AVA
CAPITAL GROUP

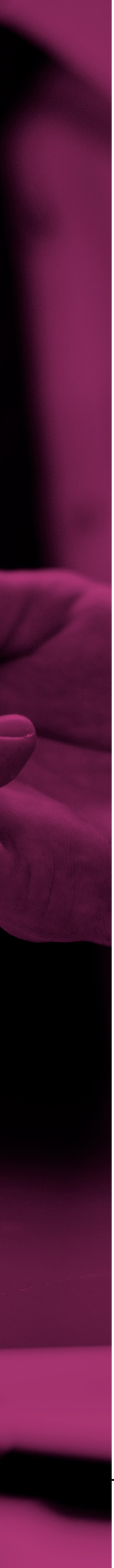
Annual Report
2022

www.avacapitalplcgroup.co

About AVA Capital Group

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

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



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Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM) of the Members AVA Group will be held on the 23rd day of February, 2022 at 1:00pm, 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, 2020 together with the Report of the Board of Directors and Auditors' thereon;

2. To elect/re-elect Directors;

3. To approve the remuneration of Directors;

4. To elect members of the Audit Committee;

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

AS SPECIAL BUSINESS

1. To approve the remuneration of Directors.

NOTES FOR MEMBERS' ATTENTION:

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

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

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

4. In accordance with Section 359(5) of the Companies and Allied Matters Act, 1990 (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.

5. 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 18th day of February, 2021.

Dated 29th January, 2022
By Order of the Board

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

Corporate Information

REGISTERED OFFICE

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

BOARD OF DIRECTORS

- Adeyinka Adedeji: Chairman, AVA Capital Group
- Olukayode Falasinnu: CEO, AVA Capital Group
- Olukayode Fadahunsi: Managing Director, AVA Global Asset Managers Limited
- Adedotun Adegbite: Director, AVA Capital Partners Limited
- Taiwo Okurounmu: Director, AVA Capital Partners Limited
- Efe Shaire: Director, AVA Capital Group
- Samson Adekunle: Director, AVA Capital Group
- Opeyemi Sadiq: Ag. Managing Director, AVA Trustees Limited
- Kayode Olarinde: Managing Director, AVA Securities Limited

OFFICERS & PROFESSIONAL ADVISERS

Company Secretary: Oladipo Adewumi

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

Auditors: Joseph Dauda & Co. (Chartered Accountants)

BUSINESS AFFILIATES

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

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

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

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

Vision, Mission and Core Values

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

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

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

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

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

Our Mission

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

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

• To contribute towards our communities and nation-building.

Our Vision

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

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.

— Execution
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 Falasinnu
Chief Executive Officer,
AVA Capital Group

Mr Falasinnu has over 16 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.

Kayode Fadahunsi
Managing Director,
AVA Global Asset Managers' Limited

Mr. Fadahunsi has over 22 years of experience in corporate finance & banking, investor relations and securities trading.
He is an expert in investor relations strategy. He has worked for UBA Plc as Director - Investor Relations, Managing Director, Capital Markets United Capital Plc, and MD, United Capital Securities Ltd. He also completed the Owners Management Programme (OPM) at Havard Business School, Boston.

Mr Sadiq is an experienced Corporate and Commercial Lawyer specializing in regulated and non-regulated capital market transactions such as state and corporate bonds, project finance, loan syndication, debentures and mortgages.
Prior to joining AVA Trustees, Yemi was a Commercial Trust Advisor and Business Development Officer at ARM Trustees. Yemi holds an LLB from University of Glamorgan, Wales (now University of South Wales) and an LLM degree in Corporate and Commercial Law from the University of Southampton, England. He is also a qualified Barrister and Solicitor of the Supreme Court of the Federal Republic of Nigeria and a member of the Nigerian Bar Association.

Opeyemi Sadik
Ag. Managing Director, AVA Trutees Limited

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

Kayode Olarinde
Managing Director, AVA Securities

Mr. Adekunle 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 15 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.

Samson Adekunle
Director

Board of Directors

Efe Shaire
Director

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.

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.

Taiwo Okunrounmu
Director

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

CHAIRMAN'S STATEMENT

Adedeji Adeyinka
Chairman, AVA Capital Group

It is with immense pleasure I welcome you all to AVA Capital Group 2022 Annual General Meeting. In this 2022 annual report, we will be sharing the separate financial statements of all the companies under the Group for the year, ended 31st December 2022.

Economic and Business Environment

By the end of 2021, the year which was the commencement of economic recovery for many countries from the effects of the COVID-19 pandemic, Nigeria recorded a Gross Domestic Product (GDP) growth of 4.03% (year-on-year). Exceeding its projected GDP growth rate of 3% for the fiscal year. The International Monetary Fund (IMF) projected that the global growth would slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023.

In February 2022, the world was confronted by the Russia-Ukraine war. This ongoing war continues to derail the global economic recovery, fueling the increase in commodity prices and related inflationary pressures. Also, it has resulted in gas prices soaring and triggered an energy crisis in Europe. There have been reports of slowing growth, high and persistent inflation with elevated uncertainties from both the war in Ukraine and the lingering pandemic. Continually high and broader-based inflation has prompted central banks around the world to accelerate interest rate hikes. The COVID-19 pandemic lingers in China, resulting in repeated lockdowns given the country's strict policies.

The world economies are slowing more than expected. The world's largest economies are facing a sharp growth slowdown. The economic outlook for the United States has deteriorated considerably amid high inflation, tight labour market conditions and aggressive monetary tightening by the Federal Reserve. After expanding by 5.7% in 2021, U.S. GDP contracted in both the first and second quarters of 2022. Full-year growth forecasts have been downgraded to only about 1.5% in 2022. Consumer spending, which accounts for about 70% of economic activity, is expected to soften despite a still buoyant labour market that has recovered all the 22 million jobs lost at the outset of the pandemic.

On the domestic front, though the Nigerian economy grew by 3.98% in 2022, the country's average inflation rate increased to 18.77% in 2022, compared with an average of 10.6% for emerging and developing economies and 8.8% for the world. As in other world economies, Nigeria's inflation continued its upward trajectory owing to a significant pick-up in the price of petroleum products, particularly, diesel which recorded a spike in February 2022 due to scarcity and increased importation costs. The rise in energy prices also impacted the aviation sector as airlines rely on imported jet fuel. Food inflation also hovered between 21% to 23%. According to the NBS, food inflation was 17.21% in November 2021, but it increased by 6.92 percentage points to 24.13% in November 2022. The consumer price index (CPI) in Nigeria, surged to 21.47% in November 2022, up from 21.09% in October 2022.

In the second quarter of 2022, Nigeria GDP recorded a 3.54% growth with the telecommunication sector, trade, financial and insurance sectors among others driving the growth. But the oil GDP declined by -11.77%, accounting for 6.33% of total output. The GDP growth slowed to 2.25% in the third quarter, performing lower than was observed in the first and second quarters. The oil sector continued to drop, falling by -22.67% year-on-year in Q3, contributing only 5.66% to the total real GDP unlike the 6.33% it contributed in the previous quarter. On the other hand, the non-oil sector rose by 4.27% in real terms and was primarily supported by telecommunication, trade, road transport, financial institutions, crop production, and real estate.

The Foreign Exchange Reserves in Nigeria increased to $37.80bn in December from $36.19bn at which it closed 2021, a positive development due to the surge in oil prices experienced during the year.

Financial Performance

Despite the domestic and international economic unrest, all our businesses persevered and delivered impressive results.

Below is a brief highlight of our financial performance during the year 2022:

AVA Capital Partners Limited (AVA Capital)

• AVA Capital delivered gross earnings of N309 million, a gain of 150% year-on-year.

• Shareholders' fund increased by 2.4% to N540 million at the end of the year.

AVA Global Asset Managers Limited (AVA GAM)

• AVA GAM continued its upward trend in profits, recording an increase in profit before tax of 4.7% year-on-year, from N45.2 million in 2021 to N47.3 million in 2022.

• Shareholder's fund increased by 3% to N1.07 billion resulting from the further capitalization by shareholders.

AVA Securities Limited (AVA Securities)

• Despite the volatility in the capital market in 2022, AVA Securities generated N55.2 million revenue, an increase of 70% from the value in 2021.

• The company had a profit after tax of N1.82 million a slit decline from 2021 figure.

• Shareholder's fund grew marginally by 0.9% to N210.34 million.

AVA Trustees Limited (AVA Trustees)

• The Trusteeship business commenced in 2022 ending the year with gross earnings of N146.37 million representing 275% year-on-year growth.

• The company also had a profit after tax of N1.72 million.

This performance emanates from our strategic planning and dedication to achieving the Group's long-term goal of continuously generating value for you – our shareholders and other stakeholders.

Looking Ahead in 2023

The outstanding financial results we achieved irrespective of the global and domestic turmoil were a result of the continued support and loyalty of our stakeholders. Furthering into 2023, we are convinced that with strategic planning, commitment, and goal-oriented drive of our brilliant staff and your support, these results will be surpassed.

Again, I appreciate you all for your support and

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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 Esteemed Shareholders,
I am pleased to welcome and address you as we review the AVA Capital Group financial performance for 2022, and it is my delight to announce to you that we made significant progress during the year. Our aim for the year under review was to build on the successes we saw in 2021, operating as a full-fledged financial services group focusing on delivering value to our clients and all our stakeholders.

For 2022, the target for us at AVA Capital Group was to optimize our processes and discover ways to achieve our goal for the decade, which is to place each of our four companies – AVA Capital Partners Limited, AVA Global Asset Managers Limited, AVA Securities Limited, and AVA Trustees Limited – on the forefront of their respective business lines in terms of market share, financial performance, growth, and profitability.

As we all know, shortly after the year 2022 commenced, news about Russia's invasion of Ukraine broke the airspace and kept investors and traders pondering the potential impact of this war on the global economy. Given that the warring countries are a significant source of agricultural products, including wheat and oilseeds, the war caused a lag in the growth of the global economy, as prices of critical inputs such as energy and food skyrocketed; a significant result of this was a nearly uncontrollable increase in inflation rate across major economies to almost all-time highs.
Another setback during the year was the outbreak of the omicron variant of the coronavirus disease, which led to another series of lockdowns in China, which also contributed to the weakening of global supply chains.

However, I am happy to announce that regardless of headwinds and stymied operating environment, we delivered a positive performance in FY2022. This is a collaborative effort from all our employees, Board, and Management Team, which worked together to maintain a long-term view while managing motivation levels and a shared desire to attain our previously-set goals. I will share some of our key focus areas during the past year, the challenges we took on, and the results we achieved over the year.

2022 Business Performance

AVA Capital Partners Limited
Taking a cue from the outcome of our business analysis at the end of 2021, we decided to adopt a two-pronged strategy for 2022, which involves maintaining our hold as a leader in the public sector space and deepening our activities in the private sector transactions. The outcome of our expansion strategy bore good fruits, as we proceeded to close the year on a more robust level than we did in previous years.

In the public sector space, we successfully closed out on the following transactions in our capacity as Lead Financial Adviser and Lead Issuing House: the Series 2 ₦8.94 Billion and Series 3 ₦6.50 Billion Al-Ijarah Sukuk Issuance by Minaret Sukuk Company Limited, the ₦10 Billion Sukuk Issuance by Caliphate Sukuk SPV Limited, as well as the ₦4.95 Billion Private Company Bond by ZSG-SPV Company Limited. We also collaborated and served as a Joint Issuing House on the Series 2 ₦13.2 Billion Private Company

Bond by NCNR SPV Limited and on the ₦24.3 Billion Al-Ijarah Sukuk Issuance by Jewel Sukuk SPV Limited.

As I mentioned earlier, we rekindled our activities in the private sector space, playing the Sole Issuing House to Bilaad Sukuk Issuance SPV Limited on its ₦844 million debut private Sukuk issuance. We were a Joint Issuing House to AFEX Commodities Exchange Limited's Series 2 ₦13 Billion Commercial Paper issuance and the Series 1 ₦10 Billion Murabahah Sukuk issuance by Taj Sukuk Issuance SPV Limited, among others.

On December 31, 2022, the Business closed the year with gross revenue of N309.10 million representing a 150% increase from ₦107.60 million recorded in the preceding year. Year-on-year profit also improved by 58% to ₦12.86 million at the close of 2022, up from the ₦8.12 million recorded for the year ended December 31, 2021.

We also created an origination team to drive business development activities and support the distribution of our transactions during the year. AVA Capital Partners was awarded the 2022 FMDQ Gold Award for the Most Active Transaction Sponsor in Private Markets. This is a testimony of the teams' hard work and dedication as we look to establish AVA Capital Partners as a leading investment banking firm in the industry.

AVA Global Asset Managers Limited

AVA Global Asset Managers Limited (AVA GAM) commenced operations with a clear objective of offering superior fund/asset management services to a broad clientele base. We have been intentional and strategic about this. In 2022, we commenced registering the AVA GAM Infrastructure Fund, which is targeted at raising capital to finance infrastructure activities in specific impact sectors within the Nigerian economy.

At the end of 2022, AVA GAM's Gross Income surged by 655% to ₦686.87 million in 2022 from ₦104.81 million in 2021 on the back of our strong drive to increase funds under management and fund management fees. The contractionary monetary policy stance taken by the CBN triggered a rapid increase in the cost of funds and interest expenses, which also affected the company's financial performance; thus, AVA GAM's profit after tax declined slightly by 4.72% to ₦31.18 million in 2022. Nonetheless, the company's retained earnings saw an uptrend, accelerating by 79.75% to ₦70.28.

In 2022, the impact of the Russia-Ukraine war and the coronavirus resurgence sent global fixed-income markets into a flurry as the probability of defaults across the market increased rapidly amidst the unstable economical environment. This was translated into a flattening of the yield curve, with more investors exercising restraint in their fixed-income investment action. Though the negative impact of the global macroeconomic landscape eventually crept into our AVA GAM Dollar Fund, we sought active fund management strategies to limit the Fund's exposure to the severely weak market. The AVA GAM Dollar Fund closed 2022 with a yield of 4.96%.

Nigeria's fixed-income market mirrored the reality across the globe, as trade-offs in the local Federal Government Bonds decreased the value of portfolios across the board. However, we managed the situation in line with our corporate objective and preserved the Fund's value to a great extent. The AVA GAM Naira Fixed Income Fund closed the year at ₦1,126.08 per unit to post a year-to-date return of 5.69%.

The drive to increase funds under management remains a crucial focus of the Business in 2023 as we look to consolidate our position and establish AVA GAM as a leading player in the Asset/Funds management space.

AVA Securities Limited

Our securities trading business started the year by leveraging on our existing mandates from pension fund administrators and institutional investors while intensifying conversation around onboarding new clients in the Fixed Income Brokerage space. During the year, the company made progress in its business development activities as new businesses were generated from both new clients and existing institutional clients. The company maintained its position as one of the fastest-growing fixed-income brokers in the Nigerian fixed-income market in 2022.

To intensify our efforts at integrating technology into our processes, we evolved our systems and revamped the equity trading section of our platform and the KYC application process. This is to ensure that clients are well served and that we are placed at the forefront as a technology-driven organization. We also made significant strides in our online platform, enabling clients to have a single account that grants them access to perform varied transactions on their instruments with AVA Securities and their investments in AVA GAM's products.

At the end of 2022, AVA Securities' fees and commission income expanded by 71% year-on-year due to the rebound in bilateral trading activities witnessed in the Nigerian equity and fixed-income market. Recall that in 2022 alone, the Central Bank of Nigeria raised the Monetary Policy Rate four times, from 11.5% in January to 13% in May, 14% in July, 15.5% in September, and 16.5% in November – a total of 500 basis points. This resulted from the CBN's contractionary stance to mitigate the sustained growth in Nigeria's inflation rate. Furthermore, activity in the fixed-income space was slightly debilitated by the growing fears around Nigeria's debt sustainability and local & foreign credit rating, which impacted its Eurobond yields.

Despite market headwinds, AVA Securities delivered a solid financial performance aligned with our commitment to value delivery. The company's gross earnings stood at ₦61.89 million compared to ₦40.54 million in 2021, a year-on-year growth of 53%. However, profit after tax declined by 14.44% year-on-year due to the high operating cost and inflationary environment.

AVA Trustees Limited

One year after it commenced operations in 2020, AVA Trustees Limited began to provide flexible and efficient ways to safeguard assets and meet various financial and estate planning objectives in the private and public sectors. Our trustees business kicked on in 2022 as it was appointed as Trustee to several transactions, including Series 2 ₦8.94 Billion and Series 3 ₦6.50 Billion Al-Ijarah Sukuk Issuance by Minaret Sukuk Company Limited, the ₦10 Billion Sukuk Issuance by Caliphate Sukuk SPV Limited, ₦4.95 Billion Private Company Bond by ZSG-SPV Company Limited and ₦24.3 Billion Al-Ijarah Sukuk Issuance by Jewel Sukuk SPV Limited among others.

In the period under review, AVA Trustees recorded gross revenue of ₦62.06 million, a 74% growth from ₦35.59 million in 2021. The company's Funds Under Management (FUM) stood at more than ₦6.68 billion at the end of 2022, up from ₦461.52 billion in the previous year.

Beyond creating strong brand visibility for our trust business through enhanced collaboration and partnerships, the Business intends to grow its funds and asset under management in the 2023 financial year by maintaining transaction portfolios that guarantee continuing/recurring income.

2023 Strategy and Outlook

Amidst the pressing outlook and expectations for 2023, which is an election year, our vision remains the same: to build one of the world's fastest-growing financial services groups in Sub-Saharan Africa. This Business will disrupt the traditional way of doing business while optimizing value for all our stakeholders.

In 2023, we shall continue to work with the Lean management framework as our guiding principle, as it provides a way to do more with less waste, ensuring we deliver precisely what our customers need. This principle has shaped our business approach as we continually work towards providing value to our clients.

In addition to the lean initiative, we will continue to sweat our intellectual property assets and expand the quality of the technological solutions we implemented in 2022. We aim to hit the mark in our Securities and Asset Management business so that our customers will experience the bliss of technology and seamless account transactions on their fund management and securities trading accounts with little or no need to contact our operations team. We will keep embracing new technologies to improve our competitiveness and customer experience, expand our coverage, and reduce our cost-to-income ratio while maximizing stakeholder value.

In addition to the above, we expect AVA GAM to receive approval from the Securities and Exchange Commission for the AVA GAM Infrastructure Fund in 2023 and proceed to launch the first series under the Programme. Furthermore, we intend to drive the growth and performance of our collective investment schemes by adopting marketing strategies to access both retail and institutional investor bases. We expect significant year-on-year growth in AVA Global Asset Managers in 2023.

At AVA Capital Partners, we expect our expanded team to ramp up origination in the private sector space and maintain a high-performance level in the public sector. It is also our plan to improve our transaction execution with a high frequency and output quality to ensure that we are on track with our goal to become one of the best-performing Investment Banking firms in Nigeria. Compared to 2021, private sector transactions took a larger share of our activities in 2022; going into 2023, we expect the balance to improve as we expand our client base. In line with this, we have an aggressive plan to participate in more Commercial Paper and Corporate Bond transactions while also creating new products; we seek to provide solutions to the strategic financing needs of our clients across the private and public sectors.

AVA Trustees will continue to pursue landmark public and corporate transactions by demonstrating its value-creation capability and the team's professional experience. We will also expand our retail outreach and improve customer experience by adopting more technologically driven solutions. We will also consolidate on the progress of 2022 by being persistent in our business development activities on the public sector and corporate clients while using our industry network to secure new transaction mandates.

As a Group, our focus for 2023 will be to consistently apply ourselves to grow beyond our previous year's performance while we continue to improve our processes via 'Lean' and technology. We maintain our commitment to continue to deliver value to all our clients, supporting and enhancing the achievement of their investment and financing objectives.

Conclusion

I want to use this avenue to thank you, our esteemed and highly supportive Clients, Shareholders, Board of Directors, Management, and the entire staff of AVA Capital Group for your support, patience, and counsel throughout the year 2022.

I look forward to another prosperous year with you. I hope you enjoy reading our 2022 Annual Report.

CORPORATE GOVERNANCE REPORT

1. Corporate Governance Structure

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

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

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

2. The Board of Directors

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

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

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

1. Adeyinka Adedeji;
2. Olukayode Falasinnu;
3. Olukayode Fadahunsi;
4. Samson Adekunle;
5. Adedotun Adegbite;
6. Taiwo Okurounmu;
7. Temiloluwa Okuounmu
8. 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 appraised. It reviews the Board's annual work plan.

3.2. Audit Committee

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

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

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

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

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

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

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

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

Additional information and control instruments include: –

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

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

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

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

AVA CAPITAL PARTNERS LIMITED | 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	Oladipo Adewunmi
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

AVA CAPITAL PARTNERS LIMITED | FINANCIAL STATEMENTS.
YEAR ENDED 31ST DECEMBER, 2022.

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, 2022 were duly approved by directors.

On behalf of the Directors of the company

Samson Adeboye Adekunle
Director

Olukayode Samson Fadahunsi
Director

REPORT OF DIRECTORS
FOR YEAR ENDED 31ST DECEMBER, 2022.

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, 2022.

2. RESULT

	2021	2020
	₦'000	₦'000
Profit for the Year before Taxation	16,183	11,904
Provision for Taxation	(3,319)	(3,785)
Profit after Taxation	12,864	8,119

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, 2022 was as detailed below:

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

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

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

7. CORPORATE GOVERNANCE AND COMPLIANCE
The company maintains corporate policies and standards designed to encourage good and 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 affars of the company as at 31 December, 2022.

10. HUMAN CAPITAL

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

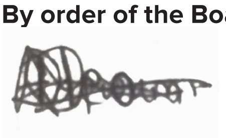
11. RISK MANAGEMENT

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

12. INDEPENDENT EXTERNAL AUDITORS

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

By order of the Board



Oladipo Adewunmi
Company Secretary
Lagos, Nigeria
..........................., 2023

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, 2022

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, 2022, 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, 2022, 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, 2022, 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.
.... 2023.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR YEAR ENDED 31ST DECEMBER, 2022.

	Note	2022	2021
		₦'000	**₦'000**
Fees and Commission Income	4	271,435	107,603
Interest Income	5	37,664	15,861
Gross Earnings		**309,099**	**123,464**
Fees, Commission and Interest Expenses	6	(114,038)	(38,441)
Net Operating Income		**195,061**	**85,023**
Other Operating Income	7	2,623	14,072
Total Operating Income		**197,684**	**99,095**
Personnel Expenses	8	(18,113)	(11,480)
Depreciation of Properties & Equipment	9	(10,370)	(1,397)
Other Operating Expenses	10	(153,018)	(74,314)
Profit Before Taxation		**16,183**	**11,904**
Taxation	11	(3,319)	(3,785)
Profit After Taxation		**12,864**	**8,119**
Other comprehensive Income			-
Total comprehensive profit for the year		12,864	8,119

Earnings per share			
Basic profit per share (Kobo)	12	0.03	0.02

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

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31ST DECEMBER, 2022.

	Note	2022 ₦'000	2021 ₦'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	13	473,665	533,226
Receivables	14	18,849	17,873
Prepayment - Rent		8,880	15,600
		501,394	**566,699**
Non-Current Assets			
Property, Plant and Equipment	15	55,181	2,759
Other Assets	16	14,226	14,226
		69,407	16,985
Total Assets		**570,801**	**583,684**
EQUITY AND LIABILITIES			
Equity			
Share Capital	18	400,000	400,000
Share Premium	20	250,000	250,000
Retained Earnings	19	(109,484)	(122,348)
		540,516	**527,652**
Liabilities			
Current Liabilities			
Payables	22	4,000	41,791
Other Payables	23	19,108	9,936
Tax Payable	11	7,177	4,305
		30,285	**56,032**
Total Equity and Liabilities		**570,801**	**583,684**

The financial statements on pages 1 to 40 were approved by the Board of Directors on ...., 2023 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, 2022.

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

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

STATEMENT OF CASH FLOW
FOR THE YEAR END 31ST DECEMBER, 2022.

		2022	2021
	Note	**₦'000**	**₦'000**
OPERATING ACTIVITIES			
Profit before Taxation		16,183	11,904
Depreciation	15	10,370	1,397
Profit before changes in operating assets		**26,553**	**13,301**
Changes in operating assets:			
Receivables	14	(976)	4,112
Prepayment		6,720	(15,600)
Other Assets	16	-	-
Changes in operating liabilities:			
Payables	21	(37,791)	10,729
Other Payables	22	(9,172)	(9,204)
Cash generated from operating activities		**3,678**	**3,337**
INVESTING ACTIVITIES			
Property, Plant and Equipment Acquisition	15	(62,792)	(2,118)
Tax Paid	11	(447)	(6,495)
FINANCING ACTIVITIES			
Share Capital	18	-	-
Deposit for Shares			(250,000)
Share Premium	20	-	250,000
INCREASE IN CASH AND BANK BALANCES		**(59,561)**	**(5,276)**
Cash and Bank balances at 1 January,	13	533,226	538,502
Cash and Bank balances at 31 December	13	**473,665**	**533,226**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR END 31ST DECEMBER, 2022.

1. THE COMPANY

1.1 Legal form

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

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

1.2 Principal activities

The company is primarily engaged in issuing of shares and bonds and financial advisory services. The company 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 2022 to increase value for all stakeholders. All financial indices were upward moving at year-end. With the strategic plans in place and the operational tactics fashioned for the coming year, there is hope that year 2022 would be far better than 2021.

1.4 Financial Period

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

2.1 Going concern

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

2.2 Statement regarding status of compliance with IFRSs

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

2.3 Basis of preparation

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

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

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

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

2.4 Income recognition

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

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

2.5 Foreign currency translation

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

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

2.6 Taxation

(i) Tax expense

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

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets

SIGNIFICANT ACCOUNTING POLICIES continued

transaction that affects neither the taxable profit nor the accouning profit.

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

2.7 Property, Plant and Equipment

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

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

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

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

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

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

3.1 Financial instruments

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

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

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

3.1.1a Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

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

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

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES continued

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

SIGNIFICANT ACCOUNTING POLICIES continued

within the control of the Company or the Company has a present obligation as a result of past event. It is not recognised because it is not likely that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liabilty is not likely to occur. Contingent liabilities are disclosed in the financial statement when they arise.

3.13.3 Contingent assets

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

3.14 Segment reporting

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

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

3.15 Off-statement of financial positions transactions

Events and transactions which do not pose direct risks on assets and liabilities of the company are not reported on the face of the statement of financial position. Instead, they are disclosed in the notes to 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, 2022.

		2022	2021
		N'000	**N'000**
4	**FEES AND COMMISSION INCOME**		
	Fees and Commission Income (Advisory Management Income)	271,435	107,603
		271,435	**107,603**
5	**INTEREST INCOME**		
	Interest and Investment Income	37,664	15,861
		37,664	**15,861**
6	**DIRECT COMMISSION AND INTEREST EXPENSES**		
	Fees and Commission Expenses	114,038	38,441
		114,038	**38,441**
7	**OTHER OPERATING INCOME**		
	Reimbursable Income	2,623	14,072
		2,623	**14,072**
8	**PERSONNEL EXPENSES**		
	Salaries and Allowances	18,113	11,480
		18,113	**11,480**
9	**DEPRECIATION OF PROPERTIES AND EQUIPMENT**		
	Depreciation - Motor Vehicle	7167	858
	Depreciation - Computer	511	390
	Depreciation - Office Equipment	2093	40
	Depreciation - Furniture and Fittings	599	109
		10,370	**1,397**
10	**OTHER OPERATING EXPENSES**		
	Travel & Accommodation	33,209	22,173
	Telephone & Internet	11,903	7,998
	Subscription & Registration	8,612	5,644
	Printing & Stationery	5,903	3,411
	Motor Vehicle Expenses	5,008	3,749
	Medicals	6,540	4,165
	Insurance	1,731	1,249
	Cleaning and Office Supplies	9,294	2,083
	Advertising & Branding	8,147	1,541

NOTES TO THE FINANCIAL STATEMENT continued

		2022	2021
		₦'000	**₦'000**
	Courier and Delivery	3,337	410
	Computer Expenses	3,328	70
	Bank Charges	1,527	1,697
	Audit Fee	500	350
	Repairs & Maintenance	16,511	6,397
	Electricity & Water	7,313	1,249
	Rent	18,720	5,415
	Local Transportation	3,560	1,507
	Diesel and Fuel	4,882	3,540
	Security	2,993	1,666
		153,018	**74,314**
11	**TAXATION**		
11.1	**Profit and loss account**		
	Company income tax	2,655	3,519
	Education tax	664	266
		3,319	**3,785**
11.2	**Current Income Tax Payable**		
11.2.1	Company Income Tax		
	At the behinnning of the year	4,305	7,015
	Tax provision for the year	3,319	3,785
	Payment during the year		(6,495)
	At the end of year	**(447)**	**4,305**
11.3	**Deferred tax asset/(charge)**		
	Balance brought forward	14,226	14,226
	Deferred tax asset/ (charge)	(14,226)	-
	Balance carried forward	**-**	**14,226**
	Deferred tax liability is attributable to Property, Plant and Equipment. Deferred tax is calculated on the temporary difference under the liability method using an effective tax rate of 30%.		
12	**EARNINGS PER SHARE**		
	Basic profit per kobo	**0.03216**	**0.02**
	The Profit or (loss) per share has been computed using the financial information below:		
	Proft or (loss) for the period attributable to the owners of the company (₦)	12,864	8,119
	Weighted average number of ordinary shares for the purpose of basic profit or (loss) per share	0.0322	0.02

		2022	2021
		₦'000	₦'000
13	**CASH AND CASH EQUIVALENTS**		
	Balances with Other Banks	473,665	533,226
	Cash and Bank Balances	**473,665**	**533,226**
14	**RECEIVABLES**		
	Trade Receivable	-	3,002
	Other Receivables	**18,849**	**17,873**

15 PROPERTY, PLANT & EQUIPMENT

	Motor	Computer	Office	Furnitures	
ASSETS	**Vehicle**	**Equipment**	**Equipment**	**& Fittings**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cost					
As at 1 January, 2022	2,600	933	1,640	478	5,651
Addition during the year	50,500	1,573	9,557	1,162	62,792
As at 31 December, 2022	**53,100**	**2,506**	**11,197**	**1,640**	**68,443**
Depreciation					
As at 1 January, 2022	1,931	812	40	109	2,892
Charged for the year	7,167	511	2,093	599	10,370
At 31 December, 2022	**9,098**	**1,323**	**2,133**	**708**	**13,262**
Carrying Cost					
At 31 December, 2022	44,002	**1,183**	**9,064**	**932**	**55,181**
At 31 December, 2021	669	121	1600	369	2,759

		2022	2021
		₦'000	₦'000
16	**OTHER ASSETS**		
	Deferred Tax	14,226	14,226
		14,226	**14,226**
17	**BALANCES WITH OTHER BANKS**		
	Providus Bank Limited	566	50,633
	Zenith Bank Plc	167	167
	Access Bank Plc	277	3,745
	Suntrust Bank Limited	10	10
	United Bank For Africa Plc	20	20
	Globus Bank Limited	5	
	Placement with Globus & Others	472,620	478,651
		473,665	**533,226**
18	**SHARE CAPITAL**		
	Authorised, Issued and fully paid		
	400,000,000 Ordinary Shares of N1.00 each	400,000	400,000
		400,000	**400,000**

NOTES TO THE FINANCIAL STATEMENT continued

		2022	2021
		₦'000	**₦'000**
19	**RETAINED EARNINGS**		
	Retained Earnings brought forward	(122,348)	(130,467)
	Profit for the year	12,864	8,119
	Retained Earnings carried forward	(109,484)	(122,348)
20	**SHARE PREMIUM**		
	Share Premium	250,000	250,000
		250,000	**250,000**
21	**PAYABLES**		
	Payable to related companies	4,000	41,791
		4,000	**41,791**
22	**OTHER PAYABLES**		
	WHT Payable	13,240	8,976
	VAT Payable	-	270
	Pension Payable	226	122
	PAYE Payable	160	88
	NHF Payable	9	130
	Accrued Audit Fees	**500**	**350**
	Accrued Staff Training	**2,518**	**-**
	Accrued Board Allowance	**1,513**	**-**
	Year End Payables	932	
	Other Payables	10	
		19,108	**9,936**

23 RISK MANAGEMENT FRAMEWORK

23.1 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 responsibilty for establishing, monitioring and communicating appropriate risk and control policies.

23.2 Significant risks

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

- Regulatory (capital adequacy, legal, accounting, and taxation)
- Business envronment (reputation and strategic)

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

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

		Trading	Loans and receivables	Total carrying amount	Fair value
	Note	**₦'000**	**₦'000**	**₦'000**	**₦'000**
31 December, 2022					
Cash and cash equivalents	6	473,665	-	473,665	473,665
Trade receivables	7	-	18,849	18,849	18,849
Other assets	8	-	23,106	23,106	23,106
		473,665	**41,955**	**515,620**	**515,620**
Trade payables	9	4,000	-	4,000	4,000
Other liabilities	9	19,108	-	19,108	19,108
		23,108	-	23,108	23,108
		450,557	**41,955**	**492,512**	**492,512**

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

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

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

	2022	2021
	₦'000	**₦'000**
Regulatory minimum capital requirement(N'000)	200,000	200,000
Actual qualifying capital (N'000)	400,000	400,000
Actual capital ratio (times)	2.00	2.00

NOTES TO THE FINANCIAL STATEMENT continued

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 2022, 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 trasactions entered into by the company, including restructuring projects and reorganisations.

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

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

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

In managing the company's taxation risk, the company tax policy is as follows:

- The company will fulfill its responsibilties under tax law in each of the jurisdiction in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:

- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with relevant tax legislation;
- The company continually reviews its existing operations and planned operations in this context; and analyses and reacts to external factors, which could impact the future direction of the relevant business unit.

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

23.5 Operational risk

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

23.6 Market risk

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

23.6.1 Asset liability matching risk

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

23.6.2 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.

23.6.3 Interest rate risk

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

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

NOTES TO THE FINANCIAL STATEMENT continued

23.7 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.

23.8 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.

23.9 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.

23.10 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.

23.11 Sensitivities

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

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

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

- The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative corrrelations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjudted for. This treatment has resulted in the presentation of a slightly more extreme view of what could reasonably occur over the following year.

Future rates of expenses inflation, catastrophes and tax assumptions were considered but no sensitives are presented as it is unlikely, in management's opinion that, theseassumptions 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.

24 Information Regarding Employees
The average number of employees employed in the year were as follows:

	Number	**Number**
Managerial	2	2
Senior	4	4
Junior	3	3
	9	**9**

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

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

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

26 Financial Commitments
n 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.

27 Contingent Liability
The Directors are of the opinion that there were no contingent liabilities against the company for the year ended 31 December, 2022.

28 Events After Reporting Period
There is no any post-reporting date event that can have material effect on the state of affars of the company as at 31 December, 2022.

29 Approval of Financial Statements
The Financial Statements were duly approved by the Board of Directors on ...., 2023.

STATEMENT OF VALUE ADDED
FOR THE YEAR END 31ST DECEMBER, 2022.

	2022		2021	
	₦'000	%	₦'000	%
Value added by operating activities:				
Fee and Commission Income	309,099		123,464	
Cost of fund and services	(267,056)		(121,667)	
	42,043		1,797	
Other operating income	2,623		14,072	
Total Value Added	**44,666**	**100**	**15869**	**100**
Applied as Follows:				
To pay employees				
salaries, allowances and fringe benefits	18,113	41	11,480	72
To pay government				
Income tax	447	1	6,495	41
To provide for enhancement of assets and growth				
Depreciation of property,plant and equipment	10,370	23	1,177	9
Augument/(deplete) retained earnings	15,736	35	(3,503)	(22)
Total Value Distributed	**44,666**	**100**	**15,869**	**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, 2022.

	2022	2021	2020	2019	2018
	₦'000	₦'000	₦'000	₦'000	₦'000
Statement of Financial Position					
Assets					
Current assets	501,394	566,699	560,487	284,468	423,510
Non-current assets	69,407	16,985	16,264	17,146	
Total assets	**583,684**	**583,681**	**576,750**	**301,615**	**51,208**
Equity					
Share Capital	400,000	400,000	400,000	400,000	400,000
Share Premium	250,000	250,000	250,000		
Retained Earnings	(109,484)	(122,348)	(130,467)	(143,495)	(144,685)
Total equity	**540,516**	**527,652**	**519,533**	**256,505**	**255,315**
Liabilities					
Current liabilities	30,285	56,032	57,217	45,110	219,403
Total Liabilities	**30,285**	**56,032**	**57,217**	**45,110**	**219,403**
Total equity and liabilities	**570,801**	**583,684**	**576,750**	**301,615**	**474,718**
Statement of Profit or Loss and Other Comprehensive Income					
Fees and Commission Income	309,099	123,464	111,181	78,598	12,364
Fees and Commission Expenses	(114,038)	(38,441)	-	-	-
Gross profit	**195,061**	**85,023**	**111,181**	**78598**	**12,364**
Other operating income	2,623	14,072	341	742	703
Other operating expenses	(181,501)	(87,191)	(91,478)	(77,505)	(107,623)
Operating Profit or (loss)	**16,183**	**11,904**	**20,043**	**(1,835)**	**(94,556)**
Other non-operating gains(losses)	-	-	-	-	-
Profit or Loss before taxation	**16,183**	**11,904**	**20,043**	**1,835**	**(94,556)**
Taxation	(3,319)	(3,785)	(7,015)	(642)	3,664
Loss from discontinued operations	**-**	**-**	**-**	**-**	**(90,892)**
Profit or (Loss) for the year	**12,864**	**8,119**	**13,028**	**1,192**	**(90,892)**
Retained Profit or (loss) for the year	**12,864**	**8,119**	**13,028**	**1,192**	**(90,892)**
Statement of Cash Flows					
Cash flow from operating activities	3,678	3,337	69,610	32,449	53,423
Cash flow from investing activities	(63,239)	(8,613)	295	(12,722)	30,000
Cash flow from financing activities	-	-	250,000	-	1,461
Cash movement for the year	**(59,561)**	**(5,276)**	**319,315**	**19,727**	**84,884**

AVA GLOBAL ASSET MANAGERS LIMITED FINANCIAL STATEMENTS

FOR THE YEAR END 31ST DECEMBER, 2022.

Corporate Information

DIRECTORS
FADAHUNSI OLUKAYODE
OKUROUNMU TAIWO OLADAPO
SAMSON ADEKUNLE
ADEDEJI ADEYINKA

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
OLADIPO ADEWUNMI

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

FINANCIAL STATEMENTS

FOR THE YEAR END 31ST DECEMBER, 2022.

Responsibilities of Directors

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

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

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

Director

Director

REPORT OF DIRECTORS

FOR THE YEAR END 31ST DECEMBER, 2022.

The directors have the pleasure of presenting the audited financial statements of AVA Global Asset Managers Limited for the year ended 31 December 2022 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:-

	2022	2021
	N	N
Profit Before Taxation	47,333,964	45,223,276
Taxation	(16,149,317)	(12,495,457)
Profit After Taxation	31,184,647	32,727,819
Retained Profit brought forward	39,100,273	6,372,454
Retained Profit carried forward	**70,284,919**	**39,100,273**

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 2022 were as follows:

	Share in units	
Name	**2022**	**2021**
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 2022 or as at the date of this report.

Donation

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

Related party transactions

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

REPORT OF DIRECTORS continued

Shareholding structure

The shareholding structure of the company as at 31st December 2022 was as follows:

	2022		2021	
	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%**

Dividend

No dividend was paid during the year.

Employment and employees

During the year ended 31 December 2022, 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, 2022 which have not been adequately recognized or disclosed in the financial statements.

Auditors

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

By order of the Board

Company Secretary

.... 2023.

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 2022.

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, 2022 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
.........................**2023**.

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, 2022.

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, 2022. The financial statements comprise the Statements of Financial Position as at 31 December, 2022, 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, 2022, 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 ouropinion.

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 ouropinion 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, 2022 was approved by the Board of Directors of the company.

Adesoji Adedeji
FRC/2021/004/00000024526
For: Joseph Dauda & Co.
(Chartered Accountants)
Lagos, Nigeria.
24 January, 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR END 31ST DECEMBER, 2022.

	NOTE	202 N	2021 N
Fee Income	4	686,869,559	104,807,380
Cost Of Funds	5	(567,181,963)	-
Total Income		**119,687,595**	**104,807,380**
Administrative Expenses	6	(72,353,632)	(59,584,103)
Net Profit Before Taxation		**47,333,964**	**45,223,276**
Provision For Taxation	2.6, 7	(16,149,317)	(12,495,457)
Profit After Taxation		**31,184,647**	**32,727,819**
Profit/(Loss) Brought Forward		39,100,273	6,372,454
Profit/(Loss) Carried Forward		70,284,919	39,100,273

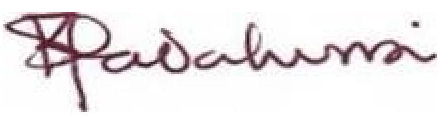
The accompanying notes and schedules form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

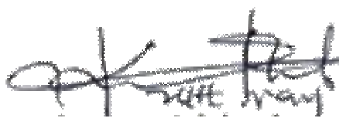
FOR THE YEAR END 31ST DECEMBER, 2022.

	NOTE	2022 N	2021 N
ASSETS			
Cash and Cash Equivalents	8	**144,442,631**	218,499,325
Fixed Income Assets	9	963,925,931	871,149,259
Other Assets	10	65,359,712	14,737,933
Property, Plant and Equipment	2.7; 15	12,642,181	11,688,232
Total Assets		**1,186,370,455**	**1,116,074,749**
LIABILITIES			
Trade Payables	11	-	-
Other Liabilities	12	99,936,218	64,409,588
Taxation	2.6; 7	16,149,318	12,564,888
Total Liabilities		**116,085,536**	**76,974,476**
TOTAL NET ASSETS		**1,070,284,919**	**1,039,100,273**
FINANCED BY:			
Share Capital	13	1,000,000,000	250,000,000
Share Premium		-	750,000,000
Retained Earnings		70,284,919	39,100,273
		1,070,284,919	**1,039,100,273**

The financial statements on pages 1 to 36 were approved by the Board of Directors on 31st January 2022 and signed on its behalf by:



FADAHUNSI OLUKAYODE
FRC/2020/003/00000021513
Director



SAMSON ADEKUNLE
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, 2021.

	Share Capital	Share Premium	Retained Earnings	Total Equity
	₦'000	**₦'000**	**₦'000**	**₦'000**
Balance at 1 January, 2021	250,000,000	-	6,372,453	256,372,453
Issue of Share Capital	-	-	-	-
Share Premium		750,000,000		
Profit for the year	-	-	32,727,820	32,727,820
Balance at 31 December, 2021	**250,000,000**	**750,000,000**	**39,100,273**	**289,100,273**
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	-		31,184,647	31,184,647
Balance at 31 December, 2022	**250,000,000**	**750,000,000**	**70,284,920**	**1,070,284,920**

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

STATEMENT OF CASH FLOW

FOR THE YEAR END 31ST DECEMBER, 2022.

		2022	2021
	NOTE	**N**	**N**
OPERATING ACTIVITIES			
Profit before Tax		47,333,964	45,223,276
Depreciation	15	5,930,951	869,359
Profit before changes in operating assets		53,264,915	46,092,635
Changes in operating assets:			
Fixed Income Securities		(92,776,672)	818,436,874
Other Assets	10	(50,621,779)	11,448,477
Changes in operating liabilities:			
Trade Payables	11	-	(3,323,555,162)
Other Liabilities	12	35,526,630	8,205,562
CASH GENERATED FROM OPERATIONS		**(54,606,906)**	**(2,439,371,613)**
INVESTING ACTIVITIES			
Fixed Assets Acquisition	15	(6,884,900)	(12,119,257)
Tax Paid		(12,564,887)	(2,379,150)
FINANCING ACTIVITIES			
Share Capital	13	-	-
Share Premium		-	750,000,000
INCREASE IN CASH AND BANK BALANCES		**(74,056,693)**	**(1,703,870,020)**
Cash and Bank balances as at 1st January		218,499,325	1,922,369,344
Cash and Bank balances as at 31st December	8	144,442,632	218,499,325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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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@ avacapitalgroup
avacapitalgroup

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR END 31ST DECEMBER, 2022.

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
2022 marked the end of COVID-19 pandemic. However, the impact of the pandemic were still reminiscent in the economy. There was lull in capital inflow. Also, the outbreak of war between Russia and Ukraine affected Nigerian crude oil production and revenue derivable from it. All these affected the disposable income of the common man and therefore their investment activities.Coupled with these challenges, Nigeria witnessed skyroketing inlation and foreign exchange rate. The impact of all these advrse economic indices cannot be far fetched. There is hope however that the new government that would emmerge after the general elections slated for first quarter in 2023 would bring succur to the polity and economic platforms.

Notwithstanding the above, the company's executive management was focussed 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, 2022 to 31st December, 2022

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, 2022 are prepared in accordance with IFRS. The company’s financial statements are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these statements.

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

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

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

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

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

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

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

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

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

(ii) Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. .

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the 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	25%
Furniture and Fittings	20%
Office Equipment	20%
Computer Equipment	50%

If the expected residual value is equal or greater than the carrying value, no depreciation is provided for. The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate. Cost prices include costs directly attributable to the acquisition of property and equipment, as well as 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.

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 include auditors' remuneration, repairs and maintenance, telephone and Internet, printing and stationaries, rent, salaries and wages and other expenses not separately disclosed.

3.14 Earnings per share

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

3.15 Provisions, contingent liabilities and contingent assets

3.15.1 Provisions

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

3.15.2 Contingent liabilities

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

3.15.3 Contingent assets

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

3.16 Segment reporting

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

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

3.17 Off-statement of financial positions transactions

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

3.18 Disclosures

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

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR END 31ST DECEMBER, 2022.

		2022	2021
		N	N
4	**FEE INCOME**		
	Asset Management Fees	675,161,657	88,079,324
	Fund Administration Fees	10,000,000	11,501,340
	Other Income	1,707,902	5,226,716
		686,869,559	**104,807,380**
5	**OPERATING COST**		
	Interest Expense	567,181,963	-
		567,181,963	**-**
6	**ADMINISTRATIVE EXPENSES**		
	Salaries and Allowances	11,235,745	7,763,477
	Bank Charges	280,040	1,668,979
	Medical Expenses	314,000	2,484,014
	Transportation and Travelling	10,252,589	10,853,521
	Priinting & Stationery	464,200	1,802,847
	Telephone & Internet	2,503,650	3,347,873
	Audit Fees	500,000	350,000
	SEC Supervisory Expenses	832,915	
	Stautory and Regulatory Fees	125,833	
	Registration and Subscriptions	1,511,416	6,168,961
	Property Valuation fees	1,074,750	-
	Branding Expenses	5,040,000	-
	Rating Expenses	11,082,500	-
	Bad Debt Written-off	545,616	-
	Depreciation	5,930,951	869,359
	Office Expenses	828,692	1,799,902
	Computer Expenses	1,069,100	2,499,784
	Software Expenses	4,241,233	5,324,941
	Staff Training	3,600,000	2,519,862
	Repairs and Maintenance	1,295,000	2,699,853
	Electricity & Water	1,440,138	539,971
	Insurance	928,941	568,105
	Rent	-	2,339,872
	AGM Expenses	1,650,000	-
	Year-End Expenses	699,356	-
	Cleaning and Office Supplies	125,930	899,951
	Diesel and Oil	2,247,823	1,529,916
	Security	-	719,961
	Motor Running Expenses	1,844,489	1,619,912
	Advertising	553,725	665,964
	Legal Fees	135,000	547,080
		72,353,632	**59,584,103**

		N	N
7	**TAXATION**		
7.1	**Income Tax Expenses**		
	Income tax expenses are recognized in the Income Statement		
7.2	**Taxation Balance**		
	Tax Payable brought forward	12,564,887	12,564,887
	Tax Paid during the year	(12,564,887)	(12,564,887)
	Provision for the year	16,149,317	16,149,317
	Prior Year Adjustment	-	-
	Balance Carried Forward	**16,149,317**	**12,564,887**
8	**CASH AND CASH EQUIVALENTS**		
	Cash Balances	-	-
	Balances with Other Banks	144,442,631	218,499,325
	Cash and Bank Balances	**144,442,631**	**218,499,325**
9	**FIXED INCOME SECURITIES**		
	Fixed Income Securities	50,000,000	60,510,000
	Placement Deposit	400,000,000	
	Investment in Bond	513,925,931	810,639,259
		963,925,931	**871,149,259**
10	**OTHER ASSETS**		
	Fees Receivable	-	545,616
	Interest Receivable	14,292,709	-
	WHT Receivable	43,752,362	12,467,179
	Other Receivable	1,526,653	-
	Prepayments	5,787,988	1,725,138
		65,359,712	**14,737,933**
11	**BALANCES WITH OTHER BANKS**		
	GTBank Plc	10,492,030	196,787,572
	Keystone Bank Limited	640,287	2,911,485
	Access Bank Plc	1,538	1,538
	First Bank Plc	3,641	3,641
	UBA Plc	5,737	5,737
	Providus Bank Ltd	277,928	205,870
	Taj Bank	579	579
	Globus Bank Limited	2,229,597	741,315
	Wema Bank Plc	11,946	
	Nova Merchant Bank	50,258,904	
	Fixed Placement	79,831,980	-
	Placement with Providus Bank Limited	-	16,234,028
	UBA Placement Account	688,465	1,607,560
		144,442,631	**218,499,325**

		2022	2021
		N	N
12	**TRADE PAYABLES**		
	Funds under management	-	-
	In line Securities and Exchange Commission's guidelines for operating an asset management company, all the funds under management are to be kept a Custodian company. Hence, all the funds have been moved to the custodian.	-	-
13	**OTHER LIABILITIES**		
	Related Companies	-	31,916,557
	Other Payables	99,461,218	31,868,031
	Accrued Audit Fees	475,000	625,000
		99,936,218	**64,409,588**
14	**OTHER PAYABLES**		
	NHF PAYABLE	4,663	13,265
	PAYE PAYABLE ACCOUNT	150,724	136,370
	Pension Payable	211,307	873,656
	Salary payable	-	49,013
	WHT Payable	42,578,766	30,795,728
	Interest Expense Payable	44,734,577	-
	Other Accrued Expenses	11,781,181	
		99,461,218	**31,868,031**
15	**SHARE CAPITAL**		
	AUTHORISED, ISSUED AND FULLY PAID:		
	2,000,000,000 Ordinary Shares of N0.50 each	**1,000,000,000**	**250,000,000**

16 **PROPERTY, PLANT & EQUIPMENT**

ASSETS	**Motor Vehicle**	**Furniture & Fitting**	**Office Equipment**	**Computer Equipment**	**Total**
	N	**N**	**N**	**N**	**N**
Cost					
As at 1 January, 2022	11,400,000	653,167	66,090	725,000	12,844,257
Addition during the year	5,600,000	-	802,762	482,138	6,884,900
As at 31 December, 2022	**17,000,000**	**653,167**	**868,852**	**1,207,138**	**19,729,157**
Depreciation					
As at 1 January, 2022	316,667	108,861	5,508	724,990	1,156,025
Charged for the year	5,293,333	544,305	33,045	60,267.19	5,930,951
As at 31 December, 2022	5,610,000.00	**653,166.50**	**38,552.50**	**785,257**	**7,086,976**
NBV as at 31 December, 2022	**11,390,000**	**1**	**830,300**	**421,881**	**12,642,181**
NBV as at 31 December, 2022	**11,083,333**	**544,306**	**60,583**	**10**	**11,688,232**

17 RISK MANAGEMENT FRAMEWORK

1.1 Introduction

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

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

Therefore, the focus of the company's risk management framework is the identification and treatment of these risk with the objective of adding maximum sustainable value to all its activities so as to give value to its customers through effective and efficient execution of trades.
The Board of Directors acknowledges its responsibilty for establishing, monitioring and communicating appropriate risk and control policies.

1.2 Significant risks

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

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

1.3 Accounting classification and fair value of financial assets and liabilities

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

		Trading	Loans and receivables	Total Carry-ing amount	Fair Value
	Note	**N'000**	**N'000**	**N'000**	**N'000**
December 31, 2022					
Cash and cash equivalents	8	144,443	-	144,443	144,443
Trade receivables	9	-	963,926	963,926	963,926
Other assets	10	-	78,002	78,002	78,002
		144,443	1,041,928	1,186,370	1,186,370
Trade payables	11	-	-	-	-
Other liabilities	12	16,149	99,936	116,086	116,086
		16,149	99,936	116,086	116,086
		128,293	**941,992**	**1,070,285**	**1,070,285**

1.4 Detailed disclosure of signicant risks

1.4.1 Regulatory risk

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

1.4.1.1 Regulatory capital risk

Regulatory capital risk is the risk that the Company does not have sufficient capital to meet either minimum regulatory or internal amounts. The Securities and Exchange Comission sets and monitors

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.

	2022	2021
	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

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

At 31 December 2022, 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

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

NOTES TO THE FINANCIAL STATEMENT continued

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

Compliance with this policy is aimed at ensuring that:
All taxes payable by the company are correctly identified, calculated, paid and accounted for in accordance with relevant tax legislation;
The company continually reviews its existing operations and planned operations in this context; and analyses and reacts to external factors, which could impact the future direction of the relevant business unit.
The company's risk management function identifies and assesses these risks qualitatively as part of a quarterly evaluation and on the basis of this evaluation, the company's risk management framework creates an overview of local and global risk which also includes reputational risks, analyses the risk profile of the company and regularly informs directors
and management.

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

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

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

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

Interest rate risk
Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates. And as a result, the following investments and liabilities which are held at fair value will be directly impacted by changes in market interest rates.

Accounts receivable and account payable where settlement is expected within 90 days are not included in the analysis below, since the effect of interest rate risk on these balances is not considered material given to the short-term duration of these underlying cash flows. The majority of financial instruments subject to interest rate risk are allocated to match liabilities.
The revenues and profit generation of the company are linked to the value of assets under managements. Therefore, movements in interest rates and commodity prices that adversely affect the values of assets under management will impact the company's revenues and reported loss. The Company manages this risk through its structured investment process.

1.4.6 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation. Key area where the company is exposed to credit risk are:
Certain classes of financial assets such as bonds, term deposits and cash and cash equivalents; and
Certain accounts within trade and other receivables

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

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

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

These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the 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 experienceand the tested range is not sensitive to all of the relevant information in the market as at the reporting date.

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

In relation to these sensitivities:
- The earnings are sensitive to changes in both the shape and level of the yield curve.

- Management has not considered changes in the shape of the yield curve due to several constraints altough this may be reviewed in the following year;

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.

18 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

19 Related Party Transaction

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

20 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.

21 Contingent Liability

The directors are of the opinion that there were no contingent liabilities against the company for the year ended 31 December, 2022.

22 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, 2022.

23 Approval of Financial Statements

The Financial Statatements were approved by the Board of Directors on 4th February, 2023.

STATEMENT OF VALUE ADDED

FOR THE YEAR END 31ST DECEMBER, 2022.

	2022		2021	
	₦'000	%	₦'000	%
Fee and Commission Income	686,869,559		104,807,380	
Less: Cost of fund and services	(622,368,899)		(50,951,267)	
Value Added	**64,500,660**	**100**	**53,856,112**	**100**
Applied as Follows:				
To pay employees				
salaries, allowances and fringe benefits	11,235,745	17.42	7,763,477	14.40
To pay government				
Income tax	16,149,317	25.04	12,495,457	23.20
To provide for future tax				
Deferred taxation				
To provide for enhancement of assets and growth				
Depreciation of property,plant and equipment	5,930,951	9.195	869,359	1.61
Augument/(deplete) retained earnings	31,184,647	48.35	32,727,819	60.77
Total Value Distributed	**64,500,659**	**100**	**53,856,112**	**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.

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	Oladipo Adewunmi
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 I FINANCIAL STATEMENTS.

FOR THE YEAR END 31ST DECEMBER, 2022.

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, 2022 were duly approved by directors.

On behalf of the Directors of the company:

Samson Adeboye Adekunle
Director
FRC/2020/003/00000021513
......................................, 2023

Director
FRC/2015/CISN/00000011838
.., 2023

REPORT OF DIRECTORS

FOR THE YEAR END 31ST DECEMBER, 2022.

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, 2022.

2. RESULT

	2022	2021
	₦'000	₦'000
Profit for the Year before Taxation	3,593	2,219
Provision for Taxation	(1,872)	(620)
Profit for the year after Taxation	**1,721**	**1,599**

3. PRINCIPAL ACTIVITIES

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

4. LEGAL FORM

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

5. SHAREHOLDING STRUCTURE

The shareholding structure of the company as at 31 December, 2022 was as detailed below:

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

6. DIRECTORS RESPONSIBILITIES

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

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, 2021.

10. HUMAN CAPITAL

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

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

11. RISK MANAGEMENT

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

12. INDEPENDENT EXTERNAL AUDITORS

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

Bv order of the Board

Oladipo Adewunmi
Company Secretary

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVA TRUSTEES LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022.

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, 2022, 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, 2022, 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, 2022, and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011 and the Securities and Exchange Commission Act, relevant Guidelines and Circulars.

Basis for Opinion

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

Key Audit Matters

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

Responsibilities of the Direcotrs for the Finanacial Statements

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

INDEPENDENT AUDITORS REPORT 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.
____________2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR END 31ST DECEMBER, 2022.

	Note	2022 ₦'000	2021
Fees and Commission Income	4	62,055	35,588
Interest Income	5	162,029	3,385
		224,084	**38,973**
Direct Cost	6	(77,716)	-
Gross Earnings		**146,368**	**38,973**
Personnel Expenses	7	(11,215)	(7,409)
Depreciation of Properties & Equipment	8	(11,389)	(2,947)
Other Operating Expenses	9	(120,171)	(26,398)
Profit Before Taxation		**3,593**	**2,219**
Taxation	10	(1,872)	(620)
Profit After Taxation		**1721**	**1599**
Other comprehensive Income		-	-
Total comprehensive profit for the year		**1,721**	**1,599**
Earnings per share			
Basic profit per share (Kobo)	11	**0.006**	**0.005**

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

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2022.

ASSETS	Note	2022 ₦'000	2021 ₦'000
Current Assets			
Cash and Cash Equivalents	12, 14	7,027,872	1,632,110
Receivables	13	56,977	3,609
		7,084,849	**1,635,719**
Non-Current Assets			
Property, Plant and Equipment	14	17,805	26,362
Other Assets	15	3,363	790
		21,168	**27,152**
Total Assets		**7,106,017**	**1,662,871**
EQUITY AND LIABILITIES			
Equity			
Share Capital	17	300,000	300,000
Retained Earnings	18	3,320	1,599
		303,320	**301,599**
Liabilities			
Non Current Liabilities			
Trust Sinking Fund	19	6,677,717	461,524
		6,677,717	**461,524**
Current Liabilities			
Payables	20	105,302	894,560
Other Payables	21	17,315	4,568
Tax Payable	10	2,363	620
		124,980	**899,748**
Total Equity and Liabilities		**7,106,017**	**1,662,871**

The financial statements on pages 1 to 39 were approved by the Board of Directors on ...., 2022 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 END 31ST DECEMBER, 2022.

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

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

STATEMENT OF CASH FLOW

FOR THE YEAR END 31ST DECEMBER, 2022.

	Note	2022 ₦'000	2021 ₦'000
OPERATING ACTIVITIES			
Profit before Taxation	18	3,593	2,219
Depreciation	8, 14	11,389	2,947
Profit before changes in operating assets		**14,982**	5,166
Changes in operating assets:			
Receivables	13	(53,368)	(3,609)
Other Assets	15	(2,573)	(790)
Changes in operating liabilities:			
Payables	20	(789,258)	894,560
Other Payables	21	12,747	4,568
Tax Payable		(129)	-
Cash generated from operating activities		**(817,599)**	**899,895**
INVESTING ACTIVITIES			
Property, Plant and Equipment Acquisition	14	(2,832)	(29,309)
FINANCING ACTIVITIES			
Share Capital	17	-	300,000
Trust Sinking Fund	19	6,216,193	461,524
INCREASE IN CASH AND BANK BALANCES		**5,395,762**	**1,632,110**
Cash and Bank balances at 1 January,	12, 16	1,632,110	-
Cash and Bank balances at 31 December,	**12, 16**	**7,027,872**	**1,632,110**

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR END 31ST DECEMBER, 2022.

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 2022 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 2023 would be far better than 2022.

1.4 Financial Period

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

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 profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

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

2.9 Property, Plant and Equipment

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

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

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

If the expected residual value is equal or greater than the carrying value, no depreciation is provided for. The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate. Cost prices include costs directly attributable to the acquisition of property and equipment, as well as 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

A. Standards effective 1 January, 2022

The Company has applied the accounting policies as set out in Note 3 to all aspects of these financial statements. A number of other new standards are also effective from 1 January, 2022 but they do not have a material effect on the financial statements. Such standards are discused below:

Definition of Material (Amendments to IAS 1 and IAS 8)

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

Interest rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

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

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

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

The following amendments have not been adopted in preparing the financial statements for the year ended 31 December, 2022:

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

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

3 Summary of Significant accounting policies

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

3.1 Financial instruments

Financial assets and financial liabilities are 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

SIGNIFICANT ACCOUNTING POLICIES continued

employees total pensionable emoluments.

3.9 Related parties

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

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

3.10 Finance income and finance costs

3.10.1 Finance Income

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

3.10.2 Finance Costs

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

3.10.3 Interest income

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

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

The Ava Savings & Investment Trust (ASIT) solution gives you flexibility as your needs change through life's unexpected turns.

ASIT gives you the freedom to name beneficiaries to the funds when it's needed the most because we know the last thing you need are complications for your loved ones during emergencies.

Our experts have a wealth of knowledge on investment strategies that work in your best interest.

So whichever way the tides turn tomorrow, we are here with you.

Set-Up Structure:

- Available in naira and dollar- denomination.
- An initial lump sum and subsequent periodic contributions.

Features

- Flexible : Customized to accommodate your needs.
- Freedom: Smooth and immediate transfer of funds to beneficiaries.
- Convenient : Easy payments via standing order with your bank.
- Expert Advice: Professional advice and guidance from a team of experts.
- Funds will be invested to earn guaranteed returns.

Our Services

Public Trust | Corporate Trust | Private Trust | Estate Planning | Asset Administration

Call us to get started!
+234 802 317 5302 +234 818 359 7404

www.avacapitalgroup.com
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NOTES TO FINANCIAL STATEMENT continued

FOR THE YEAR END 31ST DECEMBER, 2022.

		2022	2021
		N'000	N'000
4	**FEES AND COMMISSION INCOME**		
	Fees and Commission income	45,749	19,413
	Investment Income	16,306	16,175
		62,055	**35,588**
5	**INTEREST INCOME**		
	Interest Income	162,029	3,385
		162,029	**3,385**
6	**FEES AND COMMISSION EXPENSES**	**77,716**	**-**
	Fees, Commission and Interest Expenses	**77,716**	**-**
7	**PERSONNEL EXPENSES**		
	Staff Salaries	9,814	6,286
	Contribution to defined contribution plan	1,401	1,123
		11,215	**7,409**
8	**DEPRECIATION AND AMORTISATION OF ASSETS**		
	Depreciation - Motor Vehicle	10,332	2,857
	Depreciation - Computer Equipment	488	53
	Depreciation - Office Equipment	166	3
	Depreciation - Furniture and Fittings	403	34
		11,389	**2,947**
9	**OTHER OPERATING EXPENSES**		
	Travel & Accommodation	26,428	4,534
	Telephone & Internet	2,200	808
	Subscription & Registration	8,427	484
	Printing & Stationery	2,796	759
	Motor Vehicle Expenses	4,458	1,077
	Medicals	4,100	786
	Insurance	1,475	106
	Cleaning and Office Running	84	3,522
	Advertising and Branding	5,004	352
	Courier and Delivery	9,884	875
	Computer Expenses	2,386	578
	Bank Charges	487	46
	Audit Fee	500	350
	Repairs & Maintenance	14,273	3,021
	Electricity & Water	10,730	1,095
	Rent	5,500	5,500
	Local Transportation	4,535	1,024
	Diesel and Fuel	11,424	1,046

NOTES TO FINANCIAL STATEMENT continued

		N'000	N'000
	Security	2,745	2,745
	Legal Fees	2,735	2,735
		120,171	**26,398**

10	**TAXATION**		
10.1	**Profit and Loss Account**		
	Company Income Tax	1,497	517
	Education Tax	375	103
		1,872	**620**
10.2	**Current Income Tax Payable**		
	Company Income Tax		
	At 1 January	620	
	Tax Provision during the year	1,872	620
	Payment during the year	(129)	-
	At 31 December	**2,363**	**620**

11	**EARNINGS PER SHARE**		
	Basic Profit per kobo	**1,721**	**1,599**
	The Profit or (loss) per share has been computed using the financial information below:		
	Profit or (loss) for the period attributable to the owners of the company (₦)	1,721	1,599
	Weighted average number of ordinary shares for the purpose of basic profit or (loss) per share	**0.01**	**0.01**

12	**CASH AND CASH EQUIVALENTS**		
	Balances with Banks	2,717,113	217,676
	Fixed Income Fund (Placements)	4,310,759	1,414,434
	Cash and Bank balances	**7,027,872**	**1,632,110**

13	**RECEIVABLES**		
	Trade Receivable	56,977	3,609
		56,977	**3,609**

14 PROPERTY, PLANTS & EQUIPMENT

ASSETS	**Motor Vehicle**	**Computer Equipment**	**Office Equipment**	**Furniture & Fittings**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cost					
As at 1 January, 2022	28,105	368	63	773	29,309
Addition during the year	795	1,600	403	34	2,832
As at 31 December, 2022	**28,900**	**1,968**	**466**	**807**	**32,141**

Depreciation					
As at 1 January, 2022	2,857	53	3	34	2,947
Charged for the year	10,332	488	166	403	11,389
At 31 December, 2022	**13,189**	**541**	**169**	**437**	**14,336**
Carrying Cost					
At 31 December, 2022	**15,711**	**1,427**	**297**	**370**	**17,805**
At 31 December, 2021	**25,248**	**315**	**60**	**739**	**26,362**

		2022	2021
		N'000	**N'000**
15	**OTHER ASSETS**		
	Other Receivables	-	790
	Prepayment- Fidelity bond insurance	131	-
	Prepayment- Software application	3,232	-
		3,363	**790**
16	**BALANCE WITH OTHER BANKS**		
	Providus Bank Limited	567	17,647
	Globus Bank Limited	11	200,009
	United Bank For Africa Plc	2,070,723	20
	TAJ Bank	633,256	-
	Keystone Bank Limited	2,024	-
	Lotus Bank Limited	50	-
	Access Bank Plc	50	-
	Guaranty Trust Bank Limited & Others	10	-
	Other Banks	**10,422**	**-**
	Placement with Providus & Others	**4,310,759**	**1,414,434**
		7,027,872	**1,632,110**
17	**SHARE CAPITAL**		
	Authorised, Shared & Fully Paid		
	600,000,000 Ordinary shares of 50k each	300,000	300,000
		300,000	
18	**RETAINED EARNINGS**		
	As at 1 January,	1,599	-
	Profit for the year	1,721	1,599
	As at 31 December,	3,320	1,599
19	**TRUST SINKING FUND**		
	Sinking Fund - Minaret	3,546,876	446,374
	Sinking Fund - KSIP	172,718	15,150
	Sinking Fund - Caliphate Sukuk	276,586	-
	Sinking Fund - Zamfara ZSG SPV	2,355,768	-
	Sinking Fund - Jewel SPV Sukuk	325,769	-
		6,677,717	**461,524**

NOTES TO FINANCIAL STATEMENT continued

20	**PAYABLES**		
	Payable - Trust Fund	49,920	894,560
	Interest Payable	55,382	-
		105,302	**894,560**
20	**OTHER PAYABLES**		
	VAT Payable	-	600
	Pension Payable	78	186
	PAYE Payable	55	133
	NHF Payable	4	60
	Salary Payable	-	239
	Other Payables	3,541	3,000
	Accrued Audit Fees	500	350
	Accrued Branding exp	3,347	-
	Accrued internet exp	1,990	-
	Accrued Medical expenses	2,100	-
	Accrued Staff training expense	4,050	-
	Board allowance accrued	1,650	-
		17,315	**4,568**

NOTES TO FINANCIAL STATEMENT continued

22 RISK MANAGEMENT FRAMEWORK

22.1 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.

22.2 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

22.3 Accounting classification and fair value of financial assets and liabilities

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

		Trading	Loans and receivables	Total carrying amount	Fair Value
	Note	₦'000	₦'000	₦'000	₦'000
31 December, 2022					
Cash and cash equivalents	12, 14	7,027,872		7,027,872	7,027,872
Receivables	13		56,977	56,977	56,977
Other assets	15	3,363		3,363	3,363
		7,031,235	**56,977**	**7,088,212**	**7,088,212**
Payables	20	105,302	-	105,302	105,302
Other liabilities	21	17,315	-	17,315	17,315
		122,617	**-**	**122,617**	**122,617**
		6,908,618	**56,977**	**6,965,595**	**6,965,595**

22.4 Detailed disclosure of significant risks

22.4.1 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.

22.4.2 Regulatory capital risk

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

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

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

- To provide an adequate return to the shareholder commensurately with the level of risk.

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

	2022	2021
	₦'000	₦'000
Regulatory minimum capital requirement(N'000)	300,000	300,000
Actual qualifying capital (N'000)	300,000	300,000
Actual capital ratio (times)	1.00	1.00

22.4.3 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 2022, the Directors are not aware of any significant obligation not provided for.

22.4.4 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 reorganizations.

NOTES TO FINANCIAL STATEMENT continued

(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.

22.5 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.

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

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

22.6.2 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.

22.6.3 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 riskare allocated to match liabilities

22.7 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

22.8 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

22.9 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

22.10 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.

22.11 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 altough this may be reviewed in the following year;

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

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

23 Information Regarding Employees

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

	2022	2021
	Number	**Number**
Managerial	1	1
Senior	1	1
Junior	1	2
	3	**4**

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

	Number	Number
₦500,00 - ₦1,700,000	1	2
₦1,700,000 - ₦3,600,000	1	1
Above ₦3,600,000	1	1
	3	**4**

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, 2022.

27 Events After Reporting Period

There is no any post-reporting date event that can have material effect on the state of affars of the company as at 31 December, 2022.

28 Approval of Financial Statements

The Financial Statements were duly approved by the Board of Directors on ...., 2023.

STATEMENT OF VALUE ADDED
FOR THE YEAR END 31ST DECEMBER, 2022.

	2022		2021	
	₦'000	%	₦'000	%
Value added by operating activities:				
Fee and Commission Income	62,055		35,588	
Interest Income	162,029		3,385	
	224,084		38,973	
Direct Cost and Other Operating Cost	(197,887)		(26,398)	
Total Value Added	**38,973**	**100**	**12,575**	**100**
Applied as Follows:				
To pay employees				
salaries, allowances and fringe benefits	11,215	43	7,409	59
To pay government				
Income tax	1,872	7	620	5
To provide for enhancement of assets and growth				
Depreciation of property,plant and equipment	11,389	43	2,947	23
Augument/(deplete) retained earnings	1,721	7	1,599	13
Total Value Distributed	**26,197**	**100**	**12,575**	**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, 2022.

	2022	2021
	₦'000	**₦'000**
Assets		
Current assets	7,084,849	1,635,719
Non-current assets	21,168	27,152
Total assets	**7,106,017**	**1,662,871**
Equity		
Share Capital	300,000	300,000
Retained Earnings	3,320	1,599
Total equity	**303,320**	**301,599**
Liabilities		
Non Current Liabilities	6,677,717	461,524
Current liabilities	124,980	899,748
Total Liabilities	**6,802,697**	**1,361,272**
Total equity and liabilities	**7,106,017**	**1,662,871**
Statement of Profit or Loss and Other Comprehensive Income		
Fees and Commission Income	62,055	**35,588**
Interest Income	162,029	3,385
	224,084	38,973
Fees and Commission Expenses	(77,716)	-
Gross profit	146,368	**38,973**
Other operating expenses	(142,775)	**(36,754)**
Profit or Loss before taxation	3,593	2,219
Taxation	(1,872)	(620)
Profit for the year	**1,721**	**1,599**
Statement of Cash Flows		
Cash flow from operating activities	(817,599)	899,895
Cash flow from investing activities	(2,832)	(29,309)
Cash flow from financing activities	6,216,193	761,524
Cash movement for the year	**5,395,762**	**1,632,110**


Your kids can also own stocks.
Give your child the ability to multiply their money.
With our Securities traders managing the stocks, parents can also access and trade on behalf of their kids.
Open an AVA Securities account for them.
We can help!
Contact us
AVA
SECURITIES
More information:
+234 803 595 6080
info@avacapitalgroup.com
www.avacapitalgroup.com

AVA SECURITIES LIMITED | FINANCIAL STATEMENTS
FOR YEAR ENDED 31ST DECEMBER, 2022.

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. Kayode Olarinde - Director
Mr. Samson Adekunle - Director
Mrs. Temiloluwa Okurounmu - Director

Shareholding Structure

	Units 2022	Units 2021
Prosperis Holdings Company	184,500,000	184,500,000
Busayo Adeniyi	20,500,000	20,500,000
	205,000,000	**205,000,000**

Business Address

3, Glover Road
Ikoyi
Lagos

Company Secretary

Ishmael Ebhodaghe
3, Glover Road
Ikoyi
Lagos

Independent Auditors

Joseph Dauda & Co
(Chartered Accountants)
7/9, Olajide Streeet
Off Bashiru Street
Ojodu, Ikeja
Lagos

Bankers

Guaranty Trust Bank Plc
Access Bank Plc
UBA Plc
Providus Bank Limited
Globus Bank Limited

REPORT OF DIRECTORS

FOR YEAR ENDED 31ST DECEMBER, 2022

DIRECTORS' REPORT

The directors have the pleasure of presenting the audited financial statements of AVA Securities Limited for the year ended 31 December 2022 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:-

	2022	2021
	N	N
Profit/(loss) before taxation	2,214,433	2,922,622
Taxation	(394,542)	(797,065)
Profit/(loss) after taxation	1,819,891	2,125,557
Retained profit brought forward	3,516,800	1,391,243
Retained Profit /(Loss) carried forward	**5,336,691**	**3,516,800**

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 2022 was as follows:

		2022	2021
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.

Donation

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

REPORT OF DIRECTORS continued

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

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

	2022	**%**	**2021**	**%**
	000		**000**	
Prosperis Holdings Company Limited	184,500	90	184,500	90
Busayo Adeniyi	20,500	10	20,500	10
	205,000	**100**	**205,000**	**100**

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

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

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

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

Events after the reporting date
There have been no significant or material event after their reporting date which could have an effect on the financial statements of the company as at 31 December, 2022 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

MR. ISHMAEL EBHODAGHE
FRC/NBA/0000002870
COMPANY SECRETARY
3, Glover Road
Ikoyi, Lagos
..................................2023

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
FRC/2020/003/00000021513

Fadahunsi

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.
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVA SECURITIES LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022.

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, 2022. The financial statements comprise the Statements of Financial Position as at 31 December, 2022, 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, 2022, 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 financialstatements 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 toinfluence the economic decisions of users taken on the basis of these financial statementsAs part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

i We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

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

iii The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of accounts.

The company did not contravene any guideline or circular of Nigerian Exchange Limited (NGX) during the year, and therefore, did not pay any fine or penalty during the year. The audited financial statements for the year ended 31 December, 2022 was approved by the Board of Directors of the company.

Adesoji Adedeji
FRC/2021/004/00000024526
For: Joseph Dauda & Co.
(Chartered Accountants)
Lagos, Nigeria.
30 January, 2023

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2022.

	Note	2022 N	2021 N
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	222,881,495	244,514,697
Clients' Funds	7	27,349,072	18,300,089
Other Assets	8	3,346,123	2,580,245
Quoted Investments	9	20,315,591	20,315,592
		273,892,281	**285,710,623**
Non-Current Assets			
Property, Plant and Equipment	5	5,475,339	999,005
Intangible Assets	6	50,039	39
TOTAL ASSETS		**279,417,659**	**286,709,667**
LIABILITIES			
Payable to Clients	10	24,026,688	39,446,151
Other Payables	11	42,563,751	36,650,725
Taxation	12	2,490,534	2,095,992
TOTAL LIABILITIES		**69,080,974**	**78,192,868**
EQUITY			
Ordinary Share capital	14	205,000,000	205,000,000
Retained Earnings	13	5,336,684	3,516,799
TOTAL EQUITY		**210,336,684**	**208,516,799**
TOTAL EQUITY AND LIABILITIES		**279,417,658**	**286,709,667**

Signed on behalf of the Board of Directors on 31st January, 2023 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, 2022.

	Note	2022	2021
		N	N
Commission Income	15	55,241,672	32,334,565
Commission expenses		(1,141,722)	(615,618)
Net fee and commission income		54,099,950	31,718,947
Interest Income	17	6,190,902	8,097,363
Interest Expense	17	-	-
Other Income	16	45,500	106,500
Net Income		**60,336,352**	**39,922,810**
Personnel expenses	18	(5,447,932)	(6,265,703)
Depreciation and amortisation	5&6	(2,089,667)	(3,719,585)
Other operating expensees	19	(50,584,320)	(27,014,900)
		(58,121,919)	**(37,000,188)**
Profit before income tax		**2,214,433**	**2,922,622**
Income tax expense		(394,542)	(797,065)
Profit/(loss) for the year after tax		**1,819,891**	**2,125,557**
Other comprehensive income		-	-
Profit/(loss) for the year and total comprehensive income		**1,819,891**	**2,125,557**
Earnings per share			
Profit per share (Kobo)		**0.01**	**0.01**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR END 31ST DECEMBER, 2022.

	Share Capital	Retained Earnings	Total
	N	N	N
Balance at 1 January, 2021	**205,000,000**	**1,391,242**	**206,391,242**
Issue of share capital	-	-	-
Profit for the year		2,125,557	2,125,557
Dividend Paid		-	-
Balance at 31 December, 2021	**205,000,000**	**3,516,799**	**208,516,799**
Balance at 1 January, 2022	**205,000,000**	**3,516,799**	**208,516,799**
Issue of share capital	**-**		
Profit for the year		**1,819,891**	**1,819,891**
Dividend Paid		**-**	**-**
Balance at 31 December, 2022	205,000,000	5,336,690	210,336,690

STATEMENT OF CASH FLOW
FOR THE YEAR END 31ST DECEMBER, 2022.

	Note	2022	2021
		N	N
Cash flow from operating activities			
Profit/(Loss) before tax		2,214,433	2,922,622
Adjustment for items not involving movement of funds			
Depreciation	5	2,089,667	2,734,988
Amortization of Intangible Assets	6	-	984,597
Operating profit/(loss) before changes in operating assets		**4,304,100**	**6,642,207**
Working capital changes			
Decrease/(increase) in other assets		(765,878)	(1,298,929)
Decrease/(increase) in other investments		-	525,660
Decrease/(increase) in Statutory Deposits		-	1,000,000
Decrease/(increase) in Quoted Investments		1	(20,315,592)
Change in payables to clients		(15,419,462)	31,899,865
Change in other payables		5,913,026	34,390,685
Net cash flow from operating activities		**(5,968,214)**	**52,843,897**
Cash flow from investing activities			
Purchase of fixed assets		(6,616,000)	(1,041,993)
Purchase of investment properties		-	-
Net cash flow from investing activities		(6,616,000)	(1,041,993)
Cash flow from financing activities			
Proceeds from Deposit for shares		-	-
Prior Year Adjustment		(6)	6
Tax Paid		-	-
Net cash flow from financing activities		(6)	6
Net Cash Flow		**(12,584,220)**	**51,801,910**
Cash and cash equivalent at the beginning of the year		262,814,786	211,012,876
Cash and cash equivalent at the end of the year		**250,230,565**	**262,814,786**
Cash and Cash Equivalent Consists of:		**250,230,565**	**262,814,786**
Cash at Banks		222,881,495	244,514,697
Clients Fund		27,349,072	18,300,089
	7	**250,230,567**	**262,814,786**

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR END 31ST DECEMBER, 2022

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, 2022 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.

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.

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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.

SIGNFICANT 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.

SIGNFICANT 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.

SIGNFICANT ACCOUNTING POLICIES continued

3.15 Revenue recognition

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

a) Services

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

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

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

b) Revenue

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

When the outcome of a transaction involving the rendering of services can be estimated reliable, revenue associated with the reference to the stage of completion of the transaction at the Statement of Financial Position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the Statement of Financial Position date can be measured reliably;
- the costs incurred for the transaction and the cost to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

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.

Interest income is recognized in the statement of profit or loss, using the effective interest rate method, and taking into account the expected timing and amount of cash flows. Interest income includes the amortization of any discounts or premiums or other difference between the initial carrying amount of an interest-bearing instrument and its amount at maturity, calculated on an effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

3.16.4 Dividend Income

Dividend income is recognized as earned when the quoted price of the related security is adjusted to reflect the value of the dividend and is stated net of withholding tax. Scrip dividend is recognized on the basis of the market value of the shares on the date they are quoted.

3.17 Administration and management expenses

Administration expenses are operating expenses. They are accounted for on an accrual basis. This includes auditors' remuneration, salaries and wages, transportation, fuel and diesel, repairs and maintenance, information technology expenses and other expenses not separately disclosed.

3.18 Earnings per share

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

3.19 Provisions, contingent liabilities and contingent assets

3.19.1 Provisions

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

3.19.2 Contingent liabilities

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

SIGNFICANT ACCOUNTING POLICIES continued

3.19.3 Contingent assets

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

3.20 Segment reporting

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

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

3.21 Off-statement of financial positions transactions

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

3.22 Disclosures

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

4 Financial Risk Management

4.1 Introduction

AVA Securities Limited uses its financial skills to provide competitive brokerage services to a broad range of customers - local and foreign.

Risk management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long term value proposition

Key elements of risk management are:
Strong corporate governance including relevant and reliable management information and internal control processes;

Ensuring significant and relevant skills and services are available consistently to the company;

Influencing the business and environment by being active paticipants in the relevant regulatory and business forum; and

Keeping abreast of technology and consumer trends and investing capital and resources where required

The overall company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of trades.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

SIGNFICANT ACCOUNTING POLICIES continued

4.2 Significant risks

The company has exposure to significant risks that are categorised as follows:

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

b. Business environment (reputation and strategic);

c. Operational (people, information technology and internal control processes);

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

e. Liquidity; and

f. Concentration.

4.3 Detailed discussion of significant risks

4.3.1a Regulatory risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry regulations that pertain to the business of the company. In order to manage this risk, the company is an active participant in the industry and preferred bodies such as The Nigerian Exchange Limited, NASD OTC and Securities and Exchange Commission and engages in discussions with policy makers and regulators.

4.3.1b Regulatory capital risk

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

The company objectives in managing capital are:

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

To provide an adequate return to the shareholder commensurately with the level of risk.

The table summarises the minimum required capital and the regulatory capital held. The current year is, in general, an estimate that is updated once calculations prepared for the regulations are final

	2022
Regulatory minimum capital requirement	200,000,000
Actual qualifying capital	210,336,684
Actual capital ratio (times)	1.05

4.3.1 c Legal risk

Legal risk is the risk that the company will be exposed to contractual or legal obligations.

The company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract. Independent legal resources review all significant contracted claims and amounts. These are provided for if there is consensus as to any possible exposure. The directors are not aware of any significant obligation not provided for.

SIGNFICANT ACCOUNTING POLICIES continued

4.3.1 d Taxation risk
Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.
Taxation risk occurs in the following key areas:
Transactional risk;
Operational risk;
Compliance risk; and
Financial accounting risk.

4.3.1e Transactional risk
The risk that concerns specific transactions entered into by the company, including restructuring projects and reorganisations.

4.3.1f Operational risk
The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

4.3.1g Compliance risk
The risk associated with meeting the company's statutory obligations.

4.3.2 Financial accounting risk
The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning. In managing the company's taxation risk, the company tax policy is as follows:

The company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax laws include all responsibilities that the company may have in relation to company taxes, personal taxes, and capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:
- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
- The company continually reviews its existing operations and planned operations in this context, and
- The company ensures that, where clients participate in company products, these clients are either aware of the probable tax consequences, or are advised to consult with independent professionals to assess these consequences, or both.
- The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

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

SIGNFICANT ACCOUNTING POLICIES continued

Accounting risk can arise from the failure of management to:
- Maintain proper books and records, accounting systems and to have properaccounting 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 ofthe relevant business unit.

Company risk identifies and assesses both these risks qualitatively as part of a quarterly evaluation. On the basis of theis evaluation, company risk creates an overview of local and global risks which also include reputational risks, analyses the risk profile of company and regularly informs directors and management.

4.3.3.3 Operational risk

Operational risk is the risk of direct or indirect loss resulting fro inadequate or Failed internal processes, people and systems or from external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. Management and executive review the controls of the accounts and systems, electronics and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

4.3.3.4 Market risk

Market risk includes assets liability matching risk, currency risk, interest rate risk and equity price rice risk.

4.3.3.5 Assets liability matching risk

Assets liability mismatches and market risks are assessed by means of a number of stress tests each designed to examine a different component of market and mismatch risk. The asset liability matching and capital management committees
review liquidity requirements cash resources on a monthly basis.
The company's assets are relatively liquid with listed equities, bonds and cash
being easily 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.

4.3.3.9 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the company is exposed to credit risk are:

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

Certain accounts within trade and other receivables.

4.3.3.10 Liquidity risk

Liquidity risk ia the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

AVA Securities Limited is a registered financial service company and is required to hold minimum liquid capital. The Nigerian Stock Exchange and Securities Exchange Commission are the regulatory authorities that regularly review compliance with these minimum capital requirements.

4.3.3.10 Liquidity risk

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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

	2022	2021
	N	N
Cash and cash equivalents		
Cash at bank and on hand	5,358,807	26,208,234
Cash in operations account	5,397,197	13,380,769
Funds in Placement	212,125,491	204,925,694
Cash and cash equivalents	222,881,495	244,514,697
Cash and cash equivalents in the statement of cash flows	**222,881,495**	**244,514,697**

5 Property, Plant and Equipment

	Motor Vehicle	Furnitures & Fittings	Computer Equip-ment	Plant & Machinery	Office Equipment	Total
Cost	**N**	**N**	**N**	**N**	**N**	**N'000**
As at 1 January, 2022	-	8,677,960	1,751,500	3,280,000	4,829,263	18,538,723
Additions during the year	5,500,000	140,000	-		926,000	6,566,000
As at 31 December, 2022	**5,500,000**	8,817,960	1,751,500	3,280,000	5,755,263	25,104,723
Depreciation						
As at 1 January, 2022	-	7,678,985	1,751,490	3,279,990	4,829,253	17,539,718
Charge for the year	1,831,500	258,167	-	-	-	2,089,667
As at 31 December, 2021	**1,831,500**	**7,937,151**	**1,751,490**	**3,279,990**	**4,829,253**	**19,629,384**
Carrying Amount						
At 31 December, 2022	**3,668,500**	**880,809**	**10**	**10**	**926,010**	**5,475,339**
At 31 December, 2021	**-**	**998,975**	**10**	**10**	**10**	**999,005**

6 Intangible Assets

	Trading Rights	Accounting Software in Brokerage	Website Develop-ment	Peachtree Accounting Software	Total
Cost	**N**	**N**	**N**	**N**	**N'000**
As at 1 January, 2022	1,800,000	4,289,250	320,000	155,000	6,564,250
Additions during the year	-	-	50,000	-	50,000
As at 31 December, 2022	1,800,000	4,289,250	370,000	155,000	6,614,250
Depreciation					
As at 1 January, 2022	1,799,990	4,289,241	319,990	154,990	6,564,211
Charge for the year	-	-	-	-	-
As at 31 December, 2022	1,799,990	4,289,241	319,990	154,990	6,564,211
Carrying Amount					
At 31 December, 2022	**10**	**9**	**50,010**	**10**	**50,039**
At 31 December, 2021	**10**	**9**	**10**	**10**	**39**

		2022	2021
		N	**N**
7	**Cash and Cash Equivalents**		
	Cash in hand	-	-
	Trading accounts	5,358,807	26,208,234
	Cash in operations account	5,397,197	13,380,769
	Funds in placement	212,125,491	204,925,694
	Client Fund	27,349,072	18,300,089
		250,230,567	**262,814,786**
8	**Other Assets**		
	Receivable from Customers	-	271,237
	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-Remote connectivity	-	389,688
	Prepayment - Simplus Software Acquisition Cost	2,230,019	1,725,137
	CSCS Eligibility Fee	-	44,793
	Website Upgrade/ Retainership Agreement	250	250
	Other Receivable	-	149,140
		3,346,123	**2,580,245**

		2022	2021
		N	**N**
9	**Quoted Investment** 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	**20,315,591**	**20,315,592**
10	**Payable to Clients**		
	Clients accounts	13,299,667	31,346,151
	Payable to non-customers	-	8,100,000
	Other Payable Accounts	10,727,021	-
		24,026,688	**39,446,151**
11	**Other Payables**		
	Accrued Audit Fees	550,000	350,000
	Stamp Duty	618,264	618,264
	VAT Payable	1,296,303	707,870
	Other Accrued Expenses	14,650,553	-
	PAYE Payable	193,191	-
	InterCompany Payable	-	14,659,000
	Shareholders Payable	25,255,440	20,315,592
	Group Shared Cost Payable	42,563,751	36,650,725
	Shareholders Payable	20,315,592	-
		36,650,725	2,260,041
12	**Tax Payable**		
	Balance Brought Forward	**2,095,992**	**1,298,921**
	Company Income Tax for the year	**394,542**	**797,065**
	Prior Year Adjustment	**-**	**6**
		2,490,534	**2,095,992**
13	**Retained Earnings**		
	Balance Brought Forward	3,516,799	1,391,242
	Profit for the year	1,819,891	2,125,557
		5,336,690	**3,516,799**
14	**Share Capital**		
	Authorized Share Capital		
	310,000,000 ordinary shares of N1 each	310,000,000	310,000,000
	Issued & Fully Paid Share Capital		
	205,000,000 Ordinary Shares of N1 each	205,000,000	205,000,000
15	**Fee and commission incomes**		
	Brokerage Commission on Shares	8,243,572	10,919,089
	Brokerage Commission on Bonds	32,304,377	17,815,476
	Other Fixed Income	-	3,600,000
	Interest Income on Bonds	13,100,000	**-**
	Other Commission Income	1,593,723	**-**

		2022	2021
		N	N
16	**Other operating incomes**		
	Verification Charges	45,500	106,500
		45,500	106,500
17	**Net interest incomes/expenses**		
	Interest Income Comprises		
	Interest on Fixed Placements	6,190,902	4,596,695
	Other Interest Income	-	3,500,668
		6,190,902	**8,097,363**
	Interest Ixpense Comprises		
	Interest Expense	-	-
	Net interest income/(expense)	**6,190,902**	**8,097,363**
18	**Personnel expenses**		
	Salaries and wages	5,447,932	6,265,703
		5,447,932	**6,265,703**
	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	295,415	5,690,835
	Rent and Rates	-	952,835
	Regulatory Expenses	125,833	1,005,500
	Professional Fees -Legal	35,625	46,000
	Diesel Cost	309,645	2,088,908
	Software Acquisition Cost	3,519,061	1,725,137
	Printing & Stationeries	770,600	738,065
	Bank Charges	264,211	1,046,814
	Training Expenses	2,605,935	2,649,940
	Subscriptions and Periodicals	2,203,700	1,276,350
	Insurance	548,941	393,102
	Computer Expenses	1,885,269	2,745,250
	FIX NET Connectivity - NSE	53,219	-
	X-NET NSE	324,740	467,625
	FIX Connectivity Infoware	107,500	430,000
	ASHON	175,250	275,250

NOTES TO THE FINANCIAL STATEMENTS continued

NASD Dues and Fees	241,600	158,000
CIS Staff membership dues	349,500	-
CSCS Eligibility Fee	122,043	155,388
Software annual licence support	-	492,375
Audit Fees	500,000	350,000
Cleaning and Office Supplies	-	637,667
Electricity and Water	4,200,000	219,885
Medicals	2,310,000	732,950
Motor Running Expenses	840,630	538,176
Office Expenses	17,905,433	-
NGX Annual Charges	661,125	-
Branding Expenses	5,040,000	-
AGM Expenses	1,650,000	-
Compliance Related Expenses	281,807	-
Bad debt written-off	271,237	-
Repairs and Maintenance	1,186,000	1,099,425
Telephone and Internet	1,800,000	1,099,425
Total other operating expenses	**50,584,320**	**27,014,900**

20 Contingent liabilities

There are no contingent liabilities as at 31 December, 2022 (2021: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, 2022 requiring disclosure in or adjustment to the annual financial statements for the year ended 31 December, 2022.

STATEMENT OF VALUE ADDED
FOR YEAR ENDED 31ST DECEMBER, 2022.

	2022		2021	
	N'000	**%**	**N'000**	**%**
Fee and commission income	60,336,352		39,922,810	
Net Trading income	-		-	
Less: Admin and Overhead Expenses	**(50,584,320)**		**(27,014,900)**	
Value Added	**9,752,032**	**100**	**12,907,909**	**100**
Applied as Follows:				
To pay employees				
salaries,wages and fringe benefits	5,447,932	56	6,265,703	49
To pay government				
Income tax	394,542	4	797,065	6
Education tax	-	-	-	-
To provide for enhancement of assets and growth				
Depreciation of property,plant and equipment	2,089,667	21	-	-
Augument/(deplete) retained earning	1,819,891	19	5,845,142	45
	9,752,032	**100**	**12,907,909**	**100**

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

FIVE YEARS FINANCIAL SUMMARY | FINANCIAL POSITION

	2022	2021	2020	2019	2018
	N	N	N	N	N
Assets					
Cash and cash equivalents	250,230,567	262,814,786	211,012,876	363,841,373	203,011,672
License Fees	-	-	-	-	-
Other Investment	-	-	525,660	525,660	525,660
Quoted Investents	20,315,592	20,315,592	-	-	-
Other Assets	3,346,123	2,580,245	1,281,316	10,633,193	5,249,165
Statutory Deposit	-	-	1,000,000	1,000,000	1,000,000
Property, plant and equipment	5,475,339	999,005	2,692,000	6,191,346	9,690,692
Intangible Assets	50,039	39	984,636	2,297,487	3,610,337
	279,417,660	286,709,667	217,496,489	384,489,059	223,087,526
Equity					
Share capital	205,000,000	205,000,000	205,000,000	205,000,000	205,000,000
Reserves	-	-	561,709	699,433	9,433,595
Retained earnings	5,336,684	7,236,384	1,952,951	(1,261,142)	(8,734,162)
	210,336,684	212,236,384	206,391,242	204,438,291	205,699,433
Liabilities					
Payable to Clients	24,026,688	39,446,151	7,546,285	11,322,315	1,286,069
Other Payables	42,563,751	36,650,725	2,260,041	152,582,734	1,061,236
Deposit for shares	-	-	0	15,102,375	14,002,375
Tax Payable	2,490,534	2,095,992	1,298,921		2,095,992
	69,080,974	78,192,868	11,105,247	1,043,344	18,445,672
Total equity and liabilities	**279,417,658**	**290,429,252**	**217,496,489**	**180,050,768**	**224,145,105**

Annual Report 2022.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	2022	2021	2020	2019	2018
	N	N	N	N	N
Profit/(loss) before income tax	**2,214,433**	**6,642,207**	**2,789,930**	**217,798**	**(7,695,748)**
Income tax expense	(394,542)	(797,065)	(836,979)	(1,043,344)	(1,038,413)
Profit/(loss) for the year after tax	**1,819,891**	**5,845,142**	**1,952,951**	**(1,261,142)**	**(8,734,161)**
Other comprehensive income	-	-	-	-	-
Profit/(loss) for the year and total and total comprehensive income	**1,819,891**	**5,845,142**	**1,952,951**	**(1,261,142)**	**(8,734,161)**
Earnings per share					
Basic profit/(loss) per share (Kobo**)**	**0.009**	**0.029**	**0.010**	**(0.006)**	**(0.04)**

0700 - AVAGROUP

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