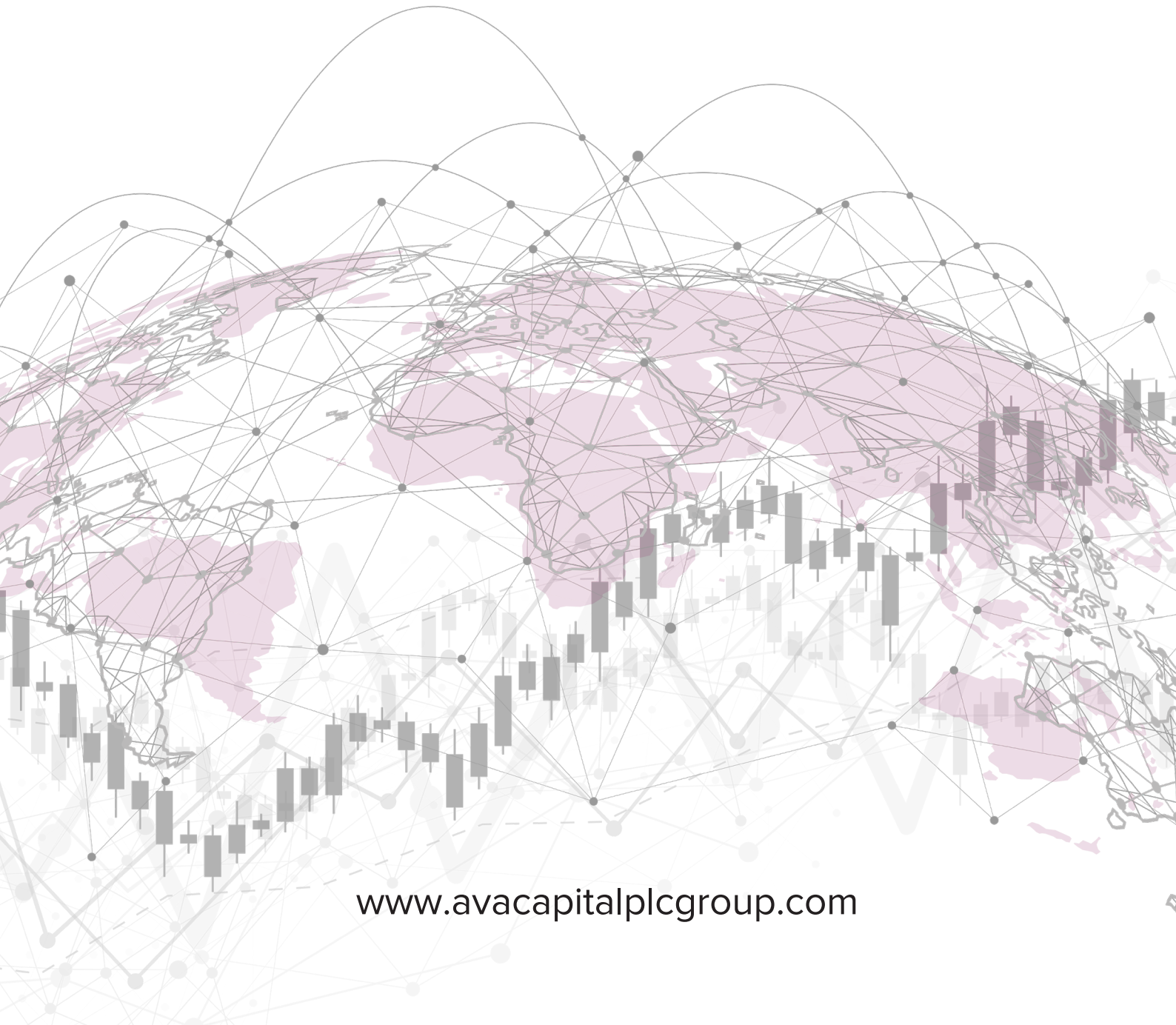




AVA
CAPITAL GROUP

Annual Report 2023



www.avacapitalplcgroup.com



Investment Banking, **Asset Management**,
Securities Trading & Trusteeship
is what we do.

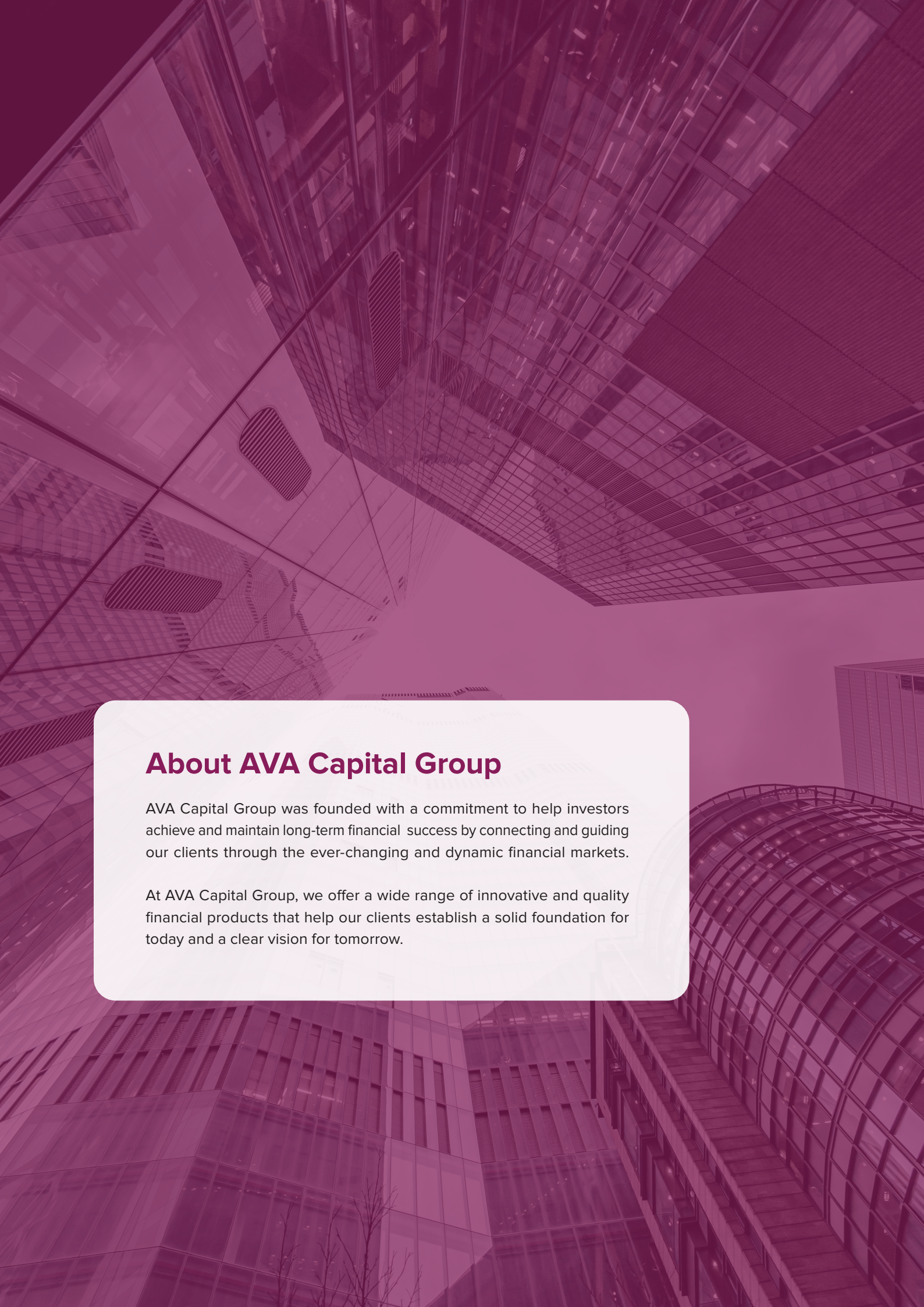


Let us help you secure what matters financially.



Call 0700-AVAGROUP

www.avacapitalgroup.com



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 and 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 4th Annual General Meeting (AGM) of the Members of AVA Capital Group will be held on the 23rd day of February, 2024 at 12noon, 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, 2023 together with the Report of the Board of Directors and Auditors' thereon;
2. To elect/re-elect Directors;
3. To elect/re-elect members of the Audit Committee;
4. To authorize the Directors to appoint and fix the Remuneration of the Auditors;
5. To disclose the Remuneration of Managers of the Company.

SPECIAL BUSINESS

6. 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 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.
2. 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.
3. 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 along with the notice of annual general meeting at the meeting.
4. 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.
5. In accordance with Section 404(6) of the Companies and Allied Matters Act, 2020 (as amended), 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 20th day of February, 2024.

Dated 31th January, 2024
By Order of the Board



OLUWATOBI IDOWU
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
- Efe Shaire: Co-CEO/Managing Director, AVA Global Asset Managers Limited
- Adedotun Adegbite: Director, AVA Capital Partners Limited
- Taiwo Okurounmu: Director, AVA Capital Partners Limited
- Olukayode Fadahunsi: Director, AVA Capital Group
- Samson Adekunle: Director, AVA Capital Group

OFFICERS & PROFESSIONAL ADVISERS

Company Secretary: Oluwatobi Idowu

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.

Vision, Mission, Purpose Statement 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 ₦45 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 variety 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.



Our Vision

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

Our Purpose

To restore hope to the petty traders by supporting them with accessible uncollateralized loans, providing financial literacy as well as subsidized fees which will enable them to actualize their potential.



Core Values

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.

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

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.



Kayode Fadahunsi
Vice Chairman

Kayode is an ardent finance professional and Chartered Stockbroker with over 23 years experience spanning Corporate Finance, Corporate Banking, Investor Relations, Strategy and Structuring, Capital Markets and Mergers and Acquisition deals. He established the Investor Relations division at UBA Plc and was responsible for all engagements with the offshore investor base and execution of all local and international roadshow engagements. Kayode has attended courses both locally and internationally centered on Mergers and Acquisitions, Capital Markets and International Finance.



Samson Adekunle
Director

Samson is a Certified Risk Analyst (CRA), Chartered Stockbroker, Authorized Dealing Clerk of the Nigerian Stock Exchange, Associate of the Chartered Institute for Securities & Investment, UK and Fellow, Global Academy of Finance and Management (GAFM®). He has over 16 years working experience in the financial services industry spanning Banking and Capital Market with core expertise in Enterprise-wide Risk Management, Business Development, Strategy, Financial Advisory, Internal Control, Treasury Management & Securities trading. He worked at United Capital Plc as the Group Head, Risk Management & Internal Control. Prior to joining United Capital Plc, Samson worked in the Risk Management Division of Guaranty Trust Bank for almost 10 years.



Dotun Adegbite
Director

Dotun brings in his over 16 years of experience in Corporate Finance, Investor Relations, Strategy and Capital Markets as a Director in AVA Capital Group. He has a track record in providing capital raising and advisory services for organizations in the power and energy sectors. He started his career in consulting and rose to the position of Manager in KPMG and has led a number of teams that closed high-value deals across telecommunications, consumer markets and FMCG industries. He has also led a team that acted as key transaction party to over ten sub-sovereign bond issuances by Nigerian State Governments. Dotun holds the CFA charter, an MBA in Finance from the University of Leicester and a BSc in Building from Obafemi Awolowo University.

Board of Directors



Taiwo Okunrounu
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.



Efe Shaire
Co-CEO

Mr. Shaire is an entrepreneurial executive with extensive C-suite exposure and a proven track record helping clients achieve corporate and capital market objectives effectively. He is an experienced leader with demonstrable success leading international and multi-disciplinary teams encompassing clients, advisors, and other internal/external stakeholders to deliver both financial and non-financial goals. Mr. Shaire has over 19 years of professional experience spanning investment banking and capital markets and has led teams and executed transactions across Nigeria, East and Southern Africa. He holds a B.Sc. in Biochemistry and is a Chartered Financial Analyst Institute charter holder.



Kayode Falasinnu
CEO

Mr Falasinnu has over 18 years commercial banking and investment banking/capital market experience on both public and private sector transactions.

He began his career in commercial banking with Guaranty Trust Bank. He worked in Corporate Finance and Investment Banking with BGL Plc and then Kedari Capital.

He was also Managing Director of Boston Advisory Ltd. Kayode holds a B.Sc. Degree in Economics from University of Lagos and an MBA, from ESADE Business School, Barcelona.

CHAIRMAN'S STATEMENT



Dr. Adedeji Adeyinka
Chairman,
AVA Capital Group

Dear Esteemed Shareholders,

I am delighted to extend a warm welcome to each of you to the 2024 Annual General Meeting of AVA Capital Group. Today, we will review the notable progress and achievements attained as a Group in the 2023 financial year. In addition, I will provide an overview of the financial statements of all subsidiaries within the Group for the year ended 31st December 2023, and in summary, outline the future trajectory of our esteemed Company.

The Economic and Business Development

In the global economic space, the world continued on its resilient trajectory for post-pandemic growth amidst continued geo-political

tensions between Russia and Ukraine which led to a disruption in the supply chain and a consequent spike in food and energy prices. The aftereffects of the Russia-Ukraine war led to a spike in global inflation pressure which saw monetary authorities around the world take to a hawkish stance to reel in inflation within the boundaries of their expected target. I will be giving a more in-depth analysis of these events that shaped the global economy in 2023.

The global economy was on its path to recovery from the COVID-19 pandemic that ravaged the world in 2020, spurred also by the re-opening of the China economy following their stringent COVID-19 policies. With China's re-opening, global economic growth was geared to rebound primarily due to the Asian economy being a

source of global demand. However, the impacts of the Russian-Ukraine conflict triggered a massive shock to the global economy which led to a disruption in the global supply chain and consequently an uptick in food and energy prices buoyed by sanctions on Russia. Effects from the global supply chain disruptions sent the global inflationary pressure upwards as most economies saw their inflation rates reach multi-decade heights.

In response to the escalation of global inflationary pressure, central banks worldwide adopted a hawkish approach by raising their interest rates in alignment with the surge in their respective inflation rates. Countries like the US through its Federal Reserves raised its Monetary Policy Rate (MPR) multiple times during the year in efforts to combat inflation. The persistent uptick in the price of goods and services eroded the purchasing power of most consumers which weakened global demand and slowed down global economic growth.

Conflicts between Israel and Hamas escalated in October 2023, which raised geo-political tensions in the Middle East. Impacts from the ongoing war are likely to cause a halt to the recovery of the global economy, as inflation pressure is reinforced and monetary authorities resume a hawkish position to anchor in the inflation rates. In the short run, impacts from the war are yet to materialise, however, there is mounting anxiety that if the war is not curtailed it could cast a shadow on the recovery of the global economy in the long run.

In the local landscape, the country encountered a challenging situation early in the year 2023 owing to announcements by the CBN to phase out the old ₦200, ₦500 and ₦1000 notes for re-designed new notes. This led to the Cash Crunch otherwise known as scarcity of the Naira, which was a situation where citizens of the country could not access the money in their respective bank accounts. The policy by the CBN was expected to transition the economy into a cashless economy and also mop up excess cash outside the banking

system. Although the policy was targeted at improving the financial environment of the country, it however caused a depression in the economic activity of the country which further dampened the economic growth of the country in the first quarter of the year.

Following the conclusion of the 2023 general elections, the Tinubu-led administration announced the removal of the crude oil subsidy during his swearing-in ceremony. The amount allocated for subsidy was to be reallocated into financing public infrastructure projects across the country. However, the sudden policy which was to take effect immediately pushed transportation costs upwards and caused an uptick in food prices. With the soaring global inflation, Nigeria's headline inflation rate also scaled upwards fuelled by the surge in food prices. The CBN through its Monetary Policy Committee (MPC) took a hawkish position in combating the inflation rate by raising the Monetary Policy Rate (MPR) by 225 basis points in total in the year 2023.

During the year, the CBN announced the collapse of all foreign exchange segments into the Investor and Exporters (I&E) window now known as the Nigerian Autonomous Foreign Exchange Market (NAFEM). Also, the re-introduction of the "Willing Buyer, Willing Seller" model will allow the local exchange rate to be determined by the forces of demand and supply. This move was undertaken by the CBN in an attempt to bring transparency to the operations in the Nigerian FX market. However, since the announcement, the domestic currency has continuously recorded a dip against other foreign currencies, particularly the dollar to close the year at \$1/ ₦907.11. The decline in foreign reserves attributed to weak foreign earnings may have further depressed the country's currency as demand by citizens was unmet. Despite the aforementioned, the Nigerian GDP recorded a growth of 2.54% in Q3 2023 which was driven by a 52.70% contribution from the service sector to the aggregate GDP.

Below is a brief snapshot of the financial performance of all our subsidiaries for the year ended 2023.

AVA Capital Partners Limited (AVA Capital)

- AVA Capital recorded growth in its gross earnings, which increased by 27.16% year-on-year to close the year at ₦251.39 million.
- Shareholder's fund increased by 94.17% to ₦1.05 billion to close the year under review.

AVA Global Asset Managers Limited (AVA GAM)

- AVA GAM continued on its upward trend by recording a surge in fee income by 155.30% to end the year at ₦305.56 million. This was extended into its profit before tax which gained by 65.60% to close at ₦78.39 million.
- Shareholder's fund increased by 4.98% to ₦1.12 billion as a result of increase in retained earnings.

AVA Securities Limited (AVA SEC)

- AVA SEC continued on its positive momentum to post an increase in its commission income which expanded by 126.20% to end the year at ₦124.95 million. Similarly, the company showed an increase in its profit before tax which scaled up to ₦15.38 million compared to ₦2.16 million the year before.
- Shareholder's fund increased enormously by 155.66% to ₦537.63 million.

AVA Trustees Limited (AVA Trustees)

- AVA Trustees' financial performance was reinforced as the fee and commission income minutely inched upwards by 3.50% to ₦64.23 million, resulting to an increase in profit before tax to ₦27.48 million.
- Shareholder's fund jumped up by 236.59% to ₦1.02 billion due to further capitalization by shareholders.

Dividends

The company shall not be declaring a dividend at this year's AGM.

Looking Ahead into 2024

The year 2023 was marked with daunting events that posed some challenges to the Nigerian business environment, however, the Group was able to surmount such hurdles due to the support of you our distinguished shareholders, our exceptional executive management and the resilient work force. We look forward to surpassing the feats achieved in 2023 by utilizing innovation and creativity in our business process, taking strategic decisions and implementing top notch services to our clientele in the new year.

I want to take a moment to appreciate everyone present in today's meeting. I humbly ask that you continue to give us your immense contributions and loyalty, and wish us all a prosperous year ahead.



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With a clear vision,
you will arrive at your
defined destination.



GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT



Kayode Falasinnu
CEO,
AVA Capital Group

Dear Stakeholders,

I am delighted to present to you the annual report for AVA Capital Group for the year 2023. As always, it is my privilege to address you and share the achievements, challenges, and future prospects of our group operating within the very dynamic and developing financial services sector.

AVA Capital Group has firmly established itself as a leading player in the Nigerian financial services landscape. Since our inception, we have successfully navigated through various economic challenges, displaying resilience and adaptability. The year 2023 was no exception, as we prevailed amidst the uncertainties brought about by global and local macroeconomic

factors and political changes amongst other factors.

As we all know 2023 was a year characterized by continued increase in interest rates globally as a means of combating global inflation that refused to abate significantly in 2022 as it stayed high at 6.4%. In Nigeria, inflation continued to rise significantly as a result of continued depreciation of the Naira against the dollar ultimately leading to a floating of the currency by the new leadership of the Central Bank of Nigeria and the removal of subsidies on premium motor spirit (PMS) amongst other factors.

2023 in Nigeria was a transition year in a tightly contested presidential election by 3 candidates of the major political parties and gubernatorial elections in states across the country. Hence, we had to deal with uncertainties that typically characterize an election year and figure out how to move our business forward despite the slowdown in our public sector driven engagements.

AVA Capital Group through its four (4) companies – AVA Capital Partners Limited, AVA Global Asset Managers Limited, AVA Securities Limited, and AVA Trustees Limited – set out to continue breaking boundaries in their respective markets in terms of market share, revenue growth, profitability, and a stronger clientele base whilst carving a niche for us as a financial services group with a diverse portfolio of products and services. I am glad to inform you all that our companies thrived in achieving these objectives, and I would like to extend my heartfelt appreciation to all our supportive clients, Shareholders, Board of Directors, Management, and the entire staff of AVA Capital Group for their, dedication, drive and stamina in 2023.

Looking ahead into 2024, the Group remains committed and focused on ensuring continuous improvement, sustainable growth, and adopting cutting-edge technology coupled with the 'Lean' process to ensure efficiency and effectiveness in delivering optimal results to our stakeholders.

Business Performance

AVA Capital Partners Limited

AVA Capital Partners continued to grow in 2023 as a trusted Financial Advisory and Issuing House Firm. Despite the challenging political and economic environment, the business successfully navigated the headwinds to improve its Net Revenue performance. Net Revenue for AVA Capital Partners rose to ₦251 million in 2023, showing a remarkable growth of 27% compared to ₦197 million in 2022. Profit Before Tax (PBT) also increased to ₦20.2 million, demonstrating a growth of 25% from ₦16.1 million in the previous year.

Whilst there were limited public sector transactions given that it was a transition year, we were able to successfully complete the ₦13.1Bn ZSG-SPV Company Limited Private Company Bond issuance. Of note is that we were able to retain our mandate in Zamfara State despite the change in government thus proving our apolitical positioning and our focus on value delivery to our clients. In the Private Sector, we completed several commercial paper issuances where we both served as lead advisers and joint arrangers.

In 2024 we remain confident in our ability to enhance profitability given a more stable political environment and our commitment to expanding our clientele base across both the public and private sectors through the provision of innovative solutions targeted at meeting their financial advisory and capital raising needs.

AVA Global Asset Managers Limited

AVA Global Asset Managers achieved remarkable progress in 2023. The expertise of our investment professionals, combined with a robust risk management framework, allowed us to navigate market volatility effectively. Despite the ongoing market challenges, our diverse range of investment products generated satisfying returns for our clients.

We also expanded our product offerings, introducing innovative and sustainable investment strategies aligned with the changing market dynamics. Our Assets Under Management (AUM) grew by 16% from ₦45Bn to ₦54Bn in 2023 whilst our revenue surged to an impressive ₦305 million, reflecting a striking increase of 156% compared to ₦119 million in the previous year. Also, with an outstanding Profit Before Tax (PBT) of ₦78 million, up from ₦47 million in 2022, we have successfully capitalized on market opportunities and tailored investment strategies to deliver exceptional results to our stakeholders.

Also in 2023, AVA Global Asset Managers secured the approval of the Securities and

Exchange Commission for the establishment of its N200Bn Infrastructure Fund Programme and also secured the Commission's approval for the N20Bn issuance of the first series of the programme which will open on the 29th of January 2023.

We will continue to focus on expanding our product offerings to our clients in 2024 whilst not compromising on the provision of outstanding service and customer experience to our esteemed clients.

AVA Securities Limited

AVA Securities Limited, our Fixed Income and Equities brokerage firm, had a challenging year in 2023 as the financial markets fluctuated amidst global economic uncertainties. However, we continued to adapt, strengthening our technological capabilities and optimizing our trading infrastructure. Our commitment to client-centricity enabled us to maintain strong relationships and deliver tailored solutions to meet their investment objectives. We also expanded our product portfolio, offering a wider range of investment options to cater to diverse investor needs by establishing a commodity trading desk and providing an additional investment class for our clients.

As a result of the teams focus on expanding our fixed income brokerage footprint in the market and expanding our equities brokerage clientele base, AVA Securities achieved remarkable growth in 2023, generating revenue of ₦136 million, a robust increase of 126% from ₦60 million in 2022. In the same light, Profit Before Tax (PBT) witnessed substantial growth, reaching ₦15 million, up from ₦2.1 million in the previous year.

Going forward we will continue to leverage technology to improve our client's brokerage experience ensuring we are one of the top equities brokerage providers in the market whilst working hard to sign-on more institutional clients for both our equities and fixed-income brokerage businesses.

AVA Trustees Limited

AVA Trustees Limited, the youngest member of the group continued to grow significantly in 2023. The company increased its service offerings to clients by the addition of 2 key products, the AVA Corporate Investment Trust (ACIT), a product targeted at providing treasury support for small to mid-sized companies seeking to optimize return their liquidity whilst efficiently meeting its cash obligations, and the AVA Halal Investment Trust (AHIT) a product targeted at optimizing returns to clients seeking to invest in non-interest based products. We also secured a Sharia compliance certification for our AHIT product from the Marble Capital Sharia board.

Given the focus ensuring client satisfaction and product expansion, AVA Trustees witnessed significant growth in revenue, which rose to ₦429 million, a remarkable 91% increase from ₦224 million in 2022. In the same vein, Profit Before Tax (PBT) also demonstrated substantial growth, reaching ₦27 million in 2023, up from ₦3.5 million in the previous year.

We will continue to expand our innovative product offerings to both our institutional and retail clients ensuring we stay competitive across the public and private sectors.

Outlook for 2024

Looking ahead, AVA Capital Group is strategically positioned to enhance its performance and profitability in 2024. Our main focus will be on expanding our client base across all product lines through targeted marketing efforts and exceptional client service. By staying at the forefront of market trends and offering innovative and tailored solutions, we aim to attract new clients while nurturing and strengthening relationships with existing ones.

We will be optimizing our revenue by leveraging technology, streamlining processes, and enhancing operational efficiencies while ensuring strict risk management practices. Our commitment to responsible and ethical investment practices will remain unwavering as we aim to align ourselves with global ESG

enhancing operational efficiencies while ensuring strict risk management practices. Our commitment to responsible and ethical investment practices will remain unwavering as we aim to align ourselves with global ESG (Environmental, Social, and Governance) trends.

Furthermore, we will continue to invest in the development of our teams, ensuring they are equipped with the necessary knowledge and skills to deliver outstanding service to our clients. Our IT infrastructure will undergo further enhancements to support our growth objectives and enable seamless client experiences.

In conclusion, AVA Capital Group remains firmly committed to achieving excellence and cementing our position as a leader in the Nigerian financial services industry. We extend our gratitude to our stakeholders for their continued support on our journey. Together, we look forward to a successful and prosperous 2024

GROUP CO-CHIEF EXECUTIVE OFFICER'S STATEMENT



Efe Shaire
Co-CEO
AVA Capital Group

Annual Report 2023.

Dear Esteemed Shareholders,

As we close another year at AVA Capital Group, it is imperative to reflect on our journey and celebrate our accomplishments as we set our sights on the year ahead. This year presented its unique array of challenges and opportunities — each shaping the ongoing narrative of our organization. Our resilience, innovation, and commitment to excellence have not only propelled us forward but have also reinforced the core values that characterize our organization.

The annual report for 2023 presents an overview of AVA Capital Group's performance as well as achievements and advancements in both operations and information technology. In this report, we have outlined the synergy between operational excellence and technological innovation, highlighting our commitment to driving sustainable growth and efficiency.

Operations and Technology

The synergy and collaboration between technology and operational activities have confirmed the power of aligning technology with operational strategies to drive transformative outcomes by reducing cost and increasing the overall operational efficiency and good client experience.

- **Technology Performance Advancements:**

- Successful deployment of advanced cybersecurity tools, fortifying our systems and preventing potential security breaches enabled us deploy new technology capabilities for our clients to drive product adoption and service delivery.

- **Operations Management Achievements:**

- In 2023, automating our operational processes resulted in a 15% increase in overall operational efficiency.
- Successful implementation of sustainable processes such as the client self-service portal, led to a 20% reduction in turnaround time and enhanced customer satisfaction.

At AVA Capital Group, we are committed to further leveraging technology to enhance operational agility and optimize our service delivery. Based on the progress we have recorded with these initiatives, our future technology roadmap will incorporate investments in advanced analytics, cloud services, and IoT integration, all of which will empower our operations to scale and adapt to dynamic client demands. Our intense efforts in advancing both our operations and technology capabilities will not only optimize our internal processes but will also position us as a leader in our industry.

Culture and Innovation

At AVA Capital Group, our culture is the heartbeat of our organization, seamlessly blending our core values of Performance, Execution, Adaptability, Character, and Enterprise with a relentless drive for innovation. Our commitment to these values has not only shaped our culture but has also propelled AVA Capital Group to remarkable achievements. From pioneering new financial solutions to expanding our footprint, we have consistently pushed the boundaries of what is possible as a business and in our industry.

- **Building the right team**

In 2023, we effectively coordinated the 2023 Marketing Trainee Programme (MTP) in March and the 2023 Graduate Trainee Programme (GTP) in September. This facilitated the development of a talent pool, serving as both a feeder system and supporting succession planning initiatives across the various businesses.

This unwavering commitment to personal growth fosters a culture of continuous learning and improvement, ensuring our team remains equipped to tackle the challenges and

opportunities of tomorrow. Ultimately, AVA Capital Group is more than just a financial services company – it's a community of passionate individuals united by a common goal: your financial success. Empowering our diverse team to question, challenge, and innovate, we cultivate an environment where entrepreneurial spirit thrives. We recognize that embracing diversity, encouraging collaboration, and nurturing creativity are essential elements in unlocking new opportunities and delivering innovative solutions to our clients.

- **Fostering innovative thinking**

Our innovative approaches have been recognized with numerous accolades and awards, affirming our position as a leader in the financial sector. Whether it is developing groundbreaking investment strategies or leveraging cutting-edge technology to enhance client experiences, innovation is at the core of everything we do. Our collaborative ethos fuels a constant stream of innovative ideas and forward-thinking solutions, enabling us to maintain our position at the forefront of the dynamic financial landscape. Yet, we understand that true innovation is more than just ideas – it is about people. That is why we invest in our team's professional growth and development, providing opportunities for learning, experimentation, and pushing boundaries. We foster an environment where creativity flourishes, encouraging bold experimentation and calculated risk-taking. Through this dedication to cultural excellence and innovation, AVA Capital Group continues to lead the way in shaping the landscape of the financial industry.

Conclusion

Looking forward, our focus remains on strengthening our culture, investing in our people, and delivering exceptional value to our customers. We are excited about the opportunities that lie ahead and are committed to driving sustainable growth and making a meaningful difference in the world. Together, we will continue to build on our legacy, embracing change and pursuing excellence in all that we do.

I am incredibly proud of what we accomplished in 2023 and grateful for the hard work and dedication of our team. I appreciate all stakeholders for the continuous contribution and support to the growth of the business. Let us carry this momentum forward, with optimism and determination, as we embark on another year of growth and innovation.



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This offering is limited to only Qualified Institutional Investors - (Pension Fund Administrators (PFA), Insurance Companies, Fund Managers, Trustees/Custodians, Market Maker, Multilateral and Bilateral institutions, Staff Schemes, Stockbroking firms, and Banks)

Please read the Prospectus and where in doubt, consult your stockbroker, fund/portfolio manager, accountant, banker, solicitor, or any other professional adviser for guidance before subscribing.

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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 Fadahunsi;
3. Samson Adekunle;
4. Adedotun Adegbite;
5. Taiwo Okurounmu;
6. Olukayode Falasinnu;
7. Efe Shaire

CORPORATE GOVERNANCE REPORT continued

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 apprised. 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

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 | Financial Statements

Corporate Information

Directors	Olukayode Samson Fadahunsi Olukayode Opeyemi Falasinnu Samson Adeboye Adekunle Taiwo Okurounmu Adetoun Adegbite
Registered Number	RC 1167339
Business Address	3 Glover Street Ikoyi Lagos.
Company Secretary	Oluwatobi Idowu
Independent Auditors	Joseph Dauda & Co. Chartered Accountants 7/9 Olajide Street Behind GT Bank Ojodu Branch Ojodu, Ikeja Lagos
Bankers	Access Bank Plc. Providus Bank Limited Keystone Bank Limited

AVA CAPITAL PARTNERS LIMITED |

FINANCIAL STATEMENTS.

YEAR ENDED 31ST DECEMBER, 2023.

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;
- Making assessment of Company's ability to continue as a going concern.
- 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 assessment of 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
- 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 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 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 the Company 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, 2023 were duly approved by directors.

On behalf of the Directors of the company



Samson Adeboye Adekunle
Director
FRC/2020/003/00000021513



Olukayode S. Fadahunsi
Director
FRC/2015/CISN/00000011838

REPORT OF DIRECTORS

FOR YEAR ENDED 31ST DECEMBER, 2023.

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, 2023.

2. RESULT

	2023	2022
	₦'000	₦'000
Profit for the Year before Taxation	20,252	16,183
Provision for Taxation	(11,238)	(3,319)
Profit after Taxation	9,014	12,864

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 as a Private Limited Liability company on 29 January, 2014.

5. SHAREHOLDING STRUCTURE

The shareholding structure of the company as at 31 December, 2023 was as detailed below:

S/N	SHAREHOLDER	NO. OF UNITS	PERCENTAGE
I	Prosperis Holdings Company Limited	900,000,000	90
II	Simple Business Combination Limited	100,000,000	10
	Total	1,000,000,000	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, 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 affairs of the company as at 31 December, 2023.

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

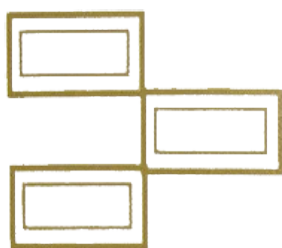


OLUWATOBI IDOWU

Company Secretary

Lagos, Nigeria

31st January, 2024



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, 2023

Report on the Audit of the Financial Statement

Opinion

We have audited the financial statements of Ava Capital Partners Limited which comprise the statements of financial position as at 31 December, 2023, 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 11 to 44. Statement for the year ended 31 December, 2023, 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, 2023 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 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.
- 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.

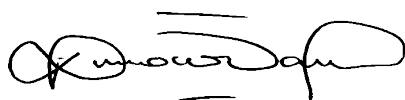
We also provide Board of Directors/Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

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, 2024



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR YEAR ENDED 31ST DECEMBER, 2023.

	Note	2023	2022
		N'000	N'000
Gross Earnings		251,385	197,684
Fees and Commission Income	4	190,949	271,435
Interest Income	5	57,193	37,664
		248,143	309,099
Fees, Commission	6	-	(114,038)
Net Operating Income		248,143	195,061
Other Operating Income	7	3,242	2,623
Total Operating Income		251,385	197,684
Personnel Expenses	8	(69,962)	(18,113)
Depreciation of Properties & Equipment	9	(27,955)	(10,370)
Other Operating Expenses	10	(133,216)	(153,018)
Profit Before Taxation		20,252	16,183
Taxation	11	(11,238)	(3,319)
Profit After Taxation		9,014	12,864
Other comprehensive Income		-	-
Total comprehensive profit for the year		9,014	12,864
Earnings per share			
Basic profit per share (Kobo)	12	0.009	0.032

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

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31ST DECEMBER, 2023.

		2023	2022
	Note	₦'000	₦'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	13	1,121,827	473,665
Receivables	14	41,041	18,849
Prepayment - Rent	15	8,250	8,880
Non-Current Assets		1,171,118	501,394
Property, Plant and Equipment	16	44,464	55,181
Other Assets	17	14,226	14,226
		58,690	69,407
Total Assets		1,229,808	570,801
EQUITY AND LIABILITIES			
Equity			
Share Capital	19	1,000,000	400,000
Share Premium	20	150,000	250,000
Retained Earnings	19	(100,470)	(109,484)
		1,049,530	540,516
Liabilities			
Current Liabilities			
Payables	22	4,457	4,000
Other Payables	23	164,583	19,108
Tax Payable	11	11,238	7,177
		180,279	30,285
Total Equity and Liabilities		1,229,808	570,801

The financial statements on pages 36 - 63 to were approved by the Board of Directors on 31st January, 2024 and signed on its behalf by:



SAMSON ADEBOYE ADEKUNLE
Director
FRC/2020/003/00000021513



OLUKAYODE S. FADAHUNSI
Director
FRC/2015/CISN/00000011838

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER, 2023.

	Share Capital	Share Premium	Retained Earnings	Total Equity
	N'000	N'000	N'000	N'000
Balance at 1 January, 2022	400,000	250,000	(122,348)	527,652
Issue of Share Capital	-	-	-	-
Deposit for Shares	-	-	-	-
Share Premium	-	-	-	-
Profit for the year	-	-	12,864	12,864
Balance at 31 December, 2022	400,000	250,000	(109,484)	540,516
Balance at 1 January, 2023	400,000	250,000	(122,348)	540,516
Issue of Share Capital	600,000	-	-	600,000
Deposit for Shares	-	-	-	-
Share Premium	-	(100,000)	-	(100,000)
Profit for the year	-	-	9,014	9,014
Balance at 31 December, 2023	1,000,000	150,000	(85,232)	1,049,530

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

STATEMENT OF CASH FLOW

FOR THE YEAR END 31ST DECEMBER, 2023.

		2023	2022
	Note	₦'000	₦'000
OPERATING ACTIVITIES			
Profit before Taxation		20,252	16,183
Depreciation	16	27,955	10,370
Net cash flow before changes in working capital		48,207	26,553
Changes in operating assets:			
Receivables	14	(22,192)	(976)
Prepayment	15	630	6,720
Other Assets	17	-	-
Changes in operating liabilities:			
Payables	22	457	(37,791)
Other Payables	23	145,474	(9,172)
Tax Paid	11	(7,177)	(447)
Cash generated from operating activities		165,400	3,678
CASH FROM INVESTING ACTIVITIES			
Property, Plant and Equipment Acquisition	16	(17,238)	(62,792)
Net Cash used in investing activities		(17,238)	(62,792)
FINANCING ACTIVITIES			
Share Capital	19	600,000	-
Share Premium	20	(100,000)	-
Net Cash from financing activities		500,000	-
Net increase in cash and cash equivalents during the period		648,162	(59,561)
Cash and cash equivalents at beginning of year	13	473,665	533,226
Cash and cash equivalents at end of year	13	1,121,827	473,665



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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR END 31ST DECEMBER, 2023.

1. Corporate information

1.1 Legal form

AVA Capital Partners Limited was incorporated under the Companies and Allied Matters Act. NO.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 is licensed by Securities and Exchange Commission.

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 2023 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 2024 would be far better than 2023.

1.4 Financial Period

These financial statements cover one year from 1 January, 2023 to 31 December, 2023

2 Basis of preparation

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

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 foreseeable 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, 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria. 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. The financial statements comply with the requirement of the International Financial Reporting Standard, Companies and Allied Matters Act, Investment and Securities Act, the Financial Reporting Council Act, to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

2.3 Basis of preparation and measurement

2.3.1 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.

2.3.2 Basic of measurement

The Company's financial statements for the year ended 31 December 2023 have been prepared on the historical cost basis except otherwise stated therein. The Company applies accrual accounting for recognition of its income and expenses. The financial statements which 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 are presented and rounded to the nearest thousands of Naira.

2.3.3 Use of estimates and judgement

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these annual financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The financial statements have been prepared on the basis that Company will continue to operate as a going concern.

2.4 Changes in accounting policies

Except as described below, the Company has consistently applied the accounting policies as set out in note 2.3 to all periods presented in these annual financial statements.

2.4.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements

In the current period, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

New or amended standards	Summary of the requirements	Impact on financial statements
Classification of Liabilities as Current or Noncurrent (Amendments to IAS 1)	This amendment seeks to clarify the requirements for classifying liabilities as current or non-current. Including the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, Management expectations about events after the statement of financial position date, and the situations that are considered settlement of a liability. The amendments will be applied retrospectively. This standard becomes effective 1 January 2023.	This amendment had no significant impact on the Company's Financial statements.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	This standard is Effective for annual periods beginning on or after 1 January 2023. In determining the tax base of assets and liabilities, the amendments clarify that where law) whether such deductions are attributable for tax purposes to the liability payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. Also, in respect of changes to the initial recognition exception under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.	This amendment had no significant impact on the Company's Financial statements.

New or amended standards	Summary of the requirements	Impact on financial statements
The changes in Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The effective date of this amendment is from periods beginning on or after 1 January 2023.	This amendment had no significant impact on the Company’s Financial statements
Amendment to IAS 1	This amendment relates to classification of Liabilities as Current or Noncurrent which will provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the statement of financial position date. The amendment only affect the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendment will clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the balance sheet date. clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	This amendment had no significant impact on the Company’s Financial statements.

New or amended standards	Summary of the requirements	Impact on financial statements
IFRS 17 - Insurance Contracts	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. It also requires similar principles for reinsurance contracts held and issued investment contracts with discretionary participation features. The standard brings a greater degree of comparability and transparency about an insurer's financial health and the profitability of new and inforce insurance business.	This standard does not have impact on the financial statements as the Company is not into insurance business.

2.4.2 Standards issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for the reporting period ended 31 December 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New or amended standards	Summary of the requirements	Impact on financial statements
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. Effective date for accounting periods beginning on or after 1 January 2024	This standard is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.

New or amended standards	Summary of the requirements	Impact on financial statements
Amendment to IAS 1 – Non-current liabilities with covenants.	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Effective date for accounting periods beginning on or after 1 January 2024	This standard is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.
Amendment to IAS 7 and IFRS 7 - Supplier finance	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. Effective date for accounting periods beginning on or after 1 January 2024.	This standard is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Effective date for accounting periods beginning on or after 1 January 2025.	This standard is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.

2.5 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.

2.6 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.

2.7 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 accounting 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.

2.8 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 subsequent 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 reliably.

2 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 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 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.

3.1.1 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 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 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.

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 liability 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 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, 2023.

	2023	2022
	N'000	N'000
4 FEES AND COMMISSION INCOME		
Fees and Commission Income (Advisory Management Income)	190,949	271,435
	190,949	271,435
5 INTEREST INCOME		
Interest and Investment Income	57,193	37,664
	57,193	37,664
6 DIRECT COMMISSION		
Fees and Commission Expenses	-	114,038
	-	114,038
7 OTHER OPERATING INCOME		
Reimbursable Income	3,242	2,623
	3,242	2,623
8 PERSONNEL EXPENSES		
Salaries and Allowances	30,144	13,744
PAYE Expenses	3,478	1,785
Pension Employee	1,423	1,179
Pension- Employer	1,796	1,405
Staff Training	8,259	-
Staff Welfare	9,869	-
HMO	3,167	-
NHF	20	-
Leave and Other Allowances	10,214	-
Board Allowances	1,592	-
	69,962	18,113
9 DEPRECIATION OF PROPERTIES AND EQUIPMENT		
Depreciation - Motor Vehicle	17,111	7167
Depreciation - Computer	1,076	511
Depreciation - Office Equipment	769	2093
Depreciation - Furniture and Fittings	8,999	599
	27,955	10,370

	2023	2022
	N'000	N'000
10 OTHER OPERATING EXPENSES		
Travel & Accommodation	27,927	33,209
Telephone & Internet	9,676	11,903
Subscription & Registration	7,212	8,612
Printing & Stationery	5,330	5,903
Motor Vehicle Expenses	5,115	5,008
Medicals	-	6,540
Insurance	885	1,731
Cleaning and Office Supplies	6,950	9,294
Advertising & Branding	6,170	8,147
Courier and Delivery	3,508	3,337
Computer Expenses	3,500	3,328
Bank Charges	1,415	1,527
Audit Fee	1,000	500
Repairs & Maintenance	16,330	16,511
Electricity & Water	7,516	7,313
Rent	12,630	18,720
Local Transportation	3,611	3,560
Diesel and Fuel	4,900	4,882
Security	3,045	2,993
Strategy	1,795	-
Legal and Professional Fees	4,702	-
	133,216	153,018
11 TAXATION		
11.1 Profit and loss account		
Company income tax	9,792	2,655
Education tax	1,446	664
	11,238	3,319
11.2 Current Income Tax Payable		
11.2.1 Company Income Tax		
At the beginning of the year	7,177	4,305
Tax provision for the year	11,238	3,319
Payment during the year	(7,177)	(447)
At the end of year	11,238	7,177
11.3 Deferred tax asset/(charge)		
Balance brought forward	14,226	14,226
Deferred tax asset/ (charge)	(14,226)	(14,226)
Balance carried forward	-	-
<i>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%.</i>		

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		2022	2021
		N'000	N'000
18	BALANCES WITH OTHER BANKS		
	Providus Bank Limited	111,325	566
	Zenith Bank Plc	167	167
	Access Bank Plc	1,966	277
	Suntrust Bank Limited	10	10
	United Bank For Africa Plc	20	20
	Globus Bank Limited	5	5
	Lotus Bank Limited	1,789	-
	Keystone Bank	76	-
	Placement with Globus & Others	1,006,470	472,620
		1,121,827	473,665
19	SHARE CAPITAL		
	Authorised, Issued and fully paid		
	100,000,000 Ordinary Shares of N1.00 each	1,000,000	400,000
		1,000,000	400,000
20	SHARE PREMIUM		
	Share Premium	150,000	250,000
	Profit for the year	150,000	250,000
21	RETAINED EARNINGS		
	Retained Earnings brought forward	(109,484)	(122,348)
	Profit for the year	9,014	12,864
	Retained Earnings carried forward	(100,470)	(109,484)
22	PAYABLES		
	Trade Payable	-	-
	Payable to related companies	4,457	4,000
		4,457	4,000
23	OTHER PAYABLES		
	WHT Payable	8,873	13,240
	VAT Payable	10,348	-
	Pension Payable	242	226
	PAYE Payable	181	160
	NHF Payable	116	9
	Accrued Audit Fees	-	500
	Accrued Staff Training	8,749	2,518
	Accrued Board Allowance	2,704	1,513
	Year End Payables	-	932
	Other Payables	126,947	10
	Accrued HMO/Medicals	2,232	-
	Brand	4,190	-
		164,583	19,108

24 RISK MANAGEMENT FRAMEWORK

24.1 Introduction

AVA Capital Partners Limited uses its financial capabilities 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 responsibility for establishing, monitoring 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 environment (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	N'000	N'000	N'000	N'000
31 December, 2023					
Cash and cash equivalents	6	1,121,827	-	1,121,827	1,121,827
Trade receivables	7	-	49,291	49,291	49,291
Other assets	8	-	14,226	14,226	14,226
		1,121,827	63,517	1,185,344	1,185,344
Trade payables	9	4,457	-	4,457	4,457
Other liabilities	9	-	164,583	164,583	164,583
		4,457	164,583	169,041	169,041
		1,117,370	101,066	1,016,303	1,016,303

24.4 Detailed disclosure of significant 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 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 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.

	2023	2022
	N'000	N'000
Regulatory minimum capital requirement(N'000)	200,000	200,000
Actual qualifying capital (N'000)	1,000,000	400,000
Actual capital ratio (times)	5.00	2.00

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 2023, 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:

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.

(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

24.4.5 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 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 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.

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 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.

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 fluctuate 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.

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
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 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:

(i) 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;

(ii) 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 the presentation of a slightly more extreme view of what could reasonably occur over the following year.

(iii) 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	Number
Managerial	2	2
Senior	4	4
Junior	4	3
	10	9

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

	Number	Number
₦400,000 - ₦1,200,000	3	2
₦1,200,000 - ₦2,200,000	2	2
₦2,200,000 - ₦3,300,000	3	3
₦3,300,000 - ₦5,000,000	1	1
Above ₦5,000,000	1	1
	10	9

26 Related Party Transaction

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

27 Financial Commitments

It is noted 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, 2023.

29 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, 2023.

30 Approval of Financial Statements

The Financial Statements were duly approved by the Board of Directors on 31st January, 2024

STATEMENT OF VALUE ADDED

FOR THE YEAR END 31ST DECEMBER, 2023.

	2023		2022	
	N'000	%	N'000	%
Value added by operating activities:				
Fee and Commission Income	248,143		309,099	
Cost of fund and services	(133,216)		(267,056)	
	114,927		42,043	
Other operating income	3,242		2,623	
Total Value Added	118,169	100	44,666	100
Applied as Follows:				
To pay employees				
salaries, allowances and fringe benefits	69,962	58	18,113	41
To pay government				
Income tax	11,238	10	447	1
To provide for enhancement of assets and growth				
Depreciation of property, plant and equipment	27,955	24	10,370	23
Augument/(deplete) retained earnings	9,014	8	15,736	35
Total Value Distributed	118,169	100	44,666	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

FOR THE YEAR END 31ST DECEMBER, 2023.

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Statement of Financial Position					
Assets					
Current assets	1,171,118	501,394	566,699	560,487	284,468
Non-current assets	58,690	69,407	16,985	16,264	17,146
Total assets	1,229,808	570,801	583,684	576,750	301,615
Equity					
Share Capital	1,000,000	400,000	400,000	400,000	400,000
Share Premium	150,000	250,000	250,000	250,000	
Retained Earnings	(100,470)	(109,484)	(122,348)	(130,467)	(143,495)
Total equity	1,049,530	540,516	527,652	519,533	256,505
Liabilities					
Current liabilities	180,279	30,285	56,032	57,217	45,110
Total Liabilities	180,279	30,285	56,032	57,217	45,110
Total equity and liabilities	1,229,808	570,801	583,684	576,750	301,615
Statement of Profit or Loss and Other Comprehensive Income					
Fees and Commission Income	248,143	309,099	123,464	111,181	78,598
Fees and Commission Expenses	-	(114,038)	(38,441)	-	-
Gross profit	248,143	195,061	85,023	111,181	78,598
Other operating income	3,242	2,623	14,072	341	742
Other operating expenses	(231,133)	(181,501)	(87,191)	(91,478)	(77,505)
Operating Profit or (loss)	20,252	16,183	11,904	20,043	(1,835)
Other non-operating gains(losses)	-	-	-	-	-
Profit or Loss before taxation	20,252	16,183	11,904	20,043	1,835
Taxation	(11,238)	(3,319)	(3,785)	(7,015)	(642)
Loss from discontinued operations	-	-	-	-	-
Profit or (Loss) for the year	9,014	12,864	8,119	13,028	1,192
Retained Profit or (loss) for the year	9,014	12,864	8,119	13,028	1,192
Statement of Cash Flows					
Cash flow from operating activities	165,400	3,678	3,337	69,610	32,449
Cash flow from investing activities	(17,238)	(63,239)	(8,613)	295	(12,722)
Cash flow from financing activities	500,000	-	-	250,000	-
Cash movement for the year	648,162	(59,561)	(5,276)	319,315	19,727

INCOME TAX COMPUTATION 2024 YEAR OF ASSESSMENT

Basis Period 1/1/2023 - 31/12/2023

	N'	N'
Profit before tax for the year	-	20,252,000
Add:		
Depreciation		27,954,000
Assessable Profit		48,206,000
Capital Allowance		
For the year	15,566,983	
	15,566,983	
Charge for the year	(15,566,983)	(15,566,983)
Carried Forward	-	
Total profit		32,639,017
Company Income Tax @ 30%		9,791,705
Education Tax @3% of Assessable Profit		1,446,180
		11,237,885

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER, 2023

2023 CAPITAL ALLOWANCE COMPUTATION

		Residue Value 1/1/2023	Additional Cost	Total	Initial Allowance	Annual Allowance	Total Capital Allowance	Residue Value 12/31/2023
		N	N	N	N	N	N	N
Motor Vehicle	IA 50%	19,120,313	-	19,120,313	-	4,780,078	4,780,078	14,340,234
	AA 25%	-						-
Computer Equipment	IA 25%	1,152,645	3,704,000	4,856,645	1,852,000	600,929	2,452,929	2,403,716
	AA 20%							
Office Equipment	IA 25%	6,324,600	17,238,000	23,562,600	4,309,500	3,850,620	8,160,120	15,402,480
	AA 20%							
Furnitures & Fittings	IA 25%	869,280	-	869,280	-	173,856	173,856	695,424
	AA 20%							
		27,466,838	20,942,000	48,408,838	6,161,500	9,405,483	15,566,983	32,841,854

AVA GLOBAL ASSET MANAGERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR END 31ST DECEMBER, 2023.

Corporate Information

DIRECTORS

FADAHUNSI OLUKAYODE
OKUROUNMU TAIWO OLADAPO
SAMSON ADEKUNLE
ADEDEJI ADEYINKA
EFE SHAIRE

REGISTRATION NUMBER

RC 1210383

BUSINESS ADDRESS

3, GLOVER ROAD
IKOYI
LAGOS

AUDITORS

JOSEPH DAUDA & CO
CHARTERED ACCOUNTANTS
52, OGUNNUSI STREET
OJODU, IKEJA
LAGOS

Company Secretary

OLUWATOBI IDOWU

BANKERS

GTBANK PLC
KEYSTONE BANK LIMITED
ACCESS BANK PLC
FIRST BANK PLC
UBA PLC
GLOBUS BANK LIMITED
PROVIDUS BANK
TAJ BANK
WEMA BANK PLC
NOVA MERCHANT BANK
CORONATION BANK LIMITED
UNION BANK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR END 31ST DECEMBER, 2023.

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.



SAMSON ADEBOYE ADEKUNLE

Director

FRC/2020/003/00000021513



OLUKAYODE S. FADAHUNSI

Director

FRC/2015/CISN/00000011838

DIRECTORS' REPORT

FOR THE YEAR END 31ST DECEMBER, 2023.

The directors have the pleasure of presenting the audited financial statements of AVA Global Asset Managers Limited for the year ended 31 December 2023 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:-

	2023	2022
	₦	₦
Profit Before Taxation	78,386,940	47,333,964
Taxation	(25,064,948)	(16,092,374)
Profit After Taxation	53,321,992	31,241,590
Retained Profit brought forward	70,341,862	39,100,273
Retained Profit carried forward	123,663,854	70,341,862

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 2023 were as follows:

	Share in units	
Name	2023	2022
Prosperis Holdings Limited	375,000,000	375,000,000
Hermes Supply Limited	125,000,000	125,000,000
	500,000,000	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 2023 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.

Shareholding structure

The shareholding structure of the company as at 31st December 2023 was as follows:

	2023		2022	
	Units	%tage	Units	%tage
Prosperis Holdings Limited	375,000,000	75.0%	375,000,000	75.0%
Hermes Supply Limited	125,000,000	25.0%	125,000,000	25.0%
	500,000,000	100%	500,000,000	100%

Funds under management

The Company's core business is asset management which involves investing funds deposited by clients in fixed income instruments. These investments are not included in the financial statements. As of 31st December 2023, the Company had a total of ₦54.02 billion under management (2022: ₦45.42 billion).

As of 31st December 2023, the exposure to different counterparties is shown in the tables below. Financial institutions' periodic credit and risk ratings as well as other performance metrics are obtained and analysed in order to manage exposure and react as appropriate to ensuing realities.

Asset Class	2023		2022	
	Exposure (₦'bn)	Percentage of Total AUM(%)	Exposure (₦'bn)	Percentage of Total AUM(%)
Treasury Bills	3.8	7.03	2.80	6
FGN Bonds	5.39	9.98	0.27	1
Corporate Bonds	0.79	1.46	0.44	1
Money Market	13.97	25.86	10.44	23
Others	30.07	55.66	31.47	69
Total	54.02	100.00	45.42	100

Dividend

No dividend was paid during the year.

Employment and employees

During the year ended 31 December 2023, 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, 2023 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**Oluwatobi Idowu**

Company Secretary

Lagos, Nigeria

31st January, 2024

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 2023.

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, 2023 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.

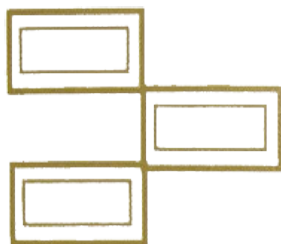
BY ORDER OF THE BOARD



Director

FRC

31st January, 2024



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, 2023.

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, 2023. The financial statements comprise the Statements of Financial Position as at 31 December, 2023, 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, 2023, 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, 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 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

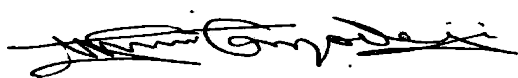
From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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, 2023 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, 2024



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR END 31ST DECEMBER, 2023.

	NOTE	2023 ₦	2022 ₦
Fee Income	4	305,562,135	119,687,595
Total Income		305,562,135	119,687,595
Administrative Expenses	5	(227,175,194)	(72,353,632)
Profit Before Taxation		78,386,940	47,333,964
Provision For Taxation	2.6,6	(25,064,948)	(16,092,374)
Profit For The Year		53,321,992	31,241,590
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		53,321,992	31,241,590
Profit/(Loss) Brought Forward		70,341,862	39,100,273
Profit/(Loss) Carried Forward		123,663,854	70,341,862

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

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR END 31ST DECEMBER, 2023.

		2023	2022
	NOTE	₦	₦
ASSETS			
Cash and Cash Equivalents	7	2,085,202,309	544,442,631
Fixed Income Assets	8	786,546,510	563,925,931
Other Assets	9	444,136,532	65,359,712
Property, Plant and Equipment	2.7; 14	24,623,111	12,642,181
Total Assets		3,340,508,462	1,186,370,455
LIABILITIES			
Other Liabilities	11	2,191,779,659	99,936,218
Taxation	2.6; 6	25,064,949	16,092,375
Total Liabilities		2,216,844,609	116,028,593
TOTAL NET ASSETS		1,123,663,854	1,070,341,862
FINANCED BY:			
Share Capital	13	250,000,000	250,000,000
Share Premium		750,000,000	750,000,000
Retained Earnings		123,663,854	70,341,862
		1,123,663,854	1,070,341,862

The financial statements on pages 73 to 96 were approved by the Board of Directors on 28th January, 2024 and signed on its behalf by:



SAMSON ADEKUNLE
FRC/2020/003/00000021513
Director



FADAHUNSI OLUKAYODE
FRC/2015/CISN/00000011838
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, 2023.

	Share Capital	Share Premium	Retained Earnings	Total Equity
	₦'000	₦'000	₦'000	₦'000
Balance at 1 January, 2022	250,000,000	750,000,000	39,100,273	1,039,100,273
Issue of Share Capital	-	-	-	-
Share Premium		-		
Profit for the year	-	-	31,241,590	31,241,590
Balance at 31 December, 2022	250,000,000	750,000,000	70,341,863	1,070,341,863
Balance at 1 January, 2023	250,000,000	750,000,000	70,341,863	1,070,341,863
Issue of Share Capital	-	-	-	-
Share Premium		-	-	-
Profit for the year	-		53,321,992	53,321,992
Balance at 31 December, 2023	250,000,000	750,000,000	123,663,854	1,123,663,854

STATEMENT OF CASH FLOW

FOR THE YEAR END 31ST DECEMBER, 2023.

		2023	2022
	NOTE	₦	₦
OPERATING ACTIVITIES			
Profit before Tax		78,386,940	47,333,964
Depreciation	14	9,724,925	5,930,951
Profit before changes in operating assets		88,111,866	53,264,915
Changes in operating assets:			
Fixed Income Securities	8	(222,620,578)	307,223,328
Other Assets	9	(378,776,820)	(50,621,779)
Changes in operating liabilities:			
Trade Payables		-	-
Other Liabilities	11	2,091,843,441	35,526,630
CASH GENERATED FROM OPERATIONS		1,578,557,909	345,393,094
INVESTING ACTIVITIES			
Fixed Assets Acquisition	14	(21,705,857)	(6,884,900)
Tax Paid		(16,092,374)	(12,564,887)
FINANCING ACTIVITIES			
Share Premium		-	-
INCREASE IN CASH AND BANK BALANCES		1,540,759,678	325,943,307
Cash and Bank balances as at 1st January		544,442,632	218,499,325
Cash and Bank balances as at 31st December	8	2,085,202,310	544,442,632



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SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR END 31ST DECEMBER, 2023.

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

2023 was a remarkable year. It marked the end of COVID-19 pandemic and a new civilian government was inaugurated in the month of May. The new government drew up Eight-point agenda which included security, fight against corruption, food security, fiscal innovations, marine economy initiatives and others. Other sources of internally generated revenue such as agric and extrative industries have been initiated, which is hoped to boost the country's exports and ultimately, improve the balance of payment and foreign reserves. All these policies are laudable, but, the expected impact on the state of the economy is yet to be felt. Foreign exchange rate is highest since independence, while inflation is equally skyrocketing. Notwithstanding the above, the company's executive management was focused during the year to increase value for all stakeholders. All performance and 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, 2023 to 31st December, 2023

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, 2023 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. .

SIGNIFICANT ACCOUNTING POLICIES continued

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 year 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 year.

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	33%
Furniture and Fittings	50%
Office Equipment	50%
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 subsequent 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 reliably.

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.

SIGNIFICANT ACCOUNTING POLICIES continued

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 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 Finance income and finance costs

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).

SIGNIFICANT ACCOUNTING POLICIES continued

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 includes 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

SIGNIFICANT ACCOUNTING POLICIES continued

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, 2023.

	2023	2022
	₦	₦
4 FEE INCOME		
Net Interest Income	138,867,838	107,979,694
Income on Bonds	86,510,099	-
Fund Administration Fees	31,604,197	10,000,000
Other Income	48,580,001	1,707,902
	305,562,135	119,687,595
5 ADMINISTRATIVE EXPENSES		
Salaries and Allowances	17,596,831	11,235,745
Bank Charges	987,045	280,040
Medical Expenses	3,666,667	314,000
Transportation and Travelling	13,300,833	7,262,726
Printing & Stationery	2,083,268	464,200
Telephone & Internet	-	2,503,650
Audit Fees	4,250,000	500,000
Statutory and Regulatory Fees	2,815,643	958,748
Registration and Subscriptions	5,371,689	1,511,416
Property Valuation fees	-	1,074,750
Branding Expenses	4,301,242	5,040,000
Rating Expenses	14,196,041	11,082,500
Bad Debt Written-off	-	545,616
Depreciation	9,724,925	5,930,951
Office Expenses	93,680,639	828,692
Computer Expenses	6,513,333	1,069,100
Software Expenses	11,159,702	4,241,233
Staff Training	7,692,133	3,600,000
Repairs and Maintenance	-	1,295,000
Electricity & Water	-	1,440,138
Insurance	1,936,451	928,941
Corporate Strategy and Retreat Session	2,514,915	-
Rent	-	2,339,872
AGM Expenses	443,500	1,650,000
Year-End Expenses	23,650,695	699,356
Cleaning and Office Supplies	-	125,930
Diesel and Oil	1,151,641	2,247,823
Security	-	650,000
Motor Running Expenses	-	1,844,489
Advertising	-	553,725
Legal Fees	138,000	135,000
	227,175,194	72,353,632

	2023	2022
	₦	₦
6 TAXATION		
6.1 Income tax expenses		
Income tax expenses are recognized in the Income Statement		
6.2 Taxation Balance		
Tax Payable brought forward	16,092,374	12,564,887
Tax Paid during the year	(16,092,374)	(12,564,887)
Provision for the Year	25,064,948	16,092,374
Balance Carried Forward	25,064,948	16,092,374
7 CASH AND CASH EQUIVALENTS		
Cash Balances	-	-
Balances with Other Banks	2,085,202,309	544,442,631
Cash and Bank Balances	2,085,202,309	544,442,631
8 FIXED INCOME SECURITIES		
Fixed Income Securities	-	50,000,000
Investment in Bond	786,546,510	513,925,931
	786,546,510	563,925,931
9 OTHER ASSETS		
Fees Receivable	-	-
Interest Receivable	281,047,273	14,292,709
WHT Receivable	147,752,015	43,752,362
Other Receivable	1,526,653	1,526,653
Prepayments	13,810,591	5,787,988
	444,136,532	65,359,712
10 BALANCES WITH OTHER BANKS		
GTBank Plc	4,358,238	10,492,030
Keystone Bank Limited	85,444	640,287
Access Bank Plc	1,089,471	1,538
First Bank Plc	3,641	3,641
UBA Plc	4,477	5,737
Providus Bank Ltd	2,018,144,501	277,928
Taj Bank	579	579
Globus Bank Limited	1,093,823	2,229,597
Wema Bank Plc	11,946	11,946
Nova Merchant Bank	-	50,258,904
Fixed Placement	-	479,831,980
Placement with Providus Bank Limited	(0)	-
Placement with Keystone Bank Limited	19,331	-
Fixed Placement with Abbey Mortgage	50,000,000	-
UBA Placement Account	10,281,409	688,465

		2023	2022			
		N'000	N'000			
Coronation Bank		99,450	-			
Union Bank		10,000	-			
		2,085,202,309	544,442,631			
11	PAYABLES					
	Trade Payable	2,122,413,947				
	Other Payables	68,365,712	99,461,218			
	Accrued Audit Fees	1,000,000	475,000			
		2,191,779,659	99,936,218			
12	OTHER PAYABLES					
	NHF PAYABLE	29,342	4,663			
	PAYE PAYABLE ACCOUNT	149,407	150,724			
	Pension Payable	372,238	211,307			
	Salary payable	86,692	-			
	WHT Payable	56,071,785	42,578,766			
	Interest Expense Payable	-	44,734,577			
	Other Accrued Expenses	11,656,249	11,781,181			
		68,365,712	99,461,218			
13	SHARE CAPITAL					
	AUTHORISED, ISSUED AND FULLY PAID:					
	500,000,000 Ordinary Shares of N0.50 each	250,000,000	250,000,000			
14	PROPERTY, PLANT & EQUIPMENT					
ASSETS		Motor Vehicle	Furniture & Fitting	Office	Computer Equipment	Total
		N	N	N	N	N
Cost						
As at 1 January, 2023		17,000,000	653,167	868,852	1,207,138	19,729,156
Addition during the year		18,910,000	653,167	-	2,945,452	22,508,619
		-	-	(802,762)	-	(802,762)
As at 31 December, 2023		35,910,000	1,306,333	66,090	4,152,590	41,435,013
Depreciation						
As at 1 January, 2023		5,610,000	653,167	38,553	785,257	7,086,976
Charged for the year		7,671,400	653,127	27,528	1,372,871.37	9,724,925
As at 31 December, 2023		13,281,400.00	1,306,293.00	66,080.00	2,158,128	16,811,901
NBV as at 31 December, 2023		22,628,600	40	10	1,994,461	24,623,111
NBV as at 31 December, 2022		11,390,000	-	830,300	421,881	12,642,180

NOTES TO THE FINANCIAL STATEMENT continued

15 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 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 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 responsibility for establishing, monitoring 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 Carrying amount	Fair Value
	Note	N'000	N'000	N'000	N'000
December 31, 2023					
Cash and cash equivalents	8	2,085,202	-	2,085,202	2,085,202
Trade receivables	9	-	786,547	786,547	786,547
Other assets	10	-	468,760	468,760	468,760
		2,085,202	1,255,306	3,340,508	3,340,508
Other liabilities	12	25,065	2,191,780	2,216,845	2,216,845
		25,065	2,191,780	2,216,845	2,216,845
		2,060,137	936,474	1,123,664	1,123,664

1.4 Detailed disclosure of significant 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.

1.4.2 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 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.

	2023	2022
	N'000	N'000
Regulatory minimum capital requirement	150,000	150,000
Actual qualifying capital	1,000,000	1,000,000
Actual capital ratio (times)	6.67	6.67

1.4.3 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 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 2023, 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 transactions entered into by the company, including restructuring projects and reorganizations.

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

NOTES TO THE FINANCIAL STATEMENT continued

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.

1.4.5 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 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.

1.4.6 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.

1.4.7 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

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

1.4.8 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 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;

NOTES TO THE FINANCIAL STATEMENT continued

- 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 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 sensitivities 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.

16 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	3
Above N3,000,000	7
	12

17 Related Party Transaction

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

18 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.

19 Contingent Liability

The directors are of the opinion that there were no contingent liabilities against the company for the year ended 31 December, 2023.

20 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, 2023.

21 Approval of Financial Statements

The Financial Statements were approved by the Board of Directors on 31st January, 2024.

STATEMENT OF VALUE ADDED

FOR THE YEAR END 31ST DECEMBER, 2023.

	2023		2022	
	N'000	%	N'000	%
Fee and Commission Income	305,562,135		119,687,595	
Less: Cost of fund and services	(199,853,438)		(55,186,936)	
Value Added	105,708,697	100	64,500,659	100
Applied as Follows:				
To pay employees				
salaries, allowances and fringe benefits	17,596,831	16.65	11,235,745	17.42
To pay government				
Income tax	25,064,948	23.71	14,164,815	21.96
To provide for future tax				
Deferred taxation				
To provide for enhancement of assets and growth				
Depreciation of property plant and equipment	9,724,925	9.2	5,930,951	9.20
Augument/(deplete) retained earnings	53,321,992	50.44	33,169,149	51.42
Total Value Distributed	105,708,697	100	64,500,659	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

	2023	2022	2021	2020	2019
	N	N	N	N	N
FINANCIAL POSITION					
Assets					
Cash and cash equivalents	2,085,202,309	544,442,631	218,499,325	1,922,369,344	1,737,368,047
Fixed Income Assets	786,546,510	563,925,931	871,149,259	1,689,586,134	687,098,439
Other Assets	444,136,532	65,359,712	14,737,933	26,186,410	75,002,862
Property, Plant and Equipment	24,623,111	12,642,181	11,688,232	438,333	133,333
Total Assets	3,340,508,462	1,186,370,455	1,116,074,749	3,638,580,221	2,499,602,682
Liabilities					
Trade Payables	2,122,413,947	-	-	3,323,555,162	2,230,816,276
Other Liabilities	69,365,712	99,936,218	64,409,588	56,204,026	16,765,526
Taxation	25,064,949	16092375.21	12,564,888	2,448,580	707,308
Total Liabilities	2,216,844,609	116,028,593	76,974,476	3,382,207,768	2,248,289,110
Total Net Assets	1,123,663,854	1,070,341,862	1,039,100,273	256,372,454	251,313,572
FINANCED BY:					
Share capital	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Share Premium	750,000,000	750,000,000	750,000,000	-	-
Retained earnings	123,663,854	70,341,862	39,100,273	6,372,454	1,313,572
	1,123,663,854	1,070,341,862	1,039,100,273	256,372,454	251,313,572
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Total Income	305,562,135	119,687,595	104,807,380	55,439,786	30,056,744
Administrative Expenses	(227,175,194)	(72,353,632)	(59,584,103)	(48,000,255)	(28,035,864)
Profit Before Tax	78,386,940	47,333,964	45,223,276	7,439,531	2,020,881
Provision for Taxation	(25,064,948)	(16,092,374)	(12,495,457)	(2,380,650)	(707,308)
Profit for the year	53,321,992	31,241,590	32,727,819	5,058,881	1,313,572
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the year	53,321,992	31,241,590	32,727,819	5,058,881	1,313,572

2024 YEAR OF ASSESSMENT - INCOME TAX COMPUTATION

	N'	N'
Profit as per Accounts	-	78,386,940
Add:		
Depreciation		9,724,925
Assessable Profit		88,111,866
Less: Capital Allowance		
Unclaimed Capital Allowances b/fwd	-	
Claims for the year	15,999,187	
	15,999,187	
Claimed for the year	(15,999,187)	(15,999,187)
Unclaimed Capital Allowances c/f	-	
Total profit		72,112,679
Company Income Tax @ 30%		21,633,804
Education Tax		
3% of Assessable Profit		2,643,356
NITDEF Levy		
1 % of Net Profit before tax		783,869
Police Trust Fund		
0.005% of Net Profit before tax		3,919
Total Tax liability		25,064,948

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER, 2023

2023 CAPITAL ALLOWANCE COMPUTATION

	Residue Value 1/1/2023	Additional Cost	Initial Allowance	Annual Allowance	Total Capital Allowance	Residue Value 12/31/2023	
	N	N	N	N	N	N	
Motor Vehicle	4,950,000.00	18,910,000	9,455,000	4,488,750	13,943,750	9,916,250	3
	-					-	
Computer Equipment	491,782	2,945,452	736,363	725,843	1,462,206	1,975,028	3
Office Equipment	511,398	-	-	127,849	127,849	383,548	3
Furnitures & Fittings	293,925	653,167	326,583	138,798	465,381	481,710	4
	6,247,105	22,508,619	10,517,946	5,481,240	15,999,187	12,756,537	

AVA TRUSTEES LIMITED | Financial Statements

Corporate Information

Directors	Olukayode Samson Fadahunsi Olukayode Opeyemi Falasinnu Samson Adeboye Adekunle Abayomi Michael Ogunjobi
Registered Number	RC 1696508
Business Address	3 Glover Street Ikoyi Lagos.
Company Secretary	Oluwatobi Idowu
Independent Auditors	Joseph Dauda & Co. Chartered Accountants 7/9 Olajide Street Behind GT Bank Ojodu Branch Ojodu, Ikeja Lagos
Bankers	Providus Bank Limited United Bank for Africa Plc Taj Bank Keystone Bank Globus Bank

AVA TRUSTEES LIMITED | FINANCIAL STATEMENTS.

FOR THE YEAR END 31ST DECEMBER, 2023.

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;
- Making assessment of Company's ability to continue as a going concern.
- 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 assessment of 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 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 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 the Company 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, 2023 were duly approved by directors.

On behalf of the Directors of the company:



Samson Adeboye Adekunle
Director
FRC/2020/003/00000021513



Olukayode S.tt Fadahunsi
Director
FRC/2015/CISN/00000011838

REPORT OF DIRECTORS

FOR THE YEAR END 31ST DECEMBER, 2023.

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, 2023.

2. RESULT

	2023	2022
	N'000	N'000
Profit for the Year before Taxation	27,480	3,593
Provision for Taxation	(9,860)	(1,872)
Profit for the year after Taxation	17,620	1,721

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, 2023 was as detailed below:

S/N	SHAREHOLDER	NO. OF UNITS	PERCENTAGE
I	Prosperis Holdings Company Limited	997,000,000	99.70
II	Fadahunsi Samson Olukayode	3,000,000	0.30
	Total	1,000,000,000	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.

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, 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.

REPORT OF DIRECTORS continued

9. 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, 2023.

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.

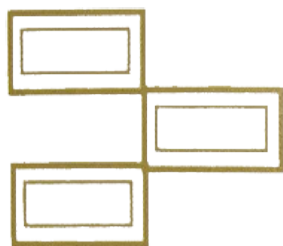
By order of the Board



Oluwatobi Idowu

Company Secretary

31st January, 2024



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 TRUSTEES LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2023.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ava Trustees Limited which comprise the statements of financial position as at 31 December, 2023, 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 11 to 38. Statement for the year ended 31 December, 2023, 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, 2023, 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 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.

INDEPENDENT AUDITORS REPORT continued

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.

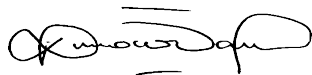
We communicate with the Board of Directors/Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, 2024



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR END 31ST DECEMBER, 2023.

		2023	2022
	Note	₦'000	₦'000
Fees and Commission Income	4	64,230	62,055
Interest Income	5	365,623	162,029
		429,853	224,084
Direct Cost	6	(217,838)	(77,716)
Gross Earnings		212,015	146,368
Personnel Expenses	7	(28,887)	(11,215)
Depreciation of Properties & Equipment	8	(9,365)	(11,389)
Other Operating Expenses	9	(146,283)	(120,171)
Profit Before Taxation		27,480	3,593
Taxation	10	(9,860)	(1,872)
Profit After Taxation		17,620	1,721
Other comprehensive Income		-	-
Total comprehensive profit for the year		17,620	1,721
Earnings per share			
Basic profit per share (Kobo)	11	0.02	0.006

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

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2023.

		2023	2022
ASSETS	Note	₦'000	₦'000
Current Assets			
Cash and Cash Equivalents	12, 18	7,787,722	7,027,872
Receivables	13	25,391	56,977
Prepayment	14	1,337	
Investment Property	15	660,000	
		8,474,450	7,084,849
Non-Current Assets			
Property, Plant and Equipment	16	17,242	17,805
Other Assets	17	-	3,363
		17,242	21,168
Total Assets		8,491,692	7,106,017
EQUITY AND LIABILITIES			
Equity			
Share Capital	19	100,000	300,000
Retained Earnings	20	20,940	3,320
		1,020,940	303,320
Liabilities			
Non Current Liabilities			
Trust Sinking Fund	21	4,362,790	6,677,717
		4,362,790	6,677,717
Current Liabilities			
Payables	22	1,849,424	105,302
Other Payables	23	1,248,678	17,315
Tax Payable	10	9,860	2,363
		3,107,962	124,980
Total Equity and Liabilities		8,491,692	7,106,017

The financial statements on pages 104 - 134 were approved by the Board of Directors on 31st January, 2024 and signed on its behalf by:



SAMSON ADEBOYE ADEKUNLE
Director
FRC/2020/003/00000021513



OLUKAYODE S. FADAHUNSI
Director
FRC/2015/CISN/00000011838

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR END 31ST DECEMBER, 2023.

	Share Capital	Retained Earnings	Total Equity
	N'000	N'000	N'000
Balance at 1 January, 2022	300,000	1,599	301,599
Issue of Share Capital	-	-	-
Profit for the year	-	1,721	1,721
Balance at 31 December, 2022	300,000	3,320	303,320
Balance at 1 January, 2023	300,000	3,320	303,320
Issue of Share Capital	700,000	-	700,000
Profit for the year	-	17,620	17,620
Balance at 31 December, 2023	1,000,000	20,940	1,020,940

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

STATEMENT OF CASH FLOW

FOR THE YEAR END 31ST DECEMBER, 2023.

	Note	2023 N'000	2022 N'000
OPERATING ACTIVITIES			
Profit before Taxation	20	27,480	3,593
Depreciation	8, 16	9,860	11,389
Net cash flow before changes in working capital		37,340	14,982
Changes in operating assets:			
Receivables	13	31,586	(53,368)
Prepayment	14	(1,337)	
Other Assets	17	3,363	(2,573)
Changes in operating liabilities:			
Payables	22	1,744,122	(789,258)
Other Payables	23	1,231,363	12,747
Tax Payable	10	(2,363)	(129)
Cash generated from operating activities		3,044,075	(817,599)
CASH FROM INVESTING ACTIVITIES			
Investment Property	15	(660,000)	-
Property, Plant and Equipment Acquisition	16	(8,801)	(2,832)
Net Cash used in investing activities		(668,801)	(2,832)
CASH FROM FINANCING ACTIVITIES			
Share Capital	19	700,000	-
Trust Sinking Fund	21	(2,315,423)	6,216,193
Net Cash from financing activities		(1,615,423)	6,216,193
Net increase in cash and cash equivalents during the period		759,850	5,395,762
Cash and Bank balances at 1 January, 2022	12, 18	7,027,872	1,632,110
Cash and Bank balances at 31 December, 2022	12, 18	7,787,722	7,027,872

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AVA
SECURITIES

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR END 31ST DECEMBER, 2023.

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 2023 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 2024 would be far better than 2023.

1.4 Financial Period

These financial statements cover one year from 1 January, 2022 to 31 December, 2023.

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 foreseeable 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.

SIGNIFICANT ACCOUNTING POLICIES continued

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

26.1 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.

2.6.2 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

SIGNIFICANT ACCOUNTING POLICIES continued

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 accounting 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 subsequent 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 reliably.

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

Except as described below, the Company has consistently applied the accounting policies to all periods presented in these annual financial statements.

2.11.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements.

New or amended standards	Summary of the requirements	Impact on financial statements
Classification of Liabilities as Current or Noncurrent (Amendments to IAS 1)	This amendment seeks to clarify the requirements for classifying liabilities as current or non-current. Including the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, Management expectations about events after the statement of financial position date, and the situations that are considered settlement of a liability. The amendments will be applied retrospectively. This standard becomes effective 1 January 2023.	This amendment had no significant impact on the Company's Financial statements.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	This standard is Effective for annual periods beginning on or after 1 January 2023. In determining the tax base of assets and liabilities, the amendments clarify that where law) whether such deductions are attributable for tax purposes to the liability payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. Also, in respect of changes to the initial recognition exception under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.	This amendment had no significant impact on the Company's Financial statements.

New or amended standards	Summary of the requirements	Impact on financial statements
The changes in Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The effective date of this amendment is from periods beginning on or after 1 January 2023.	This amendment had no significant impact on the Company’s Financial statements.
Amendment to IAS 1	This amendment relates to classification of Liabilities as Current or Noncurrent which will provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the statement of financial position date. The amendment only affect the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendment will clarify that classification of liabilities as current or noncurrent should be based on rights that are in existence at the end of the balance sheet date. clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	This amendment had no significant impact on the Company’s Financial statements.

New or amended standards	Summary of the requirements	Impact on financial statements
IFRS 17 - Insurance Contracts	IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. It also requires similar principles for reinsurance contracts held and issued investment contracts with discretionary participation features. The standard brings a greater degree of comparability and transparency about an insurer's financial health and the profitability of new and inforce insurance business.	This standard does not have impact on the financial statements as the Company is not into insurance business.

2.4.2 Standards issued but not yet effective

The following standards and interpretations had been issued but were not mandatory

New or amended standards	Summary of the requirements	Impact on financial statements
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. Effective date for accounting periods beginning on or after 1 January 2024.	This standard is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.
Amendment to IAS 1 – Noncurrent liabilities with covenants.	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Effective date for accounting periods beginning on or after 1 January 2024.	This standard is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.

New or amended standards	Summary of the requirements	Impact on financial statements
Amendment to IAS 7 and IFRS 7 - Supplier finance	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. Effective date for accounting periods beginning on or after 1 January 2024.	This standard is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Effective date for accounting periods beginning on or after 1 January 2025.	This standard is not expected to have significant impact on the financial statements. The Company has opted not to early adopt.

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 recognized 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 recognized 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 recognized 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 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.

SIGNIFICANT ACCOUNTING POLICIES continued

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 recognized 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 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 recognized 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 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.



AVA
GLOBAL ASSET
MANAGERS

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**earning more,
let us show you!**

Open an **AVA GAM Mutual Fund**
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- Easy access to fund
- Competitive returns
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*Please read the Prospectus and where in doubt, consult your stockbroker, fund/portfolio manager, accountant, banker, solicitor or any other professional adviser for guidance before subscribing.

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NOTES TO FINANCIAL STATEMENT continued**FOR THE YEAR END 31ST DECEMBER, 2023.**

	2023	2022
	N'000	N'000
4 FEES AND COMMISSION INCOME		
Fees and Commission income	21,051	45,749
Investment Income	43,179	16,306
	64,230	62,055
5 INTEREST INCOME		
Interest Income	365,623	162,029
	365,623	162,029
6 FEES AND COMMISSION EXPENSES		
Fees, Commission and Interest Expenses	217,838	77,716
	217,838	77,716
7 PERSONNEL EXPENSES		
Salaries and Allowances	9,674	9,814
PAYE Expenses	976	-
Pension Employee	676	1,401
Pension- Employer	844	-
Staff Training	5,250	-
Staff Welfare	3,196	-
HMO	2,750	-
Leave and Other Allowances	4,043	-
Board Allowance	1,478	-
	28,887	11,215
8 DEPRECIATION AND AMORTISATION OF ASSETS		
Depreciation - Motor Vehicle	7,686	10,332
Depreciation - Computer Equipment	1,062	488
Depreciation - Office Equipment	247	166
Depreciation - Furniture and Fittings	370	403
	9,365	11,389
9 OTHER OPERATING EXPENSES		
Travel & Accommodation	35,436	26,428
Telephone & Internet	4,010	2,200
Subscription & Registration	950	8,427
Printing & Stationery	495	2,796
Motor Vehicle Expenses	5,639	4,458
Medicals	-	4,100
Insurance	704	1,475
Cleaning and Office Running	8,279	84
Advertising and Branding	4,000	5,004
Courier and Delivery	13,254	9,884

	2023	2022
	N'000	N'000
Computer Expenses	5,905	2,386
Bank Charges	786	487
Audit Fee	1,000	500
Repairs & Maintenance	14,295	14,273
Electricity & Water	11,105	10,730
Rent	5,500	5,500
Local Transportation	6,435	4,535
Diesel and Fuel	23956.06	11,424
Security	4,250	2,745
Legal Fees	284	2,735
	146,283	120,171

10 TAXATION

10.1 Profit and Loss Account

Company Income Tax	8,755	1,497
Education Tax	1,105	375
	9,860	1,872

10.2 Current Income Tax Payable

10.2.1 Company Income Tax

At 1 January	2,363	620
Tax Provision during the year	9,860	1,872
Payment during the year	(2,363)	(129)
At 31 December	9,860	2,363

11 EARNINGS PER SHARE

Basic Profit per kobo

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 (N)	17,620	1,721
Weighted average number of ordinary shares for the purpose of basic profit or (loss) per share	0.02	0.01

12 CASH AND CASH EQUIVALENTS

Balances with Banks	1,712,534	2,717,113
Fixed Income Fund (Placements)	6,075,188	4,310,759
Cash and Bank balances	7,787,722	7,027,872

13 RECEIVABLES

Trade Receivable	-	56,977
Interest Receivable	15,957	-
Withholding tax Receivable	9,434	-
	25,391	56,977

0123

	2023	2022
	N'000	N'000
18 BALANCE WITH OTHER BANKS		
Providus Bank Limited	37,408	567
Globus Bank Limited	11	11
United Bank For Africa Plc	1,525,001	2,070,723
TAJ Bank	5,307	633,256
Keystone Bank Limited	145,393	2,024
Lotus Bank Limited	50	50
Access Bank Plc	86	50
Guaranty Trust Bank Limited	10	10
Coronation Merchant Bank Limited & Other Banks	110	10,422
Placement with Providus & Others	6,075,188	4,310,759
	7,788,564	7,027,872
19 SHARE CAPITAL		
Authorised, Shared & Fully Paid		
1,000,000,000 Ordinary Shares of N1 each	1,000,000	300,000
20 RETAINED EARNINGS		
As at 1 January,	3,320	1,599
Profit for the year	17,620	1,721
As at 31 December,	20,940	3,320
21 TRUST SINKING FUND		
Sinking Fund - Minaret	2,409,943	3,546,876
Sinking Fund - KSIP	185,365	172,718
Sinking Fund - Caliphate Sukuk	311,856	276,586
Sinking Fund - Zamfara ZSG SPV	1,207,028	2,355,768
Sinking Fund - Jewel SPV Sukuk	248,598	325,769
	4,362,790	6,677,717
22 PAYABLES		
Payable - Trust Fund	1,795,551	49,920
Interest Payable	53,873	55,382
	1,849,424	105,302
23 OTHER PAYABLES		
VAT Payable	-	-
Pension Payable	172	78
PAYE Payable	36	55
NHF Payable	83	4
Salary Payable	-	-
Other Payables	1,223,800	3,541
Accrued Audit Fees	1,000	500
Accrued Branding exp	6,677	3,347
Accrued internet exp	5,740	1,990
Accrued Medical expenses	4,142	2,100

	2023	2022
	N'000	N'000
Accrued Staff training expenses	4,100	4,050
Board allowance accrued	2,928	1,650
	1,248,678	17,315

NOTES TO FINANCIAL STATEMENT continued

24 RISK MANAGEMENT FRAMEWORK

24.1 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 responsibility for establishing, monitoring 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 environment (reputation and strategic)
- . Market (equity prices, interest rate and currency);
- . Liquidity; and

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 receiva- bles	Total carrying amount	Fair Value
	Note	N'000	N'000	N'000	N'000
31 December, 2023					
Cash and cash equivalents	12, 18	7,787,722	-	7,787,722	7,787,722
Receivables	13	-	25,391	25,391	25,391
Prepayment	14	1,337	-	1,337	1,337
Investment Property	15	660,000	-	660,000	660,000
Other assets	17	-	-	-	-
		8,449,059	25,391	8,474,450	8,474,450
Payables	22	1,849,424	-	1,849,424	1,849,424
Other liabilities	23	1,248,678	-	1,248,678	1,248,678
		3,098,102	-	3,098,102	3,098,102
		5,350,957	-	5,376,347	5,376,347

24.4 Detailed disclosure of significant 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 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 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.

	2023	2022
	N'000	N'000
Regulatory minimum capital requirement(N'000)	300,000	300,000
Actual qualifying capital (N'000)	1,000,000	300,000
Actual capital ratio (times)	3.33	1.00

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 2023, 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:

- * Transaction risk;
- * Operational risk;
- * Compliance risk; and
- * Financial accounting risk

NOTES TO FINANCIAL STATEMENT continued

(i) Transaction risk

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

(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 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 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 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.

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 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.

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 fluctuate 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.

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 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

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

(i) 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.

NOTES TO FINANCIAL STATEMENT continued

(ii) 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 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 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.

23 Information Regarding Employees

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

	2023	2022
	Number	Number
Managerial	1	1
Senior	1	1
Junior	1	1
	3	3

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

	Number	Number
₦500,00 - ₦1,700,000	1	1
₦1,700,000 - ₦3,600,000	1	1
Above ₦3,600,000	1	1
	3	3

24 Related Party Transaction

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

25 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.

26 Contingent Liability

The Directors are of the opinion that there were no contingent liabilities against the company for the year ended 31 December, 2023.

27 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, 2023.

28 Approval of Financial Statements

The Financial Statements were duly approved by the Board of Directors on 31st January, 2024

STATEMENT OF VALUE ADDED

FOR THE YEAR END 31ST DECEMBER, 2023.

	2023		2022	
	N'000	%	N'000	%
Value added by operating activities:				
Fee and Commission Income	64,230		62,055	
Interest Income	365,623		162,029	
	429,853		224,084	
Direct Cost and Other Operating Cost	(364,121)		(197,887)	
Total Value Added	65,732	100	26,197	100
Applied as Follows:				
To pay employees				
salaries, allowances and fringe benefits	28,887	44	11,215	43
To pay government				
Income tax	9,860	15	1,872	7
To provide for enhancement of assets and growth				
Depreciation of property, plant and equipment	9,365	14	11,389	43
Augument/(deplete) retained earnings	17,620	27	1,721	7
Total Value Distributed	65,732	100	26,197	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.

FINANCIAL SUMMARY

FOR THE YEAR END 31ST DECEMBER, 2023.

	2023 N'000	2022 N'000
Assets		
Curent assets	8,474,450	7,084,849
Non-current assets	17,242	21,168
Total assets	8,491,692	7,106,017
Equity		
Share Capital	1,000,000	300,000
Retained Earnings	20,940	3,320
Total equity	1,020,940	303,320
Liabilities		
Non Current Liabilities	4,362,790	6,677,717
Current liabilities	3,107,962	124,980
Total Liabilities	7,470,753	6,802,697
Total equity and liabilities	8,491,692	7,106,017
Statement of Profit or Loss and Other Comprehensive Income		
Fees and Commission Income	64,230	62,055
Interest Income	365,623	162,029
	429,853	224,084
Fees and Commission Expenses	(217,838)	(77,716)
Gross profit	212,015	146,368
Other operating expenses	(184,536)	(142,775)
Profit or Loss before taxation	27,480	3,593
Taxation	(9,860)	(1,872)
Profit for the year	17,620	1,721
Statement of Cash Flows		
Cash flow from operating activities	3,044,075	(817,599)
Cash flow from investing activities	(668,801)	(2,832)
Cash flow from financing activities	(1,615,423)	6,216,193
Cash movement for the year	759,850	5,395,762

Income Tax Computation 2024 Year of Assessment

Basis Period 1/1/2023 - 31/12/2023

	N'	N'
Profit as per Accounts	-	27,480,000
Add:		
Depreciation		9,365,000
Assessable Profit		36,845,000
Capital Allowance		
As at 1 January,	-	
Charge for the year	7,663,588	
	7,663,588	(7,663,588)
Balance	-	
Total profit		29,181,412
Company Income Tax @ 30%		8,754,424
Education Tax		
3% of Assessable Profit		1,105,350
		9,859,774

Financial Statements for the year ended 31 December, 2023

2023 CAPITAL ALLOWANCE COMPUTATION

		Residue Value 1/1/2022	Additional During the Year	Total	Initial Allowance	Annual Allowance	Total Capital Allowance	Residue Value 12/31/2023
		₦	₦	₦	₦	₦	₦	₦
Motor	IA 50%	8,202,656	7,700,000	15,902,656	3,850,000	3,013,164	6,863,164	9,039,492
Vehicle	AA 25%	-						-
Computer	IA 25%	1,136,640	1,101,000	2,237,640	275,250	392,478	667,728	1,569,912
Equipment	AA 20%							
Office	IA 25%	272,040	-	272,040	-	54,408	54,408	217,632
Equipment	AA 20%							
Furnitures &	IA 25%	391,440	-	391,440	-	78,288	78,288	313,152
Fittings	AA 20%							
		10,002,776	8,801,000	18,803,776	4,125,250	3,538,338	7,663,588	11,140,188

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AVA SECURITIES LIMITED | FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER, 2023.

CORPORATE INFORMATION

Country of incorporation and domicile - Nigeria

Nature of Business and principal activities

The company is a Stock Broking firm duly registered with the Securities and Exchange Commission (SEC) and a trading license holder of the Nigerian Exchange Limited and NASD OTC. Therefore, it is principally engaged in brokering of financial securities on the floors of Stock Exchanges and provision of other financial advisory services.

Directors	Mr. Olukayode Fadahunsi	- Chairman
	Mr. Samson Adekunle	- Director
	Mrs. Temiloluwa Okurounmu	- Director

Shareholding Structure	Prosperis Holdings Company Busayo Adeniyi	Units	
		2023	2022
		484,500,000	184,500,000
		20,500,000	20,500,000
		505,000,000	205,000,000

Business Address	3, Glover Road Ikoyi Lagos
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Company Secretary	Oluwatobi Idowu 3, Glover Road Ikoyi Lagos
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Independent Auditors	Joseph Dauda & Co (Chartered Accountants) 7/9, Olajide Street Off Bashiru Street Ojodu, Ikeja Lagos
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Bankers	Guaranty Trust Bank Plc Access Bank Plc UBA Plc Providus Bank Limited Globus Bank Limited Keystone Bank Limited Coronation Bank Limited
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REPORT OF DIRECTORS

FOR YEAR ENDED 31ST DECEMBER, 2023

DIRECTORS' REPORT

The directors have the pleasure of presenting the audited financial statements of AVA Securities Limited for the year ended 31 December 2023 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:-

	2023	2022
	₦	₦
Profit/(loss) before taxation	15,379,539	2,164,434
Taxation	(1,836,210)	(390,067)
Profit/(loss) after taxation	13,543,329	1,774,367
Retained profit brought forward	5,291,167	3,516,800
Retained Profit carried forward	18,834,496	5,291,167

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 2023 was as follows:

		2023	2022
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 2022 or as at the date of this report.

REPORT OF DIRECTORS continued

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 were done at arm's length.

Shareholding structure

The shareholding structure of the Company as at 31 December 2023 were as follows:

	2023	%	2022	%
	000		000	
Prosperis Holdings Company Limited	484,500	96	184,500	90
Busayo Adeniyi	20,500	4	20,500	10
	505,000	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, 2023 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**OLUWATOBI IDOWU**

COMPANY SECRETARY

3, Glover Road

Ikoyi, Lagos

31st January, 2024

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.



SAMSON ADEBOYE ADEKUNLE

Director

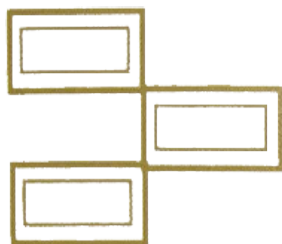
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OLUKAYODE S. FADAHUNSI

Director

FRC/2015/CISN/00000011838



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 SECURITIES LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2023.

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, 2023. The financial statements comprise the Statements of Financial Position as at 31 December, 2023, 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, 2023, 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.

INDEPENDENT AUDITORS REPORT continued

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:

- (i) 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.
- (ii) 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.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (iv) 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.
- (v) 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.
- (vi) 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.

INDEPENDENT AUDITORS REPORT continued

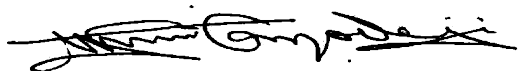
From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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

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, 2023 was approved by the Board of Directors of the company.



Adesoji Adedeji

FRC/2021/004/00000024526

For: Joseph Dauda & Co.

(Chartered Accountants)

Lagos, Nigeria.

28th January, 2024



STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2023.

		2023	2022
	Note	₦	₦
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	610,311,655	222,881,495
Clients' Funds	7	45,661,385	27,349,072
Other Assets	8	-	3,346,123
Quoted Investments	9	20,315,592	20,315,592
		676,288,631	273,892,282
Non-Current Assets			
Property, Plant and Equipment	5	3,562,455	5,475,339
Intangible Assets	6	40	40
TOTAL ASSETS		679,851,127	279,367,659
LIABILITIES			
Payable to Clients	10	63,030,488	24,026,688
Other Payables	11	74,871,586	42,563,752
Taxation	12	4,322,263	2,486,053
TOTAL LIABILITIES		142,224,337	69,076,493
EQUITY			
Ordinary Share capital	14	505,000,000	205,000,000
Retained Earnings	13	32,626,789	5,291,166
TOTAL EQUITY		537,626,789	210,291,166
TOTAL EQUITY AND LIABILITIES		679,851,127	279,367,659

Signed on behalf of the Board of Directors on 31st January, 2024 by:



SAMSON ADEBOYE ADEKUNLE
Director
 FRC/2020/003/00000021513



OLUKAYODE S. FADAHUNSI
Director
 FRC/2015/CISN/00000011838

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, 2023.

	Note	2023	2022
		₦	₦
Commission Income	15	124,954,096	55,241,672
Commission expenses		-	(1,141,722)
Net fee and commission income		124,954,096	54,099,951
Interest Income	17	11,785,325	6,190,902
Other Income	16	-	45,500
Net Income		136,739,422	60,336,353
Personnel expenses	18	(8,041,906)	(5,447,932)
Depreciation and amortisation	5&6	(3,607,782)	(2,089,667)
Other operating expenses	19	(109,710,194)	(50,634,320)
		(121,359,883)	(58,171,919)
Profit before income tax		15,379,539	2,164,434
Income tax expense		(1,836,210)	(390,067)
Profit/(loss) for the year after tax		13,543,329	1,774,367
Other comprehensive income		-	-
Profit/(loss) for the year and total comprehensive income		13,543,329	1,774,367
Earnings per share			
Profit per share (Kobo)		0.07	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, 2023.

	Share Capital	Retained Earnings	Total
	₦	₦	₦
Balance at 1 January, 2022	205,000,000	3,516,799	208,516,799
Issue of share capital	-	-	-
Profit for the year		1,774,367	1,774,367
Dividend Paid		-	-
Balance at 31 December, 2022	205,000,000	5,291,166	210,291,166
Balance at 1 January, 2023	205,000,000	5,291,166	210,291,166
Issue of share capital	300,000,000		300,000,000
Prior Year Adjustment		13,792,294	13,792,294
Profit for the year		1,774,367	1,774,367
Dividend Paid		-	-
Balance at 31 December, 2023	505,000,000	32,626,789	537,626,789

STATEMENT OF CASH FLOW

FOR THE YEAR END 31ST DECEMBER, 2023.

	Note	2023	2022
		₦	₦
Cash flow from operating activities			
Profit/(Loss) before tax		15,379,539	2,164,434
Adjustment for items not involving movement of funds			
Depreciation	5	3,607,782	2,089,667
Amortization of Intangible Assets	6	-	-
Operating profit/(loss) before changes in operating assets		18,987,321	4,254,101
Working capital changes			
Decrease/(increase) in other assets		3,346,123	(765,878)
Decrease/(increase) in other investments		-	-
Decrease/(increase) in Statutory Deposits		-	-
Decrease/(increase) in Quoted Investments		-	0
Change in payables to clients		39,003,799	(15,419,462)
Change in other payables		32,307,835	5,913,026
Net cash flow from operating activities		93,645,078	(6,018,213)
Cash flow from investing activities			
Purchase of fixed assets		(1,694,899)	(6,566,000)
Purchase of investment properties		-	-
Net cash flow from investing activities		(1,694,899)	(6,566,000)
Cash flow from financing activities			
Proceeds from Deposit for shares		300,000,000	-
Prior Year Adjustment		13,792,294	(6)
Tax Paid		-	-
Net cash flow from financing activities		313,792,294	(6)
Net Cash Flow		405,742,474	(12,584,219)
Cash and cash equivalent at the beginning of the year		250,230,567	262,814,786
Cash and cash equivalent at the end of the year		655,973,040	250,230,567
Cash and Cash Equivalent Consists of:			
Cash at Banks		610,311,655	222,881,495
Clients Fund		45,661,385	27,349,072
	7	655,973,040	250,230,567

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR END 31ST DECEMBER, 2023

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, 2023 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 recognized 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 SIGNIFICANT ACCOUNTING POLICIES continued

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 realized 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.

SIGNIFICANT ACCOUNTING POLICIES continued

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 equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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.

SIGNIFICANT ACCOUNTING POLICIES continued

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.

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.

3.14 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:

SIGNIFICANT ACCOUNTING POLICIES continued

- 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.

Other income are recognised when earned.

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.

SIGNIFICANT ACCOUNTING POLICIES continued

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 liability 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.

SIGNIFICANT ACCOUNTING POLICIES continued

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 participants 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.

SIGNIFICANT ACCOUNTING POLICIES continued

4.3 Detailed discussion of significant risks

a 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.

b 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

	2023	2022
Regulatory minimum capital requirement	200,000,000	200,000,000
Actual qualifying capital	537,626,789	210,291,166
Actual capital ratio (times)	2.69	1.05

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.

SIGNIFICANT ACCOUNTING POLICIES continued

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.

di Transactional risk

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

dii Operational risk

The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

diii Compliance risk

The risk associated with meeting the company's statutory obligations.

div 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.

e Accounting risk

Accounting risk is the risk that the company fails to explain the current events of the business in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES continued

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 this 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 from 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

SIGNIFICANT ACCOUNTING POLICIES continued

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 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 realizable.

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

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.

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.

SIGNIFICANT ACCOUNTING POLICIES continued

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 is 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.

NOTES TO THE FINANCIAL STATEMENTS continued

	2023	2022
	N	N
Cash and cash equivalents		
Cash at bank and on hand	53,175,623	5,358,807
Cash in operations account	3,789,953	5,397,197
Funds in Placement	553,346,079	212,125,491
Cash and cash equivalents	610,311,655	222,881,495
Cash and cash equivalents in the statement of cash flows	610,311,655	222,881,495

5 Property, Plant and Equipment

	Motor Vehicle	Furnitures & Fittings	Computer Equipment	Plant & Machinery	Office Equipment	Total
Cost	N	N	N	N	N	N'000
As at 1 January, 2023	5,500,000	8,817,960	1,751,500	3,280,000	5,755,263	25,104,723
Additions during the year	-	-	1,694,899	-	-	1,694,899
As at 31 December, 2023	5,500,000	8,817,960	3,446,399	3,280,000	5,755,263	26,799,621
Depreciation						
As at 1 January, 2023	1,831,500	7,937,151	1,751,490	3,279,990	4,829,253	19,629,384
Charge for the year	1,833,150.00	880,798.74	430,833.13	-	463,000.00	3,607,782
As at 31 December, 2023	3,664,650.00	8,817,949.84	2,182,323.27	3,279,990.00	5,292,252.85	23,237,165.96
Carrying Amount						
At 31 December, 2023	1,835,350	10	1,264,075	10	463,010	3,562,455
At 31 December, 2022	3,668,500	880,808.74	10	10	926,010	5,475,339

NOTES TO THE FINANCIAL STATEMENTS continued

6 Intangible Assets

	Trading Rights	Accounting Software in Brokerage	Website Development	Peachtree Accounting Software	Total
Cost	N	N	N	N	N
As at 1 January, 2023	1,800,000	4,289,250	320,000	155,000	6,564,250
Additions during the year	-	-	-	-	-
As at 31 December, 2023	1,800,000	4,289,250	320,000	155,000	6,614,250
Depreciation					
As at 1 January, 2023	1,799,990	4,289,240	319,990	154,990	6,564,210
Charge for the year	-	-	-	-	-
As at 31 December, 2023	1,799,990	4,289,240	319,990	154,990	6,564,210
Carrying Amount					
At 31 December, 2023	10	10	10	10	40
At 31 December, 2022	10	10	10	10	40

	2023	2022
	N	N
7 Cash and Cash Equivalents		
Cash in hand	-	-
Trading accounts	53,175,623	5,358,807
Cash in operations account	3,789,953	5,397,197
Funds in placement	553,346,079	212,125,491
Client Fund	45,661,385	27,349,072
	655,973,039.82	250,230,567

8 Other Assets		
Prepayment: Fidelity Bond Insurance	-	314,000
Prepayment: Infoware Fix Net Connectivity	-	446,880
Prepayment: FIX NET connectivity test environment	-	32,474
Prepayment: Infoware Annual License Support	-	322,500
Prepayment - Simplus Software Acquisition Cost	-	2,230,019
Website Upgrade/ Retainership Agreement	-	250
	-	3,346,123

	2023	2022
	N	N
9 Quoted Investment	20,315,592	20,315,592
This represents the value of the Nigerian Exchange Group Plc (NGX Plc) shares issued to the company sequel to demutualisation of Nigerian Stock Exchange in 2020. The company was issued 6,007,884 units of shares. The Company currently has 1,020,884 units of shares at a unit price of N19.90		
10 Payable to Clients		
Clients accounts	63,030,488	13,299,667
Other Payable Accounts	-	10,727,021
	63,030,488	24,026,688
11 Other Payables		
Accrued Audit Fees	1,000,000	550,000
Stamp Duty	618,264	618,264
VAT Payable	3,033,681	1,296,303
Pension Payable	75,927	-
Other Accrued Expenses	44,835,581	14,650,553
PAYE Payable	52,693	193,191
Shareholders Payable	25,255,441	25,255,441
	74,871,586	42,563,752
12 Tax Payable		
Balance Brought Forward	2,486,053	2,095,985.78
Company Income Tax for the year	1,836,210	390,067.45
Prior Year Adjustment	-	-
	4,322,263	2,486,053
13 Retained Earnings		
Balance Brought Forward	5,291,166	3,516,799
Prior Year Adjustment	13,792,294	-
Profit for the year	13,543,329	1,774,367
	32,626,789	5,291,166
14 Share Capital		
Authorized Share Capital		
505,000,000 ordinary shares of N1 each	505,000,000	310,000,000
Issued & Fully Paid Share Capital		
505,000,000 Ordinary Shares of N1 each	505,000,000	205,000,000
15 Fee and commission incomes		
Brokerage Commission on Shares	22,345,614	8,243,572
Brokerage Commission on Bonds	102,608,483	32,304,377
Interest Income on Bonds	-	13,100,000
Other Commission Income	-	1,593,723
	124,954,096	55,241,672
	-	-

NOTES TO THE FINANCIAL STATEMENTS continued

	2023	2022
	₦	₦
16 Other operating incomes		
Verification Charges	-	45,500
	-	45,500
17 Net interest incomes/expenses		
Interest Income Comprises		
Interest on Fixed Placements	11,785,325	6,190,902
Other Interest Income	-	-
Net interest income/(expense)	11,785,325	6,190,902
18 Personnel expenses		
Salaries and wages	8,041,906	5,447,932
	8,041,906	5,447,932
Average number of personnel employed (including directors):		
Directors	1	1
Management	1	1
Others	6	6
	8	8
19 Other Operating Expenses		
Transport and travelling	2,131,319	295,415
Rent and Rates	-	2,500,000
Regulatory Expenses	2,290,291	125,833
Professional Fees -Legal	-	35,625
Diesel Cost	-	309,645
Software Acquisition Cost	4,903,186	3,519,061
Printing & Stationeries	-	770,600
Bank Charges	1,201,554	264,211
Training Expenses	5,632,763	2,605,935
Subscriptions and Periodicals	-	2,203,700
Insurance	676,916	548,941
Computer Expenses	4,583,583	1,935,269
FIX NET Connectivity - NSE	32,474	53,219
X-NET NSE	-	324,740
FIX Connectivity Infoware	446,880	107,500
ASHON	100,000	175,250
NASD Dues and Fees	241,500	241,600
CIS Staff membership dues	80,750	349,500
CSCS Eligibility Fee	77,280	122,043
Software annual licence support	322,500	-

NOTES TO THE FINANCIAL STATEMENTS continued

	2023	2022
	N	N
Audit Fees	1,294,000	500,000
Cleaning and Office Supplies	-	-
Electricity and Water	-	4,200,000
Medicals	6,000,000	2,310,000
Motor Running Expenses	-	840,630
Office Expenses	51,831,057	15,405,433
NGX Annual Charges	430,000	661,125
Branding Expenses	4,000,000	5,040,000
AGM Expenses	7,439,084	1,650,000
Compliance Related Expenses	11,563	281,807
Year-End Expenses	11,840,010	-
Bad debt written-off	-	271,237
Repairs and Maintenance	4,143,484	1,186,000
Telephone and Internet	-	1,800,000
Total other operating expenses	109,710,194.43	50,584,320

20 Contingent liabilities

There are no contingent liabilities as at 31 December, 2023 (2022:nil)

21 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.

22 Events after the reporting period

No material transactions occurred after 31 December, 2023 requiring disclosure in or adjustment to the annual financial statements for the year ended 31 December, 2023.

STATEMENT OF VALUE ADDED

FOR YEAR ENDED 31ST DECEMBER, 2023.

	2023		2022	
	N'000	%	N'000	%
Fee and commission income	136,739,422		60,336,352	
Net Trading income	-		-	
Less: Admin and Overhead Expenses	(109,710,194)		(50,634,320)	
Value Added	27,029,227	100	9,702,033	100

Applied as Follows:

To pay employees

salaries,wages and fringe benefits	8,041,906	30	5,447,932	56
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To pay government

Income tax	1,836,210	7	390,067	4
Education tax	-	-	-	-

To provide for enhancement of assets and growth

Depreciation of property,plant and equipment	3,607,782	13	-	-
Augument/(deplete) retained earning	13,543,329	50	3,863,929	40
	27,029,227	100	9,702,033	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 I FINANCIAL POSITION

	2023	2022	2021	2020	2019
	N	N	N	N	N
Assets					
Cash and cash equivalents	655,973,040	250,230,567	262,814,786	211,012,876	363,841,373
License Fees	-	-	-	-	-
Other Investment	-	-	-	525,660	525,660
Quoted Investents	20,315,592	20,315,592	20,315,592	-	-
Other Assets	-	3,346,123	2,580,245	1,281,316	10,633,193
Statutory Deposit	-	-	-	1,000,000	1,000,000
Property, plant and equipment	3,562,455	5,475,339	999,005	2,692,000	6,191,346
Intangible Assets	40	39	39	984,636	2,297,487
	679,851,127	279,367,659	286,709,667	217,496,489	384,489,059
Equity					
Share capital	505,000,000	205,000,000	205,000,000	205,000,000	205,000,000
Reserves	-	-	-	561,709	699,433
Retained earnings	32,626,789	9,155,095	5,291,166	1,952,951	(1,261,142)
	537,626,789	214,155,095	210,291,166	206,391,242	204,438,291
Liabilities					
Payable to Clients	63,030,488	24,026,688	39,446,151	7,546,285	11,322,315
Other Payables	74,871,586	42,563,752	36,650,725	2,260,041	152,582,734
Deposit for shares	-	-	-	-	15,102,375
Tax Payable	4,322,263	2,876,219	2,095,992	1,298,921	1,043,344
	142,224,337	69,466,659	78,192,868	11,105,247	180,050,768
Total equity and liabilities	679,851,127	283,621,754	288,484,034	217,496,489	384,489,059

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	2023	2022	2021	2020	2019
	N	N	N	N	N
Profit/(loss) before income tax	15,379,539	4,254,101	2,164,434	2,789,930	(217,798)
Income tax expense	(1,836,210)	(390,172)	(797,065)	(836,979)	(1,043,344)
Profit/(loss) for the year after tax	13,543,329	3,863,929	1,367,369	1,952,951	(1,261,142)
Other comprehensive income	-	-	-	-	-
Profit/(loss) for the year and total and total comprehensive income	13,543,329	3,863,929	1,367,369	1,952,951	(1,261,142)
Earnings per share					
Basic profit/(loss) per share (Kobo)	0.027	0.019	0.029	0.010	(0.01)

2023 INCOME TAX COMPUTATION

	N'	N'
Profit as per Accounts	-	15,379,539
Add:		
Depreciation		3,607,782
Assessable Profit		18,987,321
Less: Capital Allowance		
Unclaimed Capital Allowances b/f	46,371,086	
Claims for the year	1,955,657	
	48,326,743	
Claimed for the year (Restricted to 2/3 of Profit)	(12,658,214)	(12,658,214)
Unclaimed Capital Allowances c/f	35,668,529	
Total profit		6,329,107
Company Income Tax @ 30%		1,265,821
Education Tax		
3% of Assessable Profit		569,620
Police Trust Fund		
0.005% of Profit before Tax		769
NITDEF Levy		
1% of Profit before Tax (Turnover not upto N100m)		-
Total Tax liability		1,836,210

Financial Statements for the year ended 31 December, 2023

2023 CAPITAL ALLOWANCE COMPUTATION

	Residue Value 1/1/2023	Additions in the Year	Initial Allowance	Annual Allowance	Total Capital	Residue Value	
	N	N	N	N	N	N	
Motor Vehicle	2,062,500	-	-	687,500	687,500	1,375,000	2
Computer Equipment	-	1,694,899	847,449	282,483.13	1,129,933	564,966	2
Office Equipment	-	-	-	-	-	-	0
Furnitures & Fittings	552,897	-	-	138,224	138,224	414,673	3
Plant & Machinery	-	-	-	-	-	-	0
	2,615,397	1,694,899	847,449	1,108,207	1,955,657	2,354,639	



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