessary.

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR END 31ST DECEMBER, 2021.

		N'000
4	**FEES AND COMMISSION INCOME**	
	Fees and Commission income	19,413
	Investment Income	16,175
		35,588
5	**INTEREST INCOME**	
	Interest Income	3,385
		3,385
6	**PERSONNEL EXPENSES**	
	Salaries and Allowances	6,286
	Contribution to defined contribution plan	1,123
		7,409
7	**DEPRECIATION OF PROPERTIES AND EQUIPMENT**	
	Depreciation - Motor Vehicle	2,857
	Depreciation - Computer	53
	Depreciation - Office Equipment	3
	Depreciation - Furniture and Fittings	34
		2,947
8	**OTHER OPERATING EXPENSES**	
	Travel & Accomodation	4,534
	Telephone & Internet Subscription	808
	Registration	484
	Printing & Stationery	759
	Motor Vehicle Expenses	1,077
	Medicals	786
	Insurance	106
	Cleaning and Office Supplies	3,522
	Advertising	352
	Courier and Delivery	875
	Computer Expenses	578
	Bank Charges	46
	Audit Fee	350
	Repairs & Maintenance	3,021
	Electiricity & Water	1,095
	Rent	5,500
	Local Transportation	1,024
	Diesel and Fuel	1,046
	Security	435

NOTES TO FINANCIAL STATEMENT (Cont'd)

		N'000
		26,398

9	**TAXATION**	
9.1	**Profit and Loss Account**	
	Company Income Tax	517
	Education Tax	103
		620
9.2	**Current Income Tax Payable**	
9.2.1	**Company Income Tax**	
	Tax Provision during the year	620
	Payment during the year	-
	At end of year	**620**

10	**EARNINGS PER SHARE**	
	Basic Profit per kobo	**1,599**
	The Profit or (loss) per share has been computed using the financial information below:	
	Profit or (loss) for the period attributable to the owners of the company (₦)	1,599
	Weighted average number of ordinary shares for the purpose of basic profit or (loss) per share	**0.01**

11	**CASH AND CASH EQUIVALENTS**	
	Balances with Banks	217,676
	Fixed Income Fund (Placements)	1,414,434
	Cash and Bank balances	**1,632,110**

12	**RECEIVABLES**	
	Trade Receivable	3,609
		3,609

13 PROPERTY, PLANTS & EQUIPMENT

ASSETS	Motor Vehicle	Computer Equipment	Office Equipment	Furniture & Fittings	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cost					
Addition during the year	28,105	368	63	773	29,309
As at 31 December, 2021	**28,105**	**368**	**63**	**773**	**29,309**
Depreciation					
Charged for the year	2,857	53	3	34	2,947
At 31 December, 2021	**2,857**	**53**	**3**	**34**	**2,947**
Carrying Cost					
At 31 December, 2021	**25,248**	**315**	**60**	**739**	**26,362**

		N'000
14	**OTHER ASSETS**	
	Other Receivables	790
		790
15	**BALANCE WITH OTHER BANKS**	
	Providus Bank Limited	17,647
	Globus Bank Limited	200,009
	United Bank for Africa Plc	20
	Placement with Globus & Others	1,414,434
		1,632,110
16	**SHARE CAPITAL**	
	Authorised, Shared & Fully Paid	
	600,000,000 Ordinary shares of 50k each	300,000
		300,000
17	**RETAINED EARNINGS**	
	Profit for the year	1,599
	Retained Earning carried forward	1,599
18	**TRUST SINKING FUND**	
	Sinking Fund - Minaret	446,374
	Sinking Fund - KSIP	15,150
		461,524
19	**PAYABLES**	
	Payable - Trust Fund	894,560
		894,560
20	**OTHER PAYABLES**	
	VAT Payable	600
	Pension Payable	186
	PAYE Payable NHF	133

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

	N'000
Payable Accrued	60
Audit Fees Salary	350
Payable other	259
Payables	3,000
	4,568

21 RISK MANAGEMENT FRAMEWORK

21.1 Introduction

AVA Trustees Limited uses its financial skills to provide competitive financial advisory services to a broad range of customers - local and foreign. As a result, Risk management is a central part of its strategic management

Risk Management is the process whereby the company methodically addresses the risks attaching to its activities with the goal of achieving sustained benefits within each activity and across the portfolio of all activities.

Therefore, the focus of the company's risk management framework is the identification and treatment of these risks with the objective of adding maximum sustainable value to all its activities so as to give value to its customers through effective and efficient execution of briefs.

The Board of Directors acknowledges its responsibilty for establishing, monitioring and communicating appropriate risk and control policies.

21.2 Significant risks

The Company has exposure to significant risks which are categorized as follows:

. Regulatory (capital adequacy, legal, accounting, and taxation)
. Business envronment (reputation and strategic)
. Market (equity prices, interest rate and currency);
. Liquidity; and
. Concentration

21.3 Accounting classification and fair value of financial assets and liabilities

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

		Trading	Loans and receivables	Total carrying amount	Fair Value
	Note	₦'000	₦'000	₦'000	₦'000
31 December, 2021					
Cash and cash equivalents	6	1,632,110	-	1,632,110	1,632,110
Trade receivables	7	-	3,609	3,609	3,609
Other assets	8	-	790	790	790
		1,632,110	**4,399**	**1,636,509**	**1,636,509**
Trade payables	9	894,560	-	894,560	894,560
Other liabilities	9	4,568	-	4,568	4,568
		899,128		**899,128**	**899,128**
		732,982	**4,399**	**737,381**	**737,381**

21.4 Detailed disclosure of significant risks

21.4.1 Regulatory risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry regulations that pertain to the business of the company. In order to manage this risk, the company is an active participant in industry and engages in discussions with The Securities and Exchange Commission, which is the regulatory body.

21.4.2 Regulatory capital risk

Regulatory capital risk is the risk that the company does not have sufficient capital to meet either minimum regulatory or internal amounts. The Securities and Exchange Comission sets and monitors capital requirements for the company to protect its clients and counter-parties. As a result, the company is required to maintain a prescribed minimum level of risk adjusted capital of N300 million (Three Hundred Million Naira Only) calculated in accordance with such requirements as Securities and Exchange Commission may from time to time prescribe.

Therefore, the company's objectives in managing its capital are:
- To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for the shareholder and benefits for other stakeholders
- To provide an adequate return to the shareholder commensurately with the level of risk.

The table below summarizes the minimum required capital and the regulatory capital held.

	₦'000
Regulatory minimum capital requirement(N'000)	300,000
Actual qualifying capital (N'000)	300,000
Actual capital ratio (times)	1.00

21.4.3 Legal risk

Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for.
The company has a policy of ensuring that all the contractual obligations are documented and appropriately evidence to agreements with the relevant parties to the contract. All significant contracted claims are reviewed by independent legal resources and amounts are provided for, if there is consensus as to any possible exposure.

At 31 December 2021, the Directors are not aware of any significant obligation not provided for.

21.4.4 Taxation risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of tax legislation or due to the impact of new tax legislation on existing products.

Consequently, taxation risk occurs in the following key areas:
* Transaction risk;
* Operational risk;
* Compliance risk; and
* Financial accounting risk

(i) Transaction risk

This risk concerns specific transactions entered into by the company, including restructuring projects and reorganisations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(ii) Operational risk
This constitutes the underlying risk of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

(iii) Compliance risk
This is the risk associated with non-compliance with statutory and regulatory obligations.

(iv) Financial accounting risk
This risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the company's taxation risk, the company tax policy is as follows:
- The company will fulfill its responsibilties under tax law in each of the jurisdiction in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:
- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with relevant tax legislation;

- The company continually reviews its existing operations and planned operations in this context; and analyses and reacts to external factors, which could impact the future direction of the relevant business unit.

The company's risk management function identifies and assesses both risks qualitatively as part of a quarterly evaluation and on the basis of this evaluation, the company's risk management framework creates an overview of local and global risk which also includes reputational risks, analyses the risk profile of the company and regularly informs directors and management.

21.5 Operational risk
Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. To manage this risk, the initiation of all transactions and their adminstration are conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

21.6 Market risk
Market risk includes asset liability matching risk, interest rate risk and equity price risk.

21.6.1 Asset liability matching risk
Asset liability mismatches and market risks are assessed by means of a number of stress tests that are designed to examine different components of markets and mismatch risk. Therefore, liquidity requirements and cash resources are reviewed on a monthly bais by the asset liability matching and capital management committee. The company's assets are relatively liquid with listed equities, bonds and cash being easily realizable. The company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk arise from open positions in interest

rate, currency and equity products, all of which are exposed to general and specific market movements.

21.6.2 Interest rate and market price risk

These risks have different impacts on the various categories of business used in the company's Assets and Liabilities Management framework as interest rate and market price risk interact on certain types of liabilities.

21.6.3 Interest rate risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will flunctuate due to changes in market interest rates. And as a result, investments and liabilities which are held at fair value will be directly impacted by changes in market interest rates. Accounts receivable and account payable where settlement is expected within 90 days are not included in the analysis, since the effect of interest rate risk on these balances is not considered material given to the short-term duration of these underlying cash flows. The majority of financial instruments subject to interest rate risk are allocated to match liabilities.

Shareholders specific assets and the shareholders therefore carries full risk. If equity prices had been 1% higher/ lower.

The revenues and profit generation of the company are linked to the value of assets under managements. Therefore, movements in interest rates and commodity prices that adversely affect the values of assets under management will impact the company's revenues and reported loss. The company manages this risk through its structured investment process.

21.7 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation. Key area where the company is exposed to credit risk are:

Certain classes of financial assets such as bonds, term deposits and cash and cash equivalents; and

Certain accounts within trade and other receivables

21.8 Financial assets

Various debt instruments are entered into by the company in order to invest surplus shareholder funds. The company is exposed to issuer's credit standing on these instruments. To manage this risk, exposure to outside financial institutions is being monitored in accordance with parameters which have been approved by the company's Board of Directors

21.9 Other receivables

Investment sale debtors are protected by the security of the underlying investment not being transferred to the purchaser prior to payment. Established broker relationships and protection afforded through the rules and directives of the NSE further reduces credit risk

21.10 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instrument. The company is a registered financial services company and is required to hold minimum Liquid Capital. The Securities and Exchange Commission is the regulatory authority that regularly reviews compliance with these minimum capital requirements.

21.11 Sensitivities

Management applies a number of sensitivity tests to the earnings of the company to better understand the

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

the exposure to and importance of each of the main drivers of the profitability. IFRS 7 requires management to report on the changes in the net income after tax following "reasonable possible" changes in each of the factors to which the company is exposed. Management has set the upward and downward movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation result.

21.11.1 Sensitivities

These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the the 75th and 25th percentiles of observed changes as these bound an interval which may be expected to contain 50% of the changes in the coming year. Management believes this represent in some sense what is 'reasonably possible', though it is important to note that its opinion is based on past experience and the tested range is not sensitive to all of the relevant information in the market as at the reporting date.

Management has considered the impact of upside and downside movements in foreign exchange rates.

In relation to these sensitivities:
The earnings are sensitive to changes in both the shape and level of the yield curve. Management has not considered changes in the shape of the yield curve due to several constraints altough this may be reviewed in the following year;

The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative corrrelations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjudted for. This treatment has resulted in the presentation of a slightly more extreme view of what could reasonably occur over the following year. Future rates of expenses inflation, catastrophes and tax assumptions were considered but no sensitives are presented as it is unlikely, in management's opinion that, these assumptions will change over the following year.

It should be noted that each impact on profits after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practise this is unlikely to occur, as changes in some of the variables may be correlated.

22 Information Regarding Employees

The average number of employees employed in the year were as follows:

	Number
Managerial	1
Senior	1
Junior	2
	4

Below shows the salary bands and number of employees during the year

	Number
₦200,000 - ₦1,000,000	2
₦1,000,000 - ₦2,000,000	1
Above ₦2,000,000	1
	4

23 Related Party Transaction

The company's transactions with related parties have been fairly stated in the financial statements.

24 Financial Commitments

The directors are of the opinion that all known commitments which are relevant in assessing the state of affairs of the company have been taken into consideration in the preparation of these financial statements.

25 Contingent Liability

The Directors are of the opinion that there were no contingent liabilities against the company for the year ended 31 December, 2021.

26 Events After Reporting Period

There is no any post-reporting date event that can have material effect on the state of affairs of the company as at 31 December, 2021.

27 Approval of Financial Statements

The Financial Statements were duly approved by the Board of Directors on 31st January, 2022.


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Secure your child with the ability to multiply their money.
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AVA SECURITIES LIMITED | FINANCIAL HIGHLIGHTS
FOR YEAR ENDED 31ST DECEMBER, 2021.

	2021	2020	Increase/ (Decrease)
	N'000	N'000	%
Major statement of financial position			
Share capital	205,000	205,000	-
Retained Profit	3,517	(562)	726.09
Equity interest	208,517	204,438	1.99
Total assets	286,710	384,489	(25.43)
Major profit or loss account items			
Fee and commission income	32,335	11,937	170.87
Net fee and commission income	31,719	11,937	165.71
Profit/(loss) before taxation	2,923	(218)	1,441.90
Provision for taxation	(837)	(1,043)	(19.75)
Profit/(loss) after taxation	2,086	(1,261)	265.42
Information per N1.00 ordinary share			
Earning per share (Naira)	0.010	(0.01)	265.42
Net assets per share (Naira)	1.02	1.00	1.99

REPORT OF DIRECTORS
FOR YEAR ENDED 31ST DECEMBER, 2021.

The directors have the pleasure of presenting the audited financial statements of AVA Securities Limited for the year ended 31 December 2021 which comply with the International Financial Reporting Standards (IFRS), Financial Reporting Council of Nigeria Act (FRC) and Company and Allied Matters Act (CAMA).

Legal form

AVA Securities Limited was incorporated under the Companies and Allied Matters Act 1990 as a Private Limited Liability company on 13 April, 2009. The company was formerly known as "Helix Asset Management Limited" but was changed to "Helix Securities Limited" by a special resolution on 11 April, 2016. The name was again changed to AVA Securities Limited in November 2019 after necessary regulatory approvals.

Principal activities

The principal activities of the company is brokering of financial securities on the floors of Nigerian Exchange Limited (NGX), NASD OTC and provision of other financial advisory services as specified in the regulatory guidelines issued by the NGX and Securities and Exchange Commission.

Result for the year

The reserve of the company is arrived at as follows:-

	2021	2020
	N	N
Profit/(loss) before taxation	2,922,622	2,789,930
Taxation	(797,065)	(836,979)
Profit/(loss) after taxation	2,125,557	1,952,951
Retained profit brought forward	1,391,243	(561,709)
Retained Profit /(Loss) carried forward	**3,516,800**	**1,391,243**

Directors and their interests

The directors who served during the year together with their interests in the shares of the company as recorded in the register of members for the purpose of relevant section of the Companies and Allied Matters Act (CAMA 2020) as at 31 December 2021 was as follows:

		2021	2020
Name		**Share in units**	**Share in units**
		'000	**'000**
Olukayode Fadahunsi	Chairman	-	-
Abayomi Olumuyide	Director	-	-
Samson Adekunle	Director	-	-
Temiloluwa Okurounmu	Director	-	-

None of the Directors has notified the Company for the purposes of provisions of the Companies and Allied Matters Act (CAMA 2020) of their direct or indirect interest in contracts or proposed contracts with the company either as at 31 December 2021 or as at the date of this report.

Donation

During the year, no donation was made to deserving organizations and individuals. In compliance with Section 38 (2) of the Companies and Allied Matters Act (CAMA 2020), the Company did not make any donation or gift to any political party, political association or for any political purpose during the year.

REPORT OF DIRECTORS (Cont'd)

Related party transactions
The Company also carried out businesses with other companies that have some Directors on their board, however, in line with the company policy, all business transactions were done at arm's length.

Shareholding structure
The shareholding structure of the Company as at 31 December 2021 were as follows:

	2021 000	%	2020 000	%
Prosperis Holdings Company Limited	184,500	90	-	-
Busayo Adeniyi	20,500	10	-	-
Salako Olaolu Rotimi	-	-	164,000	80
Oke Oladeji Olumide	-	-	20,500	10
Smith Hakeem	-	-	20,500	10
	205,000	**100**	**205,000**	**100**

Health, safety and welfare of employees
The company gives priority to the health and safety of its employees by ensuring that health and safety procedures are substantially complied with and maintained in its daily operations. Consequently, the affairs of the company is conducted in a safe and hygienic environment that promotes staff and third party well being. Applicable environmental and safety laws are adhered to.

Employees development and training
The company is committed to keeping employees informed as much as possible regarding the company's performance and progress through regular briefings and meetings. Their views are sought wherever practicable on matters which particularly affect them as employees.

The company believes that professional and technical expertise of its managers and staff constitutes a major asset, and investment in developing such skills continues to receive constant attention. The company's skill base has been expanding steadily with the range of training provided including short courses and these have broadened the opportunities for career development within the company.

Acquisition of own shares
The company did not purchase any of its own shares during the year.

Events after the reporting date
There have been no significant or material event after their reporting date which could have an effect on the financial statements of the company as at 31 December, 2021 which have not been adequately recognized or disclosed in the financial statements.

Governance Structure
The board comprises of directors with cognate experiences in investment banking, stock trading and capital market operations. They have definitely brought their vast experience to bear on the performance of the company and corporate governance. The management is responsible to the directors for value creation and the board leadership and direction.

The board meets regularly for effective control and monitoring of the overall direction. All the directors have access to the services of the Company Secretary and may take independent professional advice at the company's expense. The company Secretary is responsible for the board minutes and circulation as well as dealings with the Corporate Affairs Commission. This position has not changed.

Auditors

The Auditors, Joseph Dauda & Co were reappointed as the external auditors of the company in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed authoring the Directors to fix their remuneration.

BY ORDER OF THE BOARD

OLADIPO ADEWUNMI
COMPANY SECRETARY

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Companies and Allied Matters Act (CAMA 2020) requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of each financial year and its profit or loss. In preparing these accounts, the directors are required to:

• Keep proper accounting records that disclose with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act;

• Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and prepare its financial statements using suitable policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The directors accept responsibility for the financial statements which have been prepared using International Financial Reporting Standards supported by reasonable and prudent judgments and estimates in conformity with the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the financial affairs of the company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the notice of the directors to assume that the company will not remain in business for at least the next twelve months from the date of this statement.

The directors are required by the Companies and Allied Matters Act to maintain adequate accounting records to enable the company to satisfy all reporting requirements applicable to it and provide for the proper conduct of a review. The accounting records required to be kept by the Act and this regulation must be kept in such a manner as to provide adequate precautions against theft, loss or intentional or accidental damage or destruction, falsification, to facilitate the discovery of any falsification and to comply with any other applicable law dealing with accounting records, access to information, or confidentiality. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgments and estimates.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

KAYODE OLARINDE
Managing Director

OLUKAYODE FADAHUNSI
Chairman

JOSEPH DAUDA & CO.
CHARTERED ACCOUNTANTS
52, OGUNNUSI ROAD, OJODU IKEJA, LAGOS.
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E-mail: joseph_dauda123@yahoo.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVA SECURITIES LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021.

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of AVA Securities Limited for the year ended 31 December, 2021. The financial statements comprise the Statements of Financial Position as at 31 December, 2021, and the Statement of Profit or Loss and other comprehensive income, Statement of Changes in Equity and Statement of Cashflows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out in the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011 and the Securities and Exchange Commission Act, relevant Guidelines and Circulars.

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements.

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

We also provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with Board of Directors, 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
In compliance with the requirements of Companies and Allied Matters Act (CAMA 2020), we confirm that:

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

The company did not contravene any guideline or circular of Nigerian Exchange Limited (NGX) during the year, and therefore, did not pay any fine or penalty during the year. The audited financial statements for the year ended 31 December, 2021 was approved by the Board of Directors of the company.

Adesoji Adedeji
FRC/2021/004/00000024526
For: Joseph Dauda & Co.
(Chartered Accountants)
Lagos, Nigeria.
31st January, 2022

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2021.

	Note	2021 N	2020 N
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	244,514,697	202,208,905
Clients' Funds	7	18,300,089	8,803,971
Other Investment		-	525,660
Other Assets	8	2,580,245	1,281,316
Statutory Deposit		-	1,000,000
Quoted Investments	9	20,315,592	
		285,710,623	**213,819,853**
Non-Current Assets			
Property, Plant and Equipment	5	999,005	2,692,000
Intangible Assets	6	39	984,636
TOTAL ASSETS		**286,709,667**	**217,496,489**
LIABILITIES			
Payable to Clients	10	39,446,151	7,546,285
Other Payables	11	36,650,725	2,260,041
Taxation		2,095,992	1,298,921
TOTAL LIABILITIES		**78,192,868**	**11,105,247**
EQUITY			
Ordinary Share capital	12	205,000,000	205,000,000
Retained Earnings		3,516,799	1,391,242
TOTAL EQUITY		**208,516,799**	**206,391,242**
TOTAL EQUITY AND LIABILITIES		**286,709,667**	**217,496,489**

Signed on behalf of the Board of Directors on January 31, 2022 by:

KAYODE OLARINDE
Managing Director

OLUKAYODE FADAHUNSI
Chairman

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31ST DECEMBER, 2021.

	Note	2021	2020
		N	N
Commission Income	13	32,334,565	17,197,116
Commission expenses		(615,618)	-
Net fee and commission income		31,718,947	17,197,116
Interest Income	15	8,097,363	11,044,350
Interest Expense	15	-	(1,302,719)
Other Income	14	106,500	-
Net Income		**39,922,810**	**26,938,747**
Personnel expenses	16	(6,265,703)	(7,989,032)
Depreciation and amortisation	5&6	(3,719,585)	(4,812,197)
Other operating expensees	17	(27,014,900)	(11,347,587)
		(37,000,188)	**(24,148,816)**
Profit before income tax		**2,922,622**	**2,789,930**
Income tax expense		(797,065)	(836,979)
Profit/(loss) for the year after tax		**2,125,557**	**1,952,951**
Other comprehensive income		-	-
Profit/(loss) for the year and total			
Comprehensive income		**2,125,557**	**1,952,951**
Earnings per share			
Profit per share (Kobo)		**0.01**	**0.01**

The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR END 31ST DECEMBER, 2021.

	Share Capital	Retained Earnings	Total
	N	N	N
Balance at 1 January, 2021	**205,000,000**	**1,391,242**	**206,391,242**
Transaction with owners recognised directly in equity			
Issue of share capital	-	-	-
Total transactions with owners of the company	**205,000,000**	**1,391,242**	**206,391,242**
Comprehensive income for the year			
Profit for the year	-	2,125,557	2,125,557
Dividend Paid		-	-
Other comprehensive income:	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**2,125,557**	**2,125,557**
Balance at 31 December, 2021	205,000,000	3,516,799	208,516,799

STATEMENT OF CASH FLOW
FOR THE YEAR END 31ST DECEMBER, 2021.

	Note	2021	2020
		N	N
Cash flow from operating activities			
Profit/(Loss) before tax		2,922,622	2,789,930
Adjustment for items not involving movement of funds			
Depreciation	5	2,734,988	3,499,346
Amortization of Intangible Assets	6	984,597	1,312,851
Operating profit/(loss) before changes in operating assets		**6,642,207**	**7,602,127**
Working capital changes			
Decrease/(increase) in other assets		(1,298,929)	9,351,877
Decrease/(increase) in other investments		525,660	-
Decrease/(increase) in Statutory Deposits		1,000,000	-
Decrease/(increase) in Quoted Investments		(20,315,592)	-
Change in payables to clients		31,899,865	(3,776,030)
Change in other payables		34,390,685	(150,332,693)
Net cash flow from operating activities		**52,843,897**	**(137,144,719)**
Cash flow from investing activities			
Purchase of fixed assets		(1,041,993)	-
Purchase of investment properties		-	-
Net cash flow from investing activities		(1,041,993)	-
Cash flow from financing activities			
Proceeds from Deposit for shares		-	(15,102,375)
Prior Year Adjustment		6	-
Tax Paid		-	(581,403)
Net cash flow from financing activities		6	(15,683,778)
Net Cash Flow		**51,801,910**	**(152,828,497)**
Cash and cash equivalent at the beginning of the year		211,012,876	363,841,373
Cash and cash equivalent at the end of the year		**262,814,786**	**211,012,876**
Cash and Cash Equivalent Consists of:			
Cash at Banks		244,514,697	202,208,905
Clients Fund		18,300,089	8,803,971
	7	**262,814,786**	**211,012,876**

The accompanying notes and schedules form an intergral partof these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR END 31ST DECEMBER, 2021.

1 Reporting entity
AVA Securities Limited was incorporated on 13 April, 2009 as an asset management company. Sequel to a Special Resolution by the board of directors and receipt of a broking license from the Nigerian Exchange Limited (NGX), changed its name to Helix Securities Limited and primarily engages in brokering of financial securities on the floors of NGX and NASD OTC. The company again changed its name to AVA Securities Limited in November 2019 after necessary regulatory approvals.

2 Statement regarding status of compliance with IFRSs
The Company's financial statements for the year ended 31 December, 2021 are prepared in accordance with IFRS. The Company's financial statements are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these statements.

2.1 Basis of preparation
The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Directors believe the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly.
The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.
The principal accounting policies are set out below:

2.2 IFRS Presentation
These financial statements which represent the Company's results and financial position were prepared in accordance with International Financial Reporting Standards ("IFRS").
The accounting policies have been applied consistently to all periods presented in the financial statements .

3 Summary of significant accounting policies
3.1 Going Concern
The financial statements have been prepared in accordance with the going concern principle under historical cost convention except otherwise stated.

3.2 Property, plant and equipment

All property, plant and equipment are stated at historical costs less depreciation, historical cost includes expenditure that is directly attributable to the acquisition of the items.

Repairs and maintenance are written off as and when incurred but major overhaul expenditure is capitalised and depreciated over the remaining lives of the property, plant and equipments.

Depreciation is calculated using the straight line method to allocate their cost or revalued amounts to their residual value estimated useful lives, as follows:

Plant and Machinery	20%
Office Equipment	20%
Furniture and Fittings	20%
Computer Equipment	20%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and difference (impairment loss) is recorded as expense in profit or loss.

Gains and losses on disposal of property, plant and equipment are determined by the difference between the sales proceeds and carrying amount of the asset. These gains and losses are included in profit or loss.

3.3 Foreign currency translation

For the purpose of these financial statements, the results and financial position of the Company are expressed in Naira, which is the functional currency of the Company, and the presentation currency for the financial statements.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates Naira (‘₦’).

3.4 Taxation

Tax expense

Tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss, except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

3.4.1 Current income tax

Income tax payable is calculated on the basis of the applicable tax laws currently in force in Nigeria and is recognised as an expense for the period and adjustments to past years, except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on available-for-sale investment). Where the Company has tax losses that can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the statement of financial position. The Company evaluates positions stated in tax returns ensuring information disclosed is in agreement with the underlying tax liability, which has been adequately provided for in the financial statements.

SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Cont'd)

3.4.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.5 Financial instruments

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

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

3.5.1 Financial assets

The Company's financial assets are classified into available for sale (AFS) and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3.5.1a Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.
For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3.6 Financial liabilities and equity instruments

3.6.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as

3.6.2 Financial liabilities
Financial liabilities are classified as 'other financial liabilities'.

3.7 Critical accounting judgments and key sources of estimation uncertainty
In the application of the Company's accounting policies, which are described in note (2.1), the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3.8 Critical judgments in applying the Company's accounting policies
The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

3.9 Review of the useful lives of tangible assets
Based on management judgment, the useful lives of tangible assets remain constant during the reporting period.

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

3.10.1 Valuation of financial liabilities
Financial liabilities have been measured at amortised cost in line with the provisions of IAS 39. The effective interest rate used in determining the amortised cost of the financial liabilities also allows for the use of contractual Cashflow in instances where the expected Cashflow cannot be reliably estimated. However, the effective interest rate has been determined to be the rate that effectively discounts all the future contractual Cashflow on the loans including processing, management fees and other fees that are incidental to the different loan transactions.

3.11 Dividends
Dividends on ordinary shares are recognised in the statement of changes in equity when paid, while proposed dividend is disclosed in the notes to the financial statements.

3.12 Receivables
The receivables are stated after making adequate specific provision in respect of debts considered to be doubtful of recovery.

3.13 Pension scheme
The company in line with the provisions of the Pension Reform Act, 2014 has instituted a defined contribution pension scheme for its employees. The employees contribute 8% of the pensionable emoluments. Company's contribution which is charged to the statement of profit or loss is 10% of the employees total pensionable emoluments.

SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Cont'd)

3.14 Related parties

For the purposes of these financial statements, a party is considered to be related to the company if,

(i) directly, or indirectly related through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company, has an interest in the company that gives it significant influence over the company, or has joint control over the company;
(ii) the party is an associate of the company;
(iii) the party is a member of the key management personnel of the company or its parent;
(iv) the party is a close member of the family of any individual referred to in (a) or (c);
(v) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or
(vi) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable or received for services provided and goods delivered, net of discounts and Value added taxation (VAT) and where there is reasonable expectation that the income will be received and all attaching conditions will be complied with.

a) Services

Revenue from services is recognised when all the following conditions have been satisfied:

- the company has delivered the services to the customers and the customer has accepted the services together with the risks and rewards ;
- the amount of revenue can be measured reliably;
- receipt of the future economic benefits is probable;
- costs relating to the transaction can be measured reliably.

Revenue comprises net invoiced to customers including VAT and other non-operating income.

b) Revenue

The following conditions are considered in recognising revenue of construction contracts:

When the outcome of a transaction involving the rendering of services can be estimated reliable, revenue associated with the reference to the stage of completion of the transaction at the Statement of Financial Position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the Statement of Financial Position date can be measured reliably;
- the costs incurred for the transaction and the cost to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

3.16 Finance income and finance costs

3.16.1 Finance Income

Finance income comprises interest income on funds invested, dividend income and changes in the fair value of financial' assets at fair value through profit or loss where the Company holds such financial assets. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that Company's right to receive payment is established.

3.16.2 Finance Costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, banking charges, changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets and impairment losses recognized on financial assets (other than trade receivables).

3.16.3 Interest income

Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within 'investment income 'and 'finance costs' in the income statement using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument.

Interest income is recognized in the statement of profit or loss, using the effective interest rate method, and taking into account the expected timing and amount of cash flows. Interest income includes the amortization of any discounts or premiums or other difference between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on an effective interest rate method.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

3.16.4 Dividend Income

Dividend income is recognized as earned when the quoted price of the related security is adjusted to reflect the value of the dividend and is stated net of withholding tax. Scrip dividend is recognized on the basis of the market value of the shares on the date they are quoted.

3.17 Administration and management expenses

Administration expenses are operating expenses. They are accounted for on an accrual basis. This includes auditors' remuneration, salaries and wages, transportation, fuel and diesel, repairs and maintenance, information technology expenses and other expenses not separately disclosed.

3.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data 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 year, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

3.19 Provisions, contingent liabilities and contingent assets

3.19.1 Provisions

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

3.19.2 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has a present obligation as a result of past event. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liabilty is not likely to occur. Contingent liabilities are disclosed in the financial statement when they arise.

3.19.3 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised but are disclosed in the financial statement when they arise.

3.20 Segment reporting

Segment Reporting requires that all entities that carry on different classes of business or operates in different geographical areas that is subject to risk and returns that are different from those of the other classes of business carried on by the entity should report their financial results in segment.

The company carries out all its operations from one central point and does not have a reportable segment that meets the requirements of IFRS 8 Operating Segment

3.21 Off-statement of financial positions transactions

Events and transactions which do not pose direct risks on assets and liability of the company are not reported on the face of the statement of financial position. Instead, they are disclosed in the notes to the financial statements.

3.22 Disclosures

In order to enhance better understanding and economic decisions of users, adequate disclosures have been made in the financial statements where necessary.

4 Financial Risk Management

4.1 Introduction

AVA Securities Limited uses its financial skills to provide competitive brokerage services to a broad range of customers - local and foreign.

Risk management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long term value proposition

Key elements of risk management are:

Strong corporate governance including relevant and reliable management information and internal control processes;

Ensuring significant and relevant skills and services are available consistently to the company;

Influencing the business and environment by being active paticipants in the relevant regulatory and business forum; and

Keeping abreast of technology and consumer trends and investing capital and resources where required

The overall company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of trades.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

4.2 Significant risks

The company has exposure to significant risks that are categorised as follows:

a. Regulatory (capital adequacy, legal, accounting and taxation);
b. Business environment (reputation and strategic);
c. Operational (people, information technology and internal control processes);
d. Market (equity prices, interest rate and currency);
e. Liquidity; and
f. Concentration.

4.3 Detailed discussion of significant risks

4.3.1a Regulatory risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry regulations that pertain to the business of the company. In order to manage this risk, the company is an active participant in the industry and preferred bodies such as The Nigerian Exchange Limited, NASD OTC and Securities and Exchange Commission and engages in discussions with policy makers and regulators.

4.3.1b Regulatory capital risk

Regulatory capital risk is the risk that the company does not have sufficient capital to meet either minimum regulatory or internal amounts. The Securities and Exchange Commission determines and monitors capital requirements for the company to protect its clients and counterparties. The company is required to maintain a prescribed minimum level of risk-adjusted capital of N200 million (Two Hundred Million Naira only) calculated in accordance with such requirements as Securities and Exchange Commission may from time to time prescribe.

The company objectives in managing capital are:

To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for the shareholder and benefits for other stakeholders, and

To provide an adequate return to the shareholder commensurately with the level of risk.

The table summarises the minimum required capital and the regulatory capital held. The current year is, in general, an estimate that is updated once calculations prepared for the regulations are final

	2021
Regulatory minimum capital requirement	200,000,000
Actual qualifying capital	208,516,799
Actual capital ratio (times)	1.04

SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Cont'd)

4.3.1 c Legal risk
Legal risk is the risk that the company will be exposed to contractual or legal obligations.

The company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract. Independent legal resources review all significant contracted claims and amounts. These are provided for if there is consensus as to any possible exposure. The directors are not aware of any significant obligation not provided for.

4.3.1 d Taxation risk
Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products. Taxation risk occurs in the following key areas:
Transactional risk;
Operational risk;
Compliance risk; and
Financial accounting risk.

4.3.1e Transactional risk
The risk that concerns specific transactions entered into by the company, including restructuring projects and reorganisations.

4.3.1f Operational risk
The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

4.3.1g Compliance risk
The risk associated with meeting the company's statutory obligations.

4.3.1h Financial accounting risk
The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning. In managing the company's taxation risk, the company tax policy is as follows:

The company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax laws include all responsibilities that the company may have in relation to company taxes, personal taxes, and capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:
- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;

- The company continually reviews its existing operations and planned operations in this context, and

- The company ensures that, where clients participate in company products, these clients are either aware of the probable tax consequences, or are advised to consult with independent professionals to assess these consequences, or both.

- The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

4.3.2 Accounting risk

Accounting risk is the risk that the company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting systems and to have proper accounting policies;
- Establish proper internal accounting controls;
- Prepare periodic financial statements that reflect an accurate financial position; and
- Be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems,books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the company Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately reflecting the financial position, results and cash flows of the company.

4.3.3 Business Environment

4.3.3.1 Reputational risk

Reputational risk is the risk of loss caused by a decline in the reputation of the company or any of its specific business units from the perspective of its stakeholders - shareholder, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk. The company has seen a reduction in the number of customer complaints as quality, and not only quantity, becomes an increasing focus. Client expectations regarding investment performance are managed by regular communication and on going reviews.

4.3.3.2 Strategic risk

Strategic risk is the risk of an unexpected negative change in the company value, arising from the adverse effect of executive decisions on both business strategies and their implementation.

This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business unit.

Company risk identifies and assesses both these risks qualitatively as part of a quarterly evaluation. On the basis of theis evaluation, company risk creates an overview of local and global risks which also include reputational risks, analyses the risk profile of company and regularly informs directors and management.

4.3.3.3 Operational risk

Operational risk is the risk of direct or indirect loss resulting fro inadequate or failed internal processes, people and systems or from external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. Management and executive review the controls of the accounts and systems, electronics and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

4.3.3.4 Market risk
Market risk includes assets liability matching risk, currency risk, interest rate risk and equity price rice risk.

4.3.3.5 Assets liability matching risk
Assets liability mismatches and market risks are assessed by means of a number of stress tests each designed to examine a different component of market and mismatch risk. The asset liability matching and capital management committees review liquidity requirements cash resources on a monthly basis.

The company's assets are relatively liquid with listed equities, bonds and cash being easily realisable.

The company is exposed to market risk through its financial asset and liabilities. The most important components of this risk are interest rate risk, market price risk and currency risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

4.3.3.6 Interest rate and market price risk
These risks have different impacts on the various categories of business used in the company's assets and liabilities management framework. Interest rate and market price risks have been discussed together since they interact on certain types of liabilities.

4.3.3.7 Interest rate risk
Interst rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

The following investments and liabilities, which are held at fair value, will be directly impacted by changes in market interest rates.

Accounts receivable and accounts payable where settlement is expected within 30 days are not included in the analysis below, since the effect of interest rate risk on these balances is not considered material given the short-term duration of these underlying cash flows. The majority of financial instruments subject to interest rate risk are allocated to match liabilities.

4.3.3.8 Equity price risk
Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.
Investments in all equities and mutual funds are valued at fair value and are therefore susceptible to market fluctuations.

4.3.3.9 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the company is exposed to credit risk are:
- Certain classes of financial assets such as bonds, term deposits and cash and cash equivalents; and
- Certain accounts within trade and other receivables.

4.3.3.10 Liquidity risk

Liquidity risk ia the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

AVA Securities Limited is a registered financial service company and is required to hold minimum liquid capital. The Nigerian Stock Exchange and Securities Exchange Commission are the regulatory authorities that regularly review compliance with these minimum capital requirements.

Maturity profiles of the company's financial instrument liabilities

The table below summarizes the maturity profile of the financial liabilities of the company based on the remaining undiscounted contractual obligations.

	2021	2020
	N	N
Cash and cash equivalents		
Cash at bank and on hand	26,208,234	540,881
Cash in operations account	13,380,769	397,653
Funds in Placement	204,925,694	201,270,371
Cash and cash equivalents	244,514,697	202,208,905
Cash and cash equivalents in the statement of cash flows	**244,514,697**	**202,208,905**

5 Property, Plant and Equipment

	Furnitures & Fittings	Computer Equipment	Plant & Machinery	Office Equipment	Total
Cost	N	N	N	N	N'000
As at 1 January, 2021	7,635,967	1,751,500	3,280,000	4,829,263	17,496,730
Additions during the year	1,041,993	-	-	-	1,041,993
As at 31 December, 2021	8,677,960	1,751,500	3,280,000	4,829,263	18,538,723
Depreciation					
As at 1 January, 2021	6,516,743	1,483,442	2,788,001	4,016,544	14,804,730
Charge for the year	1,162,242	268,048	491,989	812,709	2,734,988
As at 31 December, 2021	7,678,985	1,751,490	3,279,990	4,829,253	17,539,718
Carrying Amount					
At 31 December, 2021	**998,975**	**10**	**10**	**10**	**999,005**
At 31 December, 2020	**1,119,224**	**268,058**	**491,999**	**812,719**	**2,692,000**

SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Cont'd)

6 Intangible Assets

	Trading Rights	Accounting Software in Brokerage	Website Develop-ment	Peachtree Accounting Software	Total
Cost	**N**	**N**	**N**	**N**	**N'000**
As at 1 January, 2021	1,800,000	4,289,250	320,000	155,000	6,564,250
Additions during the year	-	-	-	-	-
As at 31 December, 2021	1,800,000	4,289,250	320,000	155,000	6,564,250
Depreciation					
As at 1 January, 2021	1,530,000	3,645,864	272,000	131,750	5,579,614
Charge for the year	269,990	643,377	47,990	23,240	984,597
As at 31 December, 2021	1,799,990	4,289,241	319,990	154,990	6,564,211
Carrying Amount					
At 31 December, 2021	**10**	**9**	**10**	**10**	**39**
At 31 December, 2020	**270,000**	**643,386**	**48,000**	**23,250**	**984,636**

		2021	2020
		N	**N**
7	**Cash and Cash Equivalents**		
	Cash in hand	-	-
	Trading accounts	26,208,234	540,881
	Cash in operations account	13,380,769	397,653
	Funds in placement	204,925,694	201,270,371
	Client Fund	18,300,089	8,803,971
		262,814,786	**211,012,876**
8	**Other Assets**		
	Commission Receivable	-	111,887
	Receivable from Customers	271,237	-
	Receivable from non-customers	-	583,341
	Prepayment-Remote connectivity	389,688	389,937
	Prepayment - Simplus Software Acquisition Cost	1,725,137	-
	CSCS Eligibility Fee	44,793	44,793
	Website Upgrade/ Retainership Agreement	250	-
	SEC Fee	-	2,171
	CSCS Fee	-	47
	Other Receivable	149,140	149,140
		2,580,245	**1,281,316**
9	**Quoted Investment**	**20,315,592**	**-**

This represents the value of the Nigerian Exchange Group Plc (NGX Plc) shares isued to the company sequel to demutualisation of Nigerian Stock Exchange in 2020. The company was issued 6,007,884 units of shares.

		2021	2020
		N	**N**
10	**Payable to Clients**		
	Clients accounts	31,346,151	6,766,285
	Payable to non-customers	8,100,000	-
	Other Payable Accounts	-	780,000
		39,446,151	**7,546,285**
11	**Other Payables**		
	Accrued Audit Fees	350,000	300,000
	Stamp Duty	618,264	618,264
	FIX Control Account	-	16,898
	Legacy Pensions Limited	-	2,294
	VAT	707,870	229,810
	Pension Contribution Payable	-	702,694
	PAYE Payable	-	390,080
	Group Shared Cost Payable	14,659,000	-
	Shareholders Payable	20,315,592	-
		36,650,725	2,260,041
12	**Share Capital**		
	Authorized Share Capital		
	310,000,000 ordinary shares of N1 each	310,000,000	310,000,000
	Issued & Fully Paid Share Capital		
	205,000,000 Ordinary Shares of N1 each	205,000,000	205,000,000
13	**Fee and commission incomes**		
	Brokerage Commission on Shares	10,919,089	7,481,748
	Brokerage Commission on Bonds	17,815,476	9,715,368
	Other Fixed Income	3,600,000	-
		32,334,565	**17,197,116**
14	**Other operating incomes**		
	Verification Charges	106,500	-
		106,500	**-**
15	**Net Interest Incomes/expenses**		
	Interest Income Comprises		
	Interest on Fixed Placements	4,596,695	9,664,331
	Other Interest Income	3,500,668	1,380,019
		8,097,363	11,044,350
	Interest Expense Comprises		
	Interest Expense	-	1,302,719
	Net interest income/(expense)	**8,097,363**	**9,741,630**

SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Cont'd)

		2021	2020
		N	N
16	**Personnel Expenses**		
	Salary and Wages	6,265,703	7,989,032
		6,265,703	7,989,032
	Average number of personnel employed (including directors):		
	Directors	1	1
	Management	1	1
	Others	6	6
		8	**8**

17	**Other Operating Expenses**		
	Transport and travelling	5,690,835	1,690,069
	Rent and Rates	952,835	702,841
	Regulatory Expenses	1,005,500	473,542
	Professional Fees -Legal	46,000	-
	Diesel Cost	2,088,908	-
	Software Acquisition Cost	1,725,137	4,061,250
	Printing & Stationeries	738,065	21,800
	Bank Charges	1,046,814	944,362
	Training Expenses	2,649,940	-
	Subscriptions and Periodicals	1,276,350	74,500
	Insurance	393,102	138,599
	Computer Expenses	2,745,250	512,308
	FIX NET Connectivity - NSE	-	458,563
	X-NET NSE	467,625	-
	FIX Connectivity Infoware	430,000	-
	ASHON	275,250	-
	NASD Dues and Fees	158,000	504,442
	CIS Staff membership dues	-	427,917
	CSCS Eligibility Fee	155,388	102,894
	NSE Annual subscription	-	330,750
	Software annual licence support	492,375	603,750
	Audit Fees	350,000	300,000
	Cleaning and Office Supplies	637,667	-
	Electricity and Water	219,885	-
	Medicals	732,950	-
	Motor Running Expenses	538,176	-
	Repairs and Maintenance	1,099,425	-
	Telephone and Internet	1,099,425	-
	Total other operating expenses	**27,014,900**	**11,347,587**

18 Contingent liabilities

There are no contingent liabilities as at 31 December, 2021 (2020:nil)

19 Related party transactions

Parties considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions

There is no related party transaction during the year.

20 Events after the reporting period

No material transactions occurred after 31 December, 2021 requiring disclosure in or adjustment to the annual financial statements for the year ended 31 December, 2021.

STATEMENT OF VALUE ADDED
FOR YEAR ENDED 31ST DECEMBER, 2021.

	2021		2020	
	N'000	**%**	**N'000**	**%**
Fee and commission income	39,922,810		26,938,747	
Net Trading income	-		-	
Less: Admin and Overhead Expenses	(27,014,900)		(11,347,587)	
Value Added	**12,907,909**	**100**	**15,591,159**	**100**
Applied as Follows:				
To pay employees				
salaries,wages and fringe benefits	6,265,703	49	7,989,032	51
To pay government				
Income tax	797,065	6	836,979	5
Education tax	-		-	
To provide for enhancement of assets and growth				
Depreciation of property,plant and equipment	3,719,585	29	4,812,197	31
Augument/(deplete) retained earning	2,125,557	16	1,952,951	13
	12,907,909	**100**	**15,591,159**	**100**

Statement of value added represents the additional wealth the company has been able to create by its own and employees efforts. This statement shows the allocation of that wealth among employees, providers of capital as well as government and that retained for future creation of more wealth.

FIVE YEARS FINANCIAL SUMMARY | FINANCIAL POSITION

	2021	2020	2019	2018	2017
	N	N	N	N	N
Assets					
Cash and cash equivalents	262,814,786	211,012,876	363,841,373	203,011,672	140,234,960
License Fees	-	-	-	-	25,525,000
Other Investment	-	525,660	525,660	525,660	719,750
Other Assets	2,580,245	1,281,316	10,633,193	5,249,165	3,911,717
Statutory Deposit	-	1,000,000	1,000,000	1,000,000	1,000,000
Property, plant and equipment	999,005	2,692,000	6,191,346	9,690,692	41,353,164
Intangible Assets	39	984,636	2,297,487	3,610,337	4,953,187
	266,394,075	217,496,489	384,489,059	223,087,526	217,667,778
Equity					
Share capital	205,000,000	205,000,000	205,000,000	205,000,000	205,000,000
Reserves	-	561,709	699,433	9,433,595	20,743,179
Retained earnings	3,516,799	1,952,951	(1,261,142)	(8,734,162)	(11,309,584)
	208,516,799	206,391,242	204,438,291	205,699,433	214,433,595
Liabilities					
Payable to Clients	39,446,151	7,546,285	11,322,315	1,286,069	171,621
Other Payables	36,650,725	2,260,041	152,582,734	1,061,236	3,062,563
Deposit for shares	-	0	15,102,375	14,002,375	-
Tax Payable	2,095,992	1,298,921	1,043,344	1,298,921	-
	78,192,868	11,105,247	180,050,768	17,648,601	3,234,184
Total equity and liabilities	**286,709,667**	**217,496,489**	**384,489,060**	**223,348,034**	217,667,779

FIVE YEARS FINANCIAL SUMMARY
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCMOME

	2021	2020	2019	2018	2017
	N	N	N	N	N
Profit/(loss) before income tax	**2,922,622**	**2,789,930**	**217,798**	**(7,695,748)**	**(11,309,584)**
Income tax expense	(797,065)	(836,979)	(1,043,344)	(1,038,413)	-
Profit/(loss) for the year after tax	**2,125,557**	**1,952,951**	**(1,261,142)**	**(8,734,161)**	**(11,309,584)**
Other comprehensive income	-	-	-	-	-
Profit/(loss) for the year and total and total comprehensive income	**2,125,557**	**1,952,951**	**(1,261,142)**	**(8,734,161)**	**(11,309,584)**
Earnings per share					
Basic profit/(loss) per share (Kobo**)**	**0.010**	**0.010**	**(0.006)**	**(0.04)**	**(0.06)**

AVA Capital Group