

AVA INFRASTRUCTURE FUND
ANNUAL REPORT
31 DECEMBER 2024

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AVA INFRASTRUCTURE FUND

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PARTIES TO THE FUND

Trustees:

STL Trustees Limited
183, Moshood Olugbani Street
Victoria Island
Lagos

Fund Manager:

AVA Global Asset Manager Limited
3 Glover Road, Ikoyi, Lagos
Ikoyi
Lagos

Registrars:

Cordros Registrar Limited
21, Norman Williams Street,
Ikoyi
Lagos

Custodian:

United Bank for Africa
UBA House
57 Marina Road
Lagos

Bankers:

United Bank for Africa Plc
Head Office Branch
UBA House
57 Marina
Lagos

Auditors:

KPMG Professional Services
KPMG Towers
Bishop Aboyade Cole Street
Victoria Island
Lagos.

Trustee's Report:

The Trustees present their report on the affairs of the AVA Infrastructure Fund (the Fund), together with the audited financial statements for year 2024.

Principal activity:

The principal activity of the AVA Infrastructure Fund ('The Fund') is to provide Debt Financing for infrastructural development under the Rules on Infrastructure Funds issued by the Securities and Exchange Commission. The Fund's aim is to provide investors with regular and stable income by making primarily debt investments in infrastructure projects located in Nigeria. Investments may be majority or minority proportion of the total debt and may be made in development, greenfield, expansion, recapitalization, rehabilitation or restructuring of any of such assets whether or not such investments create an immediate positive cash flow, as well as mature projects in each case in accordance with and subject to the terms of this Trust Deed.

During the year under review, the Fund was administered in 2024 in accordance with the Investments and Securities Act, 2007, Rules on Infrastructure Fund, the provisions of the Trust Deed together with the rules and regulations set out by the regulatory bodies pursuant to the legislation referred to within this paragraph ("Applicable Regulations"), taking into cognisance the prevailing market conditions as well as preserving of (and minimising possible losses to) Unitholders' funds.

Results:

The results for the year is extracted from the financial records prepared by the Fund Manager and have been duly audited in accordance with Section 169(1) of the Investments and Securities Act 2007, and the Trust Deed establishing the Fund.

The Net Asset Value of the Fund as at 31 December 2024 is as follows;

<u>In thousands of Naira '000</u>	<u>31 December 24</u>
Net Assets Value	4,307,238,000

The operating result for the year ended 31 December 2024, is as follows:

<u>In thousands of Naira '000</u>	<u>31 December 24</u>
Profit for the year	653,235,633

Distribution:

HEAD OFFICE

183, Moshood Olugbani Street
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Lagos, Nigeria.

Tel: +234-1-6311264

+234 810 338 5044

STL Trustees Limited **RC No. 162995**

Email: stl@stltrustees.com

Website:

ABUJA OFFICE

Plot 31 Aguiyi Ironsi Street (2nd floor),
Maitama District,

Abuja, Nigeria.

The Fund Manager distributed dividend of ₦420,997,000 for the year (2024).

Directors:

The Directors of the Fund Manager who served on the board of the Fund Manager during the year under review and up to the date of approving these financial statements were:

1. Dr. Adeyinka Adediji
2. Efe Shaire
3. Kayode Fadahunsi
4. Taiwo Okurounmu
5. Samson Adekunle

Responsibilities of the Fund Manager:

The Investments and Securities Act, 2007 requires the Fund Manager to keep proper books of account and prepare annual financial statements which give a true and fair view of the state of affairs of the unit trust scheme during the period covered by the financial statements.

In our opinion, the Fund Manager has in preparing the financial statements:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that were reasonable and prudent;
- ensured that the applicable accounting standards have been followed, and
- prepared the financial statements on a going concern basis; since it was appropriate to assume that the Fund shall continue to exist in the foreseeable future.

The Fund Manager was responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any point in time, the financial position of the Fund, and enable the Fund Manager to ensure that the financial statements comply with the Trustees Investment Act, CAP T22 LFN, 2004, the Investments and Securities Act, 2007 and the provisions of the Trust Deed thereto, together with the rules and regulations set out by the regulatory bodies established pursuant to the legislation referred to within this paragraph ("Applicable Regulations").

The Fund Manager is also responsible for maintaining adequate financial resources to meet its commitments and to manage the risks to which the Fund is exposed.

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Responsibilities of the Trustee:

The responsibilities of the Trustee as provided by Securities and Exchange Commission's Rules and Regulations made pursuant to the Investments and Securities Act, 2007 are as stated below:

- Monitoring of the activities of the Fund Manager and the custodian on behalf of and in the interest of the Unitholders';
- Ensuring that the Custodian takes into custody all of the scheme's assets and holds it in trust for the holders in accordance with the Trust Deed and the Custodial Agreement;
- Monitoring the register of Unitholders' or contributors;
- Ascertaining the Fund Manager's compliance with the Applicable Regulations;
- Ascertaining that the monthly and other periodic returns/reports relating to the Fund are sent by the Fund Manager to the Commission;
- Taking all steps and executing all documents which are necessary to secure acquisitions or disposals properly made by the Fund Manager in accordance with the Trust Deed and Custodial Agreement;
- Exercising any right of voting conferred on it as the registered holder of any investment and/or forward to the fund manager within a reasonable time all notices of meetings, reports, circulars, proxy solicitations and any other document of a like nature for necessary action;
- Ensuring that fees and expenses of the fund is within the prescribed limits; and
- Acting at all times in the interest and for the benefit of Unitholders' of the scheme.

Administration of the Fund:

The Fund was administered in accordance with the Applicable Regulations, taking into cognisance the prevailing market conditions as well as the goal of preserving and minimising possible losses to Unitholders funds.

Charitable donations:

The Fund did not make any charitable donations during the year. (2024)

Auditors:

KPMG Professional Services was appointed on 17th May, 2024. KPMG Professional Services, having indicated their willingness to continue in office, shall do so in accordance with Section 169(1) of the Investments and Securities Act, 2007.

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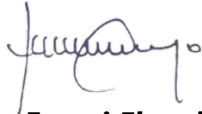
Website:

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Maitama District,

Abuja, Nigeria.

By Order of the Joint Trustees



Funmi Ekundayo
FRC/2014/PRO/DIR/003/00000006946
Managing Director
STL Trustees Limited
Lagos, Nigeria

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Fund Manager's Report for the year ended 31 December 2024

Introduction

The AVA Infrastructure Fund ("AVA IF" or "the Fund") is a closed-end fund registered with the Securities and Exchange Commission. The Fund seeks to address the infrastructural deficits in Nigeria through the objective provision of institutional capital into infrastructure development.

The overall objective of the AVA IF is to spur socio-economic impact.

The Fund's objective is to provide unitholders with competitive returns on their investment by financing infrastructure projects that:

1. Provide essential economic and social services;
2. Have predictable cash flows;
3. Make use of assets with a long useful life.

The Fund's ₦200bn programme size was approved by the Securities and Exchange Commission ("SEC") on March 8, 2023, and the first series was approved on November 21, 2023, by the commission. The AVA IF launched its first issuance under its ₦200bn programme size through its Series 1 offer, raising a total sum of ₦4.075 billion at the close of the offer on March 27, 2024. The Fund was listed on the main board of the Nigerian Exchange Limited ("NGX") on May 10, 2024.

Summary of Operations

During the year ended 31 December 2024, the Fund achieved a 26.01% annualized return on its portfolio. With due diligence ongoing on 10 projects in its pipeline for possible investments, the fund is positioned for even stronger performance in the coming year.

The projects span across several sectors, including gas distribution, urban and social infrastructure, and power (renewable energy). The selected projects are geared towards addressing key infrastructure gaps across various sectors of the Nigerian economy and contribute significantly to long-term development.



Portfolio Overview

The Fund is presently generating returns through money market investments as the Fund Manager continues to evaluate proposals from prospective project sponsors. Throughout this evaluation process, the team has had to reject several projects that failed to align with the Fund's investment standards and failed to pass the Fund's risk criteria set.

The Fund Manager is evaluating projects that will be submitted to the investment committee for approval in the coming weeks. The Fund targets investor returns ranging from 3% to 5% higher than the yield of a comparable 10-year FGN Bond.

Financial Overview

During 2024, the Fund's total income was ₦798.61 million. The net income for the period, after meeting the Fund expenses, was ₦ 653.236 million.

As of 31 December 2024, the Net Asset Value of the Fund stood at ₦4.31 billion represented by 4,075 units. Accordingly, the Net Asset Value per Unit of the Fund as of 31 December 2024 was ₦1,056,990.92.

Distributions

During the year ended 31 December 2024, the Fund announced the following distributions to the unitholders:

H1 distribution ₦103,310.21/unit

Total distribution ₦103,310.21/unit

The total amount of distributions declared by the Fund during 2024 was ₦420.99 million.

Future Pipeline

For 2025, the Fund Manager is actively engaging potential project sponsors and sourcing projects to be financed by the Fund. Conversations are at advanced structuring and negotiation stages to disburse into some projects in key sectors of the Nigerian Economy.



The Fund Manager is tracking a pipeline of projects that are expected to materialize during the next year.

Samson Adekunle
Director

FRC/2020/PRO/DIR/003/00000021513

Kayode Fadahunsi
Director

FRC/2015/PRO/DIR/003/00000011838

**AVA INFRASTRUCTURE FUND
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STATEMENT OF THE FUND MANAGER'S RESPONSIBILITIES

The Fund Manager is responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Fund at the end of the financial year and of the net income for the year end audit.

The responsibilities include ensuring that:

- i. the Fund keeps accounting records which disclose with reasonable accuracy the financial position of the Fund and which ensure that the financial statements comply with the requirements of the relevant accounting standards;
- ii. appropriate and adequate internal controls are established to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities;
- iii. the Fund prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and
- iv. it is appropriate for the financial statements to be prepared on a going concern basis.

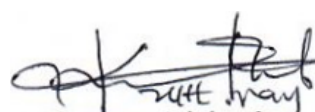
The Fund Manager accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with:

- i. IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards)
- ii. Financial Reporting Council of Nigeria (Amendment) Act, 2023
- iii. Investments and Securities Act
- iv. Relevant circulars issued by the Securities and Exchange Commission.

The Fund Manager further accepts 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 financial control.

Nothing has come to the attention of the Fund Manager to indicate that the Fund will not remain a going concern for at least twelve months from the date of this statement.

BY ORDER OF THE FUND MANAGER
AVA Global Asset Manager Limited



Samson Adekunle
Director
FRC/2020/003/00000021513
31 March 2025



Kayode Fadahunsi
Director
FRC/2015/CISN/00000011838
31 March 2025


Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting

I, Samson Adekunle , certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of AVA Infrastructure Fund ("the Fund");
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Fund Manager's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
 - 4) have evaluated the effectiveness of the Fund's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Fund Manager's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Fund's auditors and the Board of Directors of the Fund Manager:
 - 1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - 2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Fund's internal control system.
- f) The Fund Manager's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Signed on behalf of the Fund Manager by:

Name: Samson Adekunle
Designation: Director
FRC No: FRC/2020/PRO/DIR/003/00000021513

Signature: 
Date: 31 March 2025

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting

I, Kayode Fadahunsi, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of AVA Infrastructure Fund ("the Fund");
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Fund Manager's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
 - 4) have evaluated the effectiveness of the Fund's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Fund Manager's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Fund's auditors and the Board of Directors of the Fund Manager:
 - 1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - 2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Fund's internal control system.
- f) The Fund Manager's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Signed on behalf of the Fund Manager by:

Name: Kayode Fadahunsi
Designation: Director
FRC No: FRC/2015/PRO/DIR/003/00000011838

Signature: 
Date: 31 March 2025

AVA INFRASTRUCTURE FUND

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Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024

The management of AVA Global Asset Managers Limited ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting AVA Infrastructure Fund ("the Fund") as required by the Financial Reporting Council (Amendment) Act, 2023.

The management of AVA Global Asset Managers Limited assessed the effectiveness of the internal control over financial reporting of the Company as of 31 December 2024 using the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

As of December 31, 2024, the management of AVA Global Asset Managers Limited did not identify any material weakness in its assessment of internal control over financial reporting.

As a result, management has concluded that, as of December 31, 2024, the Company's internal control over financial reporting was effective.

The Fund's independent auditor, KPMG Professional Services, who audited the financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Company's internal control over financial reporting as of 31 December 2024 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears on pages 15 – 17 of the Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Company's internal control over financial reporting.

Signed on behalf of the Fund Manager by:



Samson Adekunle

Director

FRC/2020/PRO/DIR/003/00000021513



Kayode Fadahunsi

Director

FRC/2015/PRO/DIR/003/00000011838

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Bishop Aboyade Cole Street
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Independent Auditor's Limited Assurance Report

To the Members of AVA Infrastructure Fund

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting**Conclusion**

We have performed a limited assurance engagement on whether internal control over financial reporting of AVA Infrastructure Fund ("the Fund") as of 31 December 2024 is effective in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that AVA Infrastructure Fund's internal control over financial reporting as of 31 December 2024 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (*including International Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.



Other matter

We have audited the financial statements of AVA Infrastructure Fund in accordance with the International Standards on Auditing, and our report dated 31 March 2025 expressed an unmodified opinion of those financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of AVA Global Asset Managers Limited, the Fund Manager, is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report on internal control over financial reporting. Our responsibility is to express a conclusion on the Fund's internal control over financial reporting based on our assurance engagement.

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Fund's internal control over financial reporting based on our assurance engagement.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting

A fund's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A fund's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the fund;



- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the fund are being made only in accordance with authorizations of management and directors of the fund; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the fund's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Signed:

A handwritten signature in blue ink, appearing to read 'Onyinye Okere'.

Onyinye Okere
FRC/2012/ICAN/00000000421
For: KPMG Professional Services
Chartered Accountants
31 March 2025
Lagos, Nigeria.

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of AVA Infrastructure Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AVA Infrastructure Fund ("the Fund"), which comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income;
- the statement of changes in net assets attributable to unitholders;
- the statement of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors of the Fund Manager are responsible for the other information. The other information comprises the parties to the Fund, trustees' report, fund manager's report, statement of the fund manager's responsibilities, fund manager report on internal control over financial reporting, and other national disclosures, but does not include the financial statements and our auditor's report thereon.



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

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

Responsibilities of the Directors for the Financial Statements

The Board of Directors of the Fund Manager are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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 Fund'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 Fund to cease to continue as a going concern.

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

We communicate with the Board of Directors of the Fund Manager 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.

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

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Fund's internal control over financial reporting as of December 31, 2024. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 31 March 2025. *That report is included on page 15 - 17 of the annual report.*

Signed:

Onyinye Okere
FRC/2012/ICAN/00000000421
For: KPMG Professional Services
Chartered Accountants
31 March 2024
Lagos, Nigeria



**AVA INFRASTRUCTURE FUND
ANNUAL REPORT
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STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 Dec 2024 N'000
Interest Income calculated using effective Interest method	3	798,605
Other Income	4	483
Total income		799,087
Administrative Expenses	5	(65,883)
Profit before tax		733,205
Withholding tax expense	6	(79,969)
Profit for the year		653,236
Total comprehensive income for the year		653,236

The accompanying notes are an integral part of these financial statements.

AVA INFRASTRUCTURE FUND
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STATEMENT OF FINANCIAL POSITION

	Notes	31 Dec 2024 N'000
Assets:		
Cash and cash equivalents	7	4,312,238
Total assets		4,312,238
Liabilities:		
Accrued Expenses	8	5,000
Total liabilities		5,000
Net assets attributable to unitholders		4,307,238
Represented by:		
Unitholders' contributions	9	4,075,000
Retained earnings		232,238
		4,307,238

The accompanying notes are an integral part of these financial statements.

SIGNED ON BEHALF OF THE FUND MANAGER ON 31 MARCH 2025



Samson Adekunle
Director

FRC/2020/003/00000021513
31 March 2025



Kayode Fadahunsi
Director

FRC/2015/CISN/00000011838
31 March 2025

AVA INFRASTRUCTURE FUND
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STATEMENT OF CHANGES IN NET ASSETS

	ATTRIBUTABLE TO UNITHOLDERS		
	Unitholders contributions N'000	Retained earnings N'000	Net assets attributable to unitholders N'000
At 1 January 2024	-	-	-
Comprehensive income	-	-	-
Profit for the year	-	653,236	653,236
	-	653,236	653,236
Transactions with unit holders:			
Contributions	4,075,000	-	4,075,000
Redemptions	-	-	-
Distributions to unitholders	-	(420,997)	(420,997)
At 31 December 2024	4,075,000	232,238	4,307,238

The accompanying notes are an integral part of these financial statements.

AVA INFRASTRUCTURE FUND

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STATEMENT OF CASH FLOWS

	Notes	31 Dec 2024 N'000
Cash flows from operating activities		
Profit after tax		653,236
Add: tax expense	6	79,969
Profit before tax		733,205
Changes in operating assets and liabilities:		
Increase in other liabilities	8	5,000
Tax Paid	6	(79,969)
Net cash flows (used in)/from operating activities		658,236
Cashflow from operating activities		
Cash generated from operations		658,236
Net cash flow (used in)/generated from operating activities		658,236
Cash flows from investing activities		-
Net cash used in investing activities		-
Cashflow from financing activities		
Contributions by unit holders		4,075,000
Distribution to unit holders		(420,997)
Net cash flow from financing activities		3,654,003
Net increase in cash and cash equivalent for the year		4,312,238
Analysis of changes in cash and cash equivalents:		
Cash and cash equivalents at start of the year		-
Increase in cash and cash equivalent	7	4,312,238
Cash and cash equivalents at end of the year		4,312,238

The accompanying notes form an integral part of these financial statements

AVA INFRASTRUCTURE FUND

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NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Fund seeks to address the infrastructural deficits in Nigeria through the objective provision of institutional capital into infrastructure development. The Fund is constituted as a trust pursuant to the Trust Deed between the Fund Manager and the Trustee, dated 08 March 2023. The Fund is a closed-ended Fund.

The investment objective of the Fund is to provide unitholders with competitive returns on their investment by financing or investing in infrastructure or infrastructure-related projects, companies and SPVs primarily located in Nigeria and Pan-Africa.

The Fund will invest in a diversified portfolio of de-risked infrastructure projects that have high degree of certainty of future cash flows (including greenfield/brownfield projects, refinancing, acquisition financing), and seek to preserve the value of its deployed capital.

Proceeds of the Fund will be utilised to finance infrastructure project loans and securitised debt instruments of infrastructure companies or SPVs which are created for the purpose of facilitating or promoting financing of infrastructure. The Fund may also invest in preference shares, convertibles including subordinated/mezzanine financing instruments of companies engaged in infrastructure and infrastructure-related sectors.

The Fund will focus on senior secured debt collateralised with assets of the project being financed, where such collateralisation is available and feasible, or by other security to be provided by the project sponsors, as determined on a project by project basis by the Fund Manager.

2. Summary of material accounting policies

2.1. Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023. Additional information required by national regulations is included where appropriate. The financial statements have been prepared in accordance with the going concern principle under the historical cost convention.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Fund Manager to exercise its judgement in the process of applying the Fund's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Fund Manager believes that the underlying assumptions are appropriate and that the Fund's financial statements therefore present the financial position and results fairly. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

a. Functional and presentation currency

The financial statements are presented in Naira, which is the Fund's functional and presentation currency. The figures shown in the financial statements are stated in thousands of Naira, unless otherwise stated.

2.2 Standards and interpretations issued/amended but not yet effective.

A number of new IFRS Accounting Standards, Amendments to IFRS Accounting Standards, and Interpretations are effective for annual periods beginning after 1 January 2025 and have not been applied in preparing these financial statements. Those IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations which may be relevant to the Company are set out below:

(i) Presentation and Disclosure in Financial Statements (IFRS 18) IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements.

The new standard introduces the following key new requirements:

(ii) It promotes a more structured income statement, in particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories, operating, investing, and financing, based on a company's main business activities.

(iii) All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.

(iv) Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

(v) Enhance guidance is provided on how to group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

AVA INFRASTRUCTURE FUND

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NOTES TO THE FINANCIAL STATEMENTS

(vi) Entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

(vii) It also requires Companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

IFRS 18 is effective from 1 January 2027 and applies retrospectively, it is available for early adoption. The Fund has not assessed the impact of IFRS 18. The IFRS Accounting Standards will be adopted in the period that they become mandatory unless otherwise indicated.

Standards and interpretations effective during the reporting period

Classification of liabilities as current or non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

In addition, a company will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. Such right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.

The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognized as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation.

The standard is effective for annual periods beginning on or after 1 January 2024.

2.3 Financial assets and liabilities

Measurement methods

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date, the date on which the Fund commits to purchase or sell the asset.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI which results in an accounting loss being recognised in the income statement when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, IFRS 9 the entity recognises the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Fund revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

AVA INFRASTRUCTURE FUND

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NOTES TO THE FINANCIAL STATEMENTS

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- (a) Purchased or Originated Credit Impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- (b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Financial assets

Classification and subsequent measurement

The Fund classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Amortised cost.

The classification requirements for debt instruments are described below:

Debt instruments

Debt instruments are instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Fund's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its financial instruments into one of the following two measurement categories:

a) Financial assets measured at amortised cost

These represent assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

b) Financial assets measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVTPL are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the income statement and presented in the income statement within 'Net gain on financial assets measured through profit or loss' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in income.

SPPI Test

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund Manager assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Fund Manager considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Fund tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Financial liabilities

Classification and measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost. The Fund's financial liabilities includes fees payable, payable to unit holders, accrued expenses and other payables.

NOTES TO THE FINANCIAL STATEMENTS

Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). For instance, the accrued fees paid or payment made to unit holders. The Fund classifies non-derivative financial liabilities into the following categories: financial liabilities at amortised cost and other financial liabilities.

Classifications of financial assets and liabilities under IFRS 9

Category (as defined by IFRS 9)	Classes as determined by the Fund	Subclasses
Financial assets	Amortised cost	Balances with banks
		Placement
Financial liabilities	Financial liabilities at amortised cost	Accrued expenses

2.4 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its own performance obligation. A number of the Fund's accounting policies and disclosures require the measurements of fair values for both the financial and non-financial assets and liabilities. When one is available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a financial instrument. If an asset or a liability measured at fair value has a bid price and an ask price, then the Fund measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Fund determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

2.5 Impairment

For trade receivables that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. As a practical expedient, a provision matrix has been used to estimate ECL for these assets.

The provision matrix simply involves applying the relevant loss rates to the balances outstanding across the different age bands i.e. rates applied depends on the number of days that a trade receivable is past due.

The loss rate is determined based on historical losses rate over a three-year period. The loss definition is any receivables balance that is over 365 days. The estimated historical loss rates have been appropriately adjusted to reflect the expected future changes using macroeconomic variables which serve as indicators of losses. Macro variables considered include GDP growth rate, inflation rate and exchange rate respectively.

2.6 Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Fund determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery of amounts due.

2.7 Offsetting financial instruments

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

The financial assets and liabilities are presented on a gross basis.

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Income and expenses are presented on a net basis only when permitted by accounting standards, or for gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

2.8 Cash and cash equivalents

For the purposes of statement of cash flow, cash and cash equivalents are balances that are held for the primary purpose of meeting short term cash commitments. Hence this includes cash in hand and cash equivalents that are readily convertible to known amount of cash, are subject to insignificant risk of changes in value and whose original maturity is three months or less. This includes cash in hand, loans to banks and other short-term highly liquid investments which originally matures in three months or less (treasury bills with original maturity of less than 3 months).

2.9 Retained earnings

Retained earnings represent undistributed earnings of the Fund.

2.10 Operating expenses

2.11 Administrative expenses

All other expenses are recognised in the statement of comprehensive income on an accrual basis.

2.12 Taxation

The Fund is exempt from paying income taxes under the current system of taxation in Nigeria. However, dividend income and interest income on fixed deposits received by the Fund are subject to withholding tax in Nigeria and represent final income tax on the profit for the year. During the year, the withholding tax rate was 10%.

2.13 Dividend distribution

In line with the provisions of the Trust Deed, the income of the Fund less any sums properly chargeable thereon or deductible therefrom may either be reinvested in the Fund or distributed to the Unitholders in such form, manner and amount for such periods and at such times as the Fund Manager may, in its absolute discretion, decide in accordance with applicable law and the rules of the Exchange on which the units are listed.

Net income on the fund are accrued daily to all customer in proportion to their unit holdings and are distributed to the customers on a quarterly basis in form of payout or re investment depending on each customer's mandate.

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NOTES TO THE FINANCIAL STATEMENTS

3. Risk Management Objective and Policies

3.1 Financial risk management

The Fund activities exposes it to a variety of financial risks, including credit, liquidity risk and the effects of changes in interest rates. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the Fund Managers under direction of the investment committee. The investment committee works within policies approved by the Fund's Trustee. Fund Managers review the market trends and information available to evaluate the potential exposures. They then arrive at strategies to mitigate against these risks. The Group Risk Department provides the Fund Managers with written guidelines for appropriate investments. These guidelines are reviewed on a regular basis and are within the Collective Investment Scheme regulations issued by the Securities and Exchange Commission (SEC).

The Funds financial instruments are categorised as follows:

31 December 2024	Financial Assets		Financial Liabilities
In thousands of Nigerian Naira	Fair value through profit or loss (FVTPL)	At amortised cost	At amortised cost
Financial assets:			
Cash and bank balances			
- Current account with banks in Nigeria	-	2,055	-
- Placements		4,310,183	
Financial liabilities:			
Other liabilities:			5,000
Unitholders' equity			4,075,000

3.2 Liquidity

The Fund is exposed to daily cash redemptions of redeemable Units. It therefore invests the majority of its assets in investments that are easily convertible to known amount of cash such as placement with banks.

In addition to this, the Investment Manager in managing the Fund's liquidity risks, monitors the Fund's liquidity position on a daily basis and has developed a comprehensive history of the Fund's daily and/or periodic liquidity requirements. Guided by this history, the manager maintains sufficient cash and near cash investments to meet the day to day redemption requirements.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Liquidity maturity analysis

31 December 2024

	Due within 3 months	3 - 6 months	6 - 12 months	Due after 1 year	Total	Carrying Value
Financial assets						
Cash and cash equivalents						
- Current accounts	2,055	-	-	-	2,055	2,055
- Placements	4,404,394		-	-	4,404,394	4,310,183
	4,406,450	-	-	-	4,406,450	4,312,238
Financial liabilities						
Accrued Expenses	5,000	-	-	-	-	-
Unit holder equity	-	-	-	4,075,000	4,075,000	4,075,000
	4,401,450	-	-	(4,075,000)	326,450	237,238

Percentage of liquid financial assets to net financial assets attributable to unitholders

138%

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3.3 Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund is exposed to counterparty credit risk on cash and cash equivalents. The risk of default is considered minimal.

The maximum exposure to credit risk is the carrying amount of the financial assets as set out below.

Sector analysis of credit risk exposure

31 December 2024

	Cash and bank balances	Total
Financial Institutions	4,312,238	4,312,238
	<u>4,312,238</u>	<u>4,312,238</u>

All the financial assets are stage 1 assets

None of these assets are impaired nor past due but not impaired

Investment to which the Fund is exposed are mainly Bank Placement. The credit risk associated with these investment is considered minimal and are not rated.

3.4 Market risk

(a) Price risk

The Fund invests in securities as permitted under the Trustee Investment Act, Cap 449, LFN 1990 and approved by The Securities and Exchange

Classification of financial assets

	31 December 2024 N'000
- Bank Placement	4,310,183
	<u>4,310,183</u>

The maximum exposure to credit risk before any credit enhancements at 31 December 2024 is the carrying amount of the financial assets as measured in the financial statements. None of these assets are impaired nor past due but not impaired.

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cashflows. The Fund's exposure to cashflow interest rate risk which is the risk that the future cashflows of a financial asset will fluctuate because of changes in market interest rates is minimal as it holds only cash and cash equivalents with fixed interest and has no interest bearing financial liabilities.

However, the Fund may be indirectly affected by the impact of interest rate changes on the earnings of Bank Placement in which the Fund invests.

(c) Foreign currency risk

As at 31 December 2024 (2023: Nil), The Fund did not have investments denominated in foreign currency and as a result was not exposed to foreign currency risk.

3.4 Fair value estimation

Financial assets not measured at fair value

	31 December 2024	
	Carrying Value N'000	Fair value N'000
Financial assets		
Cash and cash equivalents	4,312,238	4,312,238
	<u>4,312,238</u>	<u>4,312,238</u>
Financial Liabilities		
Other liabilities	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

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Fair valuation estimates and techniques

(i) Balances with bank

Cash and bank balances represent cash held with banks of the various jurisdictions in which the Fund operates. The carrying amounts of these balances approximates their fair value.

(iv) Other liabilities

This represents accrued expenses and other payables by the company. The fair value is the carrying amount.

3.5 Capital management

The capital of the Fund is represented by unit holder contributions. The amount of unit holder liabilities can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders.

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders

4. 'Critical accounting estimates and judgements

The Funds's financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the financial statements.

The Fund Manager makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS Accounting Standards are best estimates undertaken in accordance with the applicable standards. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Fund Manager's judgements for certain items are especially critical for the Fund's results and financial situation due to their materiality.

4.1 Subscriptions (capital)

a. ☐ Equity attributable to unitholders

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund's units in issue are financial instruments issued by the Fund. On liquidation of the Fund, the unitholders are entitled to the residual net assets. They rank pari passu in all material respects and have identical terms and conditions. The units provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each daily redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instruments for cash or another financial asset is classified as equity if it meets all the of the following conditions:

- (i) It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- (ii) It is in the class of instruments that is subordinate to all other classes of assets of instruments;
- (iii) All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- (iv) Apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other feature that would require classification as a liability; and
- (v) The total expected cash flows attributable to the instruments over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's units meet these conditions and are classified as equity. Incremental costs directly attributable to the issue or redemption of units are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

b. ☐ Repurchase of units

When units recognised as equity are redeemed, the par value of the units is presented as a deduction from capital. Any premium or discount to par value is recognised as an adjustment to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS

	31 Dec 2024
	N'000
3 Interest Income calculated using effective Interest method	
Interest income on Investment (Placement)	798,605
	-
	798,605
	31 Dec 2024
	N'000
4 Other Income	
Other income	483
	483
	31 Dec 2024
	N'000
5 Administrative Expenses	
Administrative expenses comprise:	
Pre-Operational Expense	60,726
Bank Charges	157
Audit Fee	5,000
	65,883
*The external auditors were not paid any fees for non-audit services during the year	
6 Withholding Tax Expense	31 Dec 2024
	N'000
Withholding Tax Expense	79,969
	79,969
	31 Dec 2024
	N'000
7 Cash and cash equivalents	
- Balances with banks	2,055
- Placements	4,310,183
	4,312,238
Current	4,312,238
Non-Current	-
	4,312,238
8 liabilities	31 Dec 2024
	N'000
Financial liabilities:	
Audit fee payable	5,000
	5,000
Current	5,000
Non-Current	-
	5,000

NOTES TO THE FINANCIAL STATEMENTS

	31 Dec 2024
9 Unitholders' equity	
(a) The movement in unitholders units' during the year is analysed as follows:	
	Units
	000
As at 1 January	-
Additions during the period	4,075,000
Redemptions during the period	
As at 31 December	4,075,000
NAV per unit	100

10 Related party transactions

Parties are 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 or operational decisions, or one other party controls both. The Fund's key related party is its Fund Manager; Ava Global Asset Managers Limited. Other related parties are the key management personnel of the Fund and their close family members.

Transactions with related parties

- a. The Fund is managed by Ava Global Asset Managers Limited ('the Fund Manager'), an investment management company incorporated in Nigeria and domiciled in Lagos. Under the terms of the management agreement, the Fund appointed Ava Global Asset Managers Limited as an Investment Manager to provide fund management services to the Fund
- a. Ava Global Asset Managers Limited earns management fees of the Net Asset Value (NAV) :UBA plc (Global Investors Services) remains the Funds' custodian.
- b. STL Trustees Limited fees accrued on daily basis but paid quarterly in arrears. There was no sum earned as management fees during the period as the fund just began during the year
- d. Key management staff has been defined as the directors and members of management committee of the Fund Manager.
- The Fund did not pay compensation to any key mamagement personnel during the year.

11 Contigent liabilities and commitments

The Fund has no pending litigation as at the end of the financial year. And there are no other contingent liabilities not disclosed in these financial statements.

Other National Disclosures

AVA INFRASTRUCTURE FUND

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VALUE ADDED STATEMENT

	Dec 2024 N'000	%
Gross income	799,087	
Bought-in-materials and services (local)	(65,883)	
Value added	733,205	100
Distribution of value added:		
To providers of finance (Dividend Paid)	79,969	11
Retained in the fund:		
Retained earnings	653,236	89
	733,205	100

The Fund is in its first year of operations, thus there are no 5-year summary financials