TOTALENERGIES EP NIGERIA STAFF (NON-CONTRIBUTORY) PENSION FUND

Audited Financial Statements
For the year ended 31 December 2024
Together with Trustees' and Auditor's Report

Corporate Information

Legal Name:	TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund
Company Secretary:	Ayodele Afolabi 35, Kofo Abayomi Street Victoria Island, Lagos
Registered Office:	35, Kofo Abayomi Street Victoria Island Lagos
Auditor:	Ernst & Young 10th & 13th Floors UBA House 57, Marina Lagos, Nigeria
Custodian:	Zenith Pensions Custodian 4th & 5th Floors, Civic Towers Ozumba Madiwe Street Victoria Island Lagos
Principal Banker:	Zenith Bank Plc Plot 84, Ajose Adeogun Street Victoria Island Lagos
Actuary:	Alexander Forbes Consulting Actuaries Nigeria Ltd Consultants and Actuaries Lenox Mall, Admiralty Way, Lekki 1 P O Box 74686 Victoria Island 35, Kofo Abayomi Street Victoria Island Lagos

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Trustee's Report
For the year ended 31 December 2024

Statement of Corporate Governance

TotalEnergies EP Nigeria CPFA Limited is the administrator and sole trustee of the Fund. TotalEnergies EP Nigeria CPFA Limited is committed to being an effective and accountable company, and its Board of Directors recognise the role of a proper governance framework and effective guidelines and procedures, policies and processes in the efficient administration of the company towards the achievement of its objectives. A Statement of Corporate Governance Guidelines has been established in line with the regulatory framework established by the National Pension Commission (PenCom) and demonstrates TotalEnergies EP Nigeria CPFA Limited's commitment to applying best business practices and ethical standards in all aspects of its operations.

Nature and Purpose

The TotalEnergies EP Nigeria Staff Non-contributory Pension Fund was established by Total E&P Nigeria Limited - TEPNG (Now TotalEnergies EP Nigeria Limited) in 1993 as a separate fund to accumulate resources for the purpose of meeting obligations under her End of Service Benefit Scheme. The Scheme, a defined benefit plan, provides pension benefits to all qualifying employees of TEPNG ("the Sponsor" or "the Company") retiring in line with the Scheme rules and regulations. Nigerian employees of TEPNG qualify for membership of the Scheme upon confirmation of employment.
The TEPNG Pension scheme was closed to new entrants on 31st December 2013. All employees recruited after this date fall under the Contributory Pension Scheme (CPS), and their contribution paid to a Pension Fund Administrator (PFA) of their choice.

Pension benefits payable to qualifying members are calculated based on an accrual rate of 2% of the employee's final pensionable salary multiplied by the completed years of accredited service.
Pensionable salary is defined as the employee's terminal consolidated salary plus leave allowance plus end of year bonus.

A member who has completed a minimum of 15 years' accredited service shall be entitled to normal pension benefits upon attaining the normal retirement age of 35 years of service or 60 years of age; whichever comes earlier. Furthermore, members with 15 or more years of accredited service may qualify for voluntary early retirement and pension benefits would become payable upon attainment of 45 years of age provided that the pension would be discounted at 3% for each year that the member elects to retire before attaining the age of 50 years. However, members qualified for pension and retiring on health grounds as certified by the Company's medical board are entitled to pension benefits payable from the date of their retirement provided such date meets the minimum age for early pension or 45 years. The 3% yearly discounting rule shall not apply in this case.

The normal retirement age under the Scheme is 60 years effective 1 January 2015. A member who leaves the Company's service to take up employment in another establishment or while still in the Company's service opts out of the Scheme to join a different Scheme, may elect that the pension benefit due to him/her, based on the Scheme's Transfer Value rules, be transferred to a designated Retirement Savings Account (RSA) opened with a licensed Pension Fund Administrator (PFA) of his/her choice.

Statement of Corporate Governance- Continued

All accredited Company services from 1 January 2005 are pensionable. The pension rights of a member who leaves the Company's service with less than 15 years' accredited service shall accrue for only Company service rendered from 1 January 2005 to the date of leaving.

Under the Scheme's rules, a member may elect to have a maximum of 50% of his/her annual pension multiplied by a Commutation Factor commuted to lumpsum payment at the date of exit. The Commutation Factor is an age related actuarially determined multiplier that takes account of the Scheme's accrual rates/benefits replacement ratio, mortality rate, returns/time value of money indices, etc. Any commuted pension amount shall be forfeited and member's future pension entitlements shall be based on the balance only.

Contributions

The Pension Scheme is non-contributory and is funded by the Sponsor, TotalEnergies EP Nigeria Limited together with its venture partners in the ratio of the respective interests in the partnerships. The Scheme's Actuary determines funding obligations based on the Scheme rules and regulations and relevant economic and demographic assumptions and makes recommendations on the funding.

The Pension Scheme provides for monthly benefits payable to qualifying members from their dates of retirement. The benefit is payable over the pensioner's lifetime and is guaranteed for the first five years of retirement. In the event that a member dies within the five years after retirement, the balance due is payable to the member's registered beneficiaries.

Vested benefits

Benefits awarded under the rules of the Trust Deed shall be regarded as members' inalienable rights and shall, under no circumstances, be withheld or reduced except on grounds of implementation of a court order in specified circumstances.

Status of the Fund

The Scheme is approved by the National Pension Commission (PenCom) as a Closed Pension Scheme under the Pension Reform Act 2014 as amended and is managed by TotalEnergies EP Nigeria CPFA Limited - a licensed Closed Pension Fund Administrator (CPFA). The License Agreement consummating this arrangement was signed between PenCom and the CPFA effective July 2, 2007 .

Winding up of the pension fund

Subject to the approval of the National Pension Commission (PenCom), TEPNG may declare the Pension Fund closed. On the closure date, TEPNG shall be liable to contribute to the Pension Fund an amount, as certified by the actuary that would be required to enable the Pension Fund to provide in full the pension benefits which had fallen due for payment on or before the closure date. Any surplus arising after all liabilities have been liquidated shall belong to TEPNG .

Statement of Corporate Governance- Continued

Member's right to opt out of the Scheme

In line with provisions of the Pension Reform Act 2014 as amended, every member of the Scheme shall have an inalienable right to opt out of the Scheme for a Defined Contribution Plan. Where a member decides to opt out of the Scheme without leaving the services of the Company, the Fund shall determine the Transfer Value of the accrued pension benefits and transfer the amount to a Retirement Savings Account (RSA) nominated by the member in writing under the option.
This right, available to members, shall be one-way only, i.e. members who opt out of the Defined Benefit Scheme shall not have an opportunity to come back under the Scheme in future.

Trustee

TotalEnergies EP Nigeria CPFA Limited is the sole trustee to the Fund. The directors who served during the year and as at the time of this report, were as follows:

Name	Position	Nationality	Date Appointed/(Resigned)
Frederick Asasa	Chairman		17th August 2024
Oluwaseun Orimolade	Director		
Oluwole Oladimeji	Director		
Olutola Mobolurin	Independent Director		
Evi Ifekwe	(Chairman)		(17th August 2024)
Victor Ibeawuchi	Director		(28th October 2024)
Anthony Abolarin	Director		
Benjamin Okorie-Agidi	Managing Director		
Celine Brasquet	Director	(French)	
Kenechi Esomeju	Director		

Membership

Total membership of the Scheme as at 31 December 2024 stood at 1,520 (2023: 1,532)

	2024	2023
In Pension (Retirees)	544	538
In deferred Pension	7	7
In service (15 years and above)	730	696
In service (Less than 15 years)	239	291
	1,520	**1,532**

Financial results

The results for the year are as follows:

In thousands of Nigerian Naira	2024	2023
Net Assets available for benefits as at beginning	474,381,966	362,633,567
Net increase in Fund for the year	161,916,348	111,748,399
	636,298,314	**474,381,966**

Funded status

As at the reporting date, the Net Asset Value (NAV) of the Fund was ₦636.30 billion (2023: ₦474.38 billion). Based on the actuarial valuation of the Fund as at 31 December 2024, the Fund had an actuarial surplus of ₦103.93 billion (2023: Surplus of ₦104.64 billion). The present value of pension benefit obligations under the Scheme stood at ₦469.21 billion (2023: ₦322.19 billion) (under a liquidation or vested benefit basis) and ₦526.48 bllion (2023: ₦369.75 billion) (on a going-concern or projected benefit basis) .

It is the objective of the Plan's Sponsor, together with the Trustees, to adequately fund the Scheme in order to achieve full funded status in compliance with the relevant provisions of the Pension Reform Act, 2014, as amended and applicable guidelines and regulations issued pursuant to it by PenCom.

Investment strategy

The Pension Fund's investment strategy is to ensure compliance with applicable investment rules as provided for in the Pension Reform Act, 2014 as amended and investment guidelines and regulations issued by PenCom pursuant thereto. In broad terms, the objective is to achieve a viable and strong asset base through appropriate asset allocation modules to effectively immunize the Scheme's pension obligations and generate long term surplus. This we seek to accomplish through diligent evaluation of investment opportunities and selection of an optimal portfolio mix of fixed income, real estate, and quoted equities investment grade instruments that will generate rates of return greater than the applicable benchmark rates as well as rates of inflation over the longterm. The drive will always be to strike a balance among the triumvirates of liquidity, safety of funds and returns, consistent with the payment obligation profiles, while ensuring compliance with all subsisting statutory guidelines.

Events after reporting date

Refer to Note 28 to the financial statements for disclosure relating to events subsequent to the reporting date.

Auditors

Messrs Ernst & Young has expressed their willingness to continue in office as the Fund's auditor.

By Order of the Trustees:

Secretary to the Board
Ayodele Afolabi
FRC/2020/002/00000020582
Lagos, Nigeria
25 April 2025

Statement of trustee's responsibilities in relation to the preparation of financial statements

The Trustee accept responsibility for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Pension Reform Act, 2014 as amended and relevant National Pension Commisssion guidelines and circulars.

The Trustee further accept responsibility for maintaining adequate accounting records and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error .

The Trustee has made an assessment of the Fund's ability to continue as a going concern and has no reason to believe the Fund will not remain a going concern in the years ahead .

SIGNED ON BEHALF OF THE BOARD OF TRUSTEE OF TOTALENERGIES EP NIGERIA CPFA LIMITED BY:

Signature	Signature
Benjamin OKORIE-AGIDI	**Oluwole OLADIMEJI**
Managing Director	Director
FRC/2023/PRO/DIR/003/159369	FRC/2023/PRO/ICAN/002/535230
FRC Number	FRC Number
25 April 2025	**25 April 2025**
Date	**Date**

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Independent Auditor's Report

To the Members of TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund ('the Fund'), which comprise the statement of net assets available for benefits as at 31 December 2024, the statement of changes in net assets available for benefits and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Pension Reform Act, 2014, the National Pension Commission (PENCOM) guidelines and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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 Fund in accordance with the 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 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, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Key Audit Matters - Continued

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Loss (ECL) assessment of financial assets The Fund has significant financial assets which include cash and cash equivalents and financial assets at redemptive value and receivables; these represent about 90% of the total assets. At each reporting date, these financial assets are tested for impairment through ECL model. The estimation of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) requires judgement and for the Fund, the impact may be significant due to the Fund's current financial assets composition. The ECL involves the application of judgement and estimation in determining inputs for ECL calculation, such as: - Determining criteria for significant increase in credit risk (SICR) for staging purposes. - Assessing the relationship between the quantitative factors such as default and qualitative factors such as macro-economic variables. - Incorporating forward looking information in the model building process. - Factors incorporated in determining the Probability of Default (PD), Loss Given Default (LGD), the Recovery Rate and the Exposure at Default (EAD). - Factors considered in multiple scenarios.	**Our procedures included following:** • We reviewed the ECL model prepared by management for computation of ECL on financial assets in line with the requirements of IFRS 9: Financial instruments. • We gained an understanding of how the PDs and LGDs were determined by management. • We tested the historical accuracy of the model by assessing the historical projections versus actual losses. • We performed detailed procedures on the completeness and accuracy of the information used. • For Receivables and other assets, we selected material balances and reviewed the customer's payment pattern. We reviewed the various factors considered in classifying other financial instruments within stages 1 and 2 in the measurement of ECL. • For Receivables and other assets, we reviewed all assumptions considered in the estimation of recovery cash flows, the discount factor, and the timing of realization.

Independent Auditor's Report - Continued

Key Audit Matters - Continued

Key Audit Matter	How the matter was addressed in the audit
These estimates are driven by a number of factors, changes in which might lead to a significant impact in the impairment value. This is considered a key audit matter given the significance of balances of financial assets and level of complexity and judgement involved in the process which required considerable audit time and expertise. Refer to Notes 3(a)(vi) of the summary of significant accounting policies, Note 6(b)(i) (Financial risk management - credit risk management), Note 8 (Cash and cash equivalents), Note 9(b) (Financial assets at redemptive value), Note 12 (Receivables and other assets) to the financial statements for relevant disclosures relating to expected credit loss on financial assets.	• Other areas of complexities which include incorporating forward looking information such as macro-economic indicators like inflation, monetary policy rate (MPR), exchange rates were equally assessed for reasonableness taking into considerations, available information in the public domain. • We reviewed the adequacy of the quantitative and qualitative disclosures to ensure compliance with IFRS 7 Financial Instruments Disclosures requirements.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the document titled "TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund Audited Financial Statements for the year ended 31 December 2024 Together with Trustee's and Auditor's Reports", which includes the Trustees' Reports, Statement of trustee's responsibilities in relation to the preparation of financial statements and Other National Disclosures. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

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

Independent Auditor's Report - Continued

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Pension Reform Act, 2014, the National Pension Commission (PENCOM) guidelines and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Fund'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 Trustees either intend to liquidate the Fund 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 judgement and maintain professional scepticism throughout the audit. We also:

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

Independent Auditor’s Report - Continued

Auditor’s Responsibilities for the Audit of the Financial Statements - Continued

- Conclude on the appropriateness of the Trustees’ 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 Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Trustees, 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.

Kanayo Echena
FRC/2012/PRO/ICAN/004/00000000150

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0336323

For: Ernst & Young
Lagos, Nigeria
30 April 2025

Statement of net assets

As at 31 December

In thousands of Nigerian naira	Notes	2024	2023
Assets			
Cash and cash equivalents	*8*	27,080,192	30,828,729
Receivables and other assets	*12*	19,778,922	1,437,850
Prepayments	*13*	20,590	21,988
Financial assets at fair value	*9(a)*	102,620,413	34,984,447
Financial assets held at redemption value	*9(b)*	489,894,235	393,857,202
Investment properties	*10*	22,540,043	19,446,407
Investment properties under development	*11*	-	2,851,572
Total assets		**661,934,396**	**483,428,196**
Liabilities			
Other payables	*14*	23,369,441	9,032,443
Deferred rental income	*15*	2,213,451	-
Witholding tax and VAT payable	*16*	53,191	13,786
Total liabilities		25,636,083	9,046,229
Net assets available to pay benefits		**636,298,314**	**474,381,966**
Represented by:			
Balance, Beginning of the year		474,381,966	362,633,567
Net increase in Fund during the year		161,916,348	111,748,399
Balance, End of the year		**636,298,314**	**474,381,966**

SIGNED ON BEHALF OF THE BOARD OF TRUSTEE BY:

....) Benjamin OKORIE-AGIDI
) Managing Director
) FRC/2023/PRO/DIR/003/159369

....) Oluwole OLADIMEJI
) Director
) FRC/2023/PRO/ICAN/002/535230

Additionally certified by:
....) Olawale Temitope OLASOJI
) Chief Financial Officer
) FRC/2024/PRO/ICAN/001/100105

Approved and authorised for issue by the Board of Trustee on 25th April, 2025

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of changes in net assets

For the year ended 31 December

In thousands of Nigerian naira	Note	2024	2023
Investment income			
lnterest income calculated using the effective interest method	*17*	77,947,068	55,142,540
lnterest income on financial assets at fair value	*17*	513,016	271,590
Dividend income	*18*	2,316,798	1,773,890
Rental income	*19*	4,487,817	2,615,969
Gain on disposal of investment	*20*	2,292,118	2,452,186
Net unrealised exchange gain	*9c*	76,136,264	51,737,062
Fair value gain from assets measured at fair value	*21*	13,554,644	8,843,967
		177,247,725	**122,837,203**
Investment expenses			
lnvestment property management expenses	*22*	(860,170)	(329,598)
Net investment income		**176,387,555**	**122,507,605**
Other expenses			
Operating expenses	*23*	(1,010,829)	(722,521)
Impairment loss allowance on financial assets	*24*	(1,541,616)	(1,292,446)
Increase in net assets available for benefits before tax		**173,835,110**	**120,492,638**
Taxation	*3(m)*	-	-
Increase in net assets available for benefits after tax		**173,835,110**	**120,492,638**
Changes in net assets before membership activities			
Membership activities			
Contributions			
Contributions by sponsor	*25*	13,344,957	7,269,189
Total contributions		**13,344,957**	**7,269,189**
Benefits paid or payable			
Retirement	*26*	(24,802,408)	(16,008,059)
Guaranteed	*26*	(461,312)	(5,369)
Total benefits paid/payable		**(25,263,720)**	**(16,013,428)**
Net membership activities			
Net increase in net assets during the year		161,916,348	111,748,399
Net assets available for benefits at beginning of the year		474,381,966	362,633,567
Net assets available for benefits at end of the year		**636,298,314**	**474,381,966**

Statement of Cash Flows

For the year ended 31 December

In thousands of Nigerian naira	Note	2024	2023
Cashflow from Operating activities			
Increase in net assets available for benefits before tax		173,835,110	120,492,638
Adjustments for:			
lnterest income calculated using the effective interest method	*17*	(77,947,068)	(55,142,540)
lnterest income on financial assets at fair value	*17*	(513,016)	(271,590)
Rental income	*19*	(4,487,817)	(2,615,969)
Dividend income	*18*	(2,316,798)	(1,773,890)
Gain on disposal of investments	*20*	(2,292,118)	(2,452,186)
Impairment expense	*24*	1,541,616	1,292,446
Unrealised foreign exchange gain	*9c*	(76,136,264)	(51,737,062)
Fair value gain from assets measured at fair value	*21*	(13,554,644)	(8,843,967)
		(1,870,999)	**(1,052,119)**
Change in operating assets and liabilities			
Increase in receivables and other assets		(18,341,072)	(1,261,645)
Decrease/(Increase) in prepayments		1,398	(21,988)
Increase in other payables		14,315,582	6,037,640
Increase in deferred rental income		2,213,451	-
Increase in witholding tax/ VAT payable		39,405	10,821
Net cash (used in)/generated from operating activities		**(1,771,237)**	**4,764,828**
Cashflow from Investing activities			
Interest received		114,157,332	36,762,467
Rental income received	*15*	4,487,818	1,819,188
Dividend income received	*9(c)*	2,316,798	1,773,890
Proceed from disposal of investment property		1,621,552	5,186,050
Purchase of financial assets held at amortized cost	*9(c)*	(96,037,033)	(120,893,287)
Proceeds from liquidation of financial assets		50,306,257	29,262,157
Proceed from disposal of financial asset held at fair value		9,625,322	23,714,259
Purchase of financial asset at fair value	*9(c)*	(74,367,584)	(35,985,933)
Net cash generated/(used in) from investing activities		**12,110,461**	**(58,361,209)**
Cashflow from Financing activities			
Contributions by sponsor	*25*	13,344,957	7,269,189
Payment to retired members	*26*	(24,802,408)	(16,008,059)
Guaranteed payment to retired members	*26*	(461,312)	(5,369)
Net cash used in Financing activities		**(11,918,763)**	**(8,744,239)**
Net decrease in cash and cash equivalents		**(3,450,537)**	**(63,392,739)**
Cash and cash equivalents as at 1 January		30,495,644	93,888,384
Cash and cash equivalents at the end of the financial year	*8*	**27,045,107**	**30,495,644**

Notes to the Financial Statements

For the year ended 31 December 2024

1 Reporting Entity

TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund (the "Fund") is a Scheme domiciled in Nigeria. The Scheme is operated and managed based on Section 50 of the transitional provisions of the Pension Reform Act 2014 as amended. The address of the Fund's registered office is 35, Kofo Abayomi Street, Victoria Island Lagos.

The TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund is a non-contributory pension fund, to which the funding company, TotalEnergies EP Nigeria Limited (TEPNG) contributes at a rate determined from time to time by the Fund's Actuary.

TotalEnergies EP Nigeria Closed Pension Fund Administrator Ltd is the Investment Manager, as well as the administrator of the Fund (the " Investment Manager"/"Administrator").

Zenith Pensions Custodian is the Custodian of the Fund.

(a) Funding arrangements

Funding comes from TEPNG at a rate determined from time to time by the Fund's actuary.

These funding arrangements are consistent with those of the previous period.

The Sponsor has contributed to the Fund during the current year approximately 12.5% (2023: 12.5%) of the pensionable earnings of those employees who were members of the Fund.

(b) Retirement benefits

The retirement benefits are determined based on an accrual rate of 2% of the employees final pensionable salary multiplied by the completed years of accredited service.

(c) Termination terms

The Trust Deed sets out the basis on which the scheme can be terminated.

(d) Membership

The Trust Deed was amended in 2014 to close the scheme to new members.

2 Basis of preparation

(a) Statement of Compliance

The financial statements of the Fund as at 31 December 2024 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in a manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Pension Reform Act 2014, and the National Pension Commission (PENCOM) guidelines. The financial statements have been presented based on the provisions of IAS 26: *Accounting and Reporting by Retirement Benefit Plans* .

The financial statements were authorised for issue by the trustee on 25th April, 2025.

(b) Basis of measurement

These financial statements have been prepared on historical cost basis, except as otherwise stated.

(c) Functional and presentation currency

This financial statements are presented in Naira, which is the functional and presentation currency of the Fund. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, as well as contingent assets and liabilities. Actual results may differ from these estimates.

Management bases its judgments and estimates on historical experience and various other factors that are believed to be appropriate and 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.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ended 31st December 2024 are included in the following note(s):

Note 31 - Actuarial Present Value of Accumulated Pension Fund Benefits and Net assets - key actuarial assumptions.

Note 10 - Unobservable inputs in determining fair value of investment properties - key valuation assumptions.

Note 3(a) and 7'(c).. - Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are SPPI on the principal amount outstanding.

Notes to the Financial Statements

(a) Financial assets and liabilities

(i) *Recognition and initial measurement*

The Fund initially recognizes financial assets and financial liabilities at fair value through changes in net assets on the trade date, which is the date that the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

A Financial asset or financial liability is measured initially at fair value plus/minus, for an item not at fair value through net assets, transaction costs are directly attributable to its acquisition or issue.

(ii) *Classification and subsequent measurement -*

On initial recognition, the Fund classifies financial assets as measured at amortised cost or fair value through changes in net assets. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through changes in net asset:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

All other financial assets of the Fund are measured at fair value through changes in net assets.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the managers of the business are compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Fund has determined that it has two business models.

- Held-to-collect business model: This includes cash and cash equivalents, receivables and financial assets held at redemption value (these are securities with fixed redemption value that have been acquired to match the obligations of the Fund, or specific part thereof). These financial assets are held to collect contractual cash flow and are accounted for at amortised cost.
- Other business model: This includes equity investments, investments in unlisted open-ended investment funds, unlisted private equities and some other investments in debt securities. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Notes to the Financial Statements

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Fund’s claim to cash flows from specified assets e.g. non-recourse features;
- features that modify consideration of the time value of money e.g. periodical reset of interest rates.

For a reconciliation of line items in the statement of net assets to the categories of financial instruments, as defined by IFRS 9, see Note 7(c).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Modifications of financial assets and financial liabilities- Financial assets

If the terms of a financial asset are modified, the Fund evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is de-recognized and a new financial asset is recognized at fair value. Any costs or fees incurred as part of the modification are recognised as part of the gain or loss on derecognition.

If the cash flows of the modified asset are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Fund recalculates the gross carrying amount of the financial asset using the original effective interest rate (EIR) and recognizes any difference arising between this recalculated amount and the existing gross carrying amount as a modification gain or loss in profit or loss. Any costs or fees incurred as part of the modification adjust the carrying amount of the modified financial asset, and are amortised over the remaining term of the modified financial asset.

- Financial liabilities

The Fund derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

When the cash flows of the modified financial liability are not substantially different, then the modification does not result in derecognition of the financial liability and any difference is recognized in profit or loss (similar to the principle for accounting for modification of financial asset that do not result in derecognition).

Subsequent measurement of financial assets

Subsequent to initial measurement, financial assets are measured either at fair value or amortised cost, depending on their classification.

Financial assets at fair value through changes in net assets

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses, are recognised in the statement of changes in net assets.

Debt securities, equity investments, investments in unlisted open-ended investment funds, unlisted private equities and derivative financial instruments are included in this category.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in interest income calculated using the effective interest method, foreign exchange gains and losses are recognised in ‘net foreign exchange loss’ and impairment is recognised in ‘impairment losses on financial instruments’ in the statement of changes in net assets. Any gain or loss on derecognition is also recognised in profit or loss.

Financial assets held at redemption value, cash and cash equivalents, receivables are included in this category.

Notes to the Financial Statements

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or fair value through changes in net assets. A financial liability is classified as at fair value through changes in net assets if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through changes in net assets are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of changes in net assets.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of changes in net assets.

The Fund's financial liabilities comprise of benefits payable, and this refers to the entitlements of members who ceased employment with the employer (sponsor) prior to year end, but have not been paid by that date. Other financial liabilities are payable on demand or short time-frames of less than 90 days.

(iii) *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 non-performance risk.

When 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. The Fund measures instruments quoted in an active market at a mid price, because this price provides a reasonable approximation of the exit price.

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 transaction.

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(iv) *Amortised cost measurement*

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on 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.

(v) *Offsetting*

Financial assets and liabilities are offset and the net amount presented in the statement of net assets when, and only when, the Fund has a currently enforceable legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The financial assets and liabilities are presented on a gross basis.

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.

(vi) *Impairment*

The Fund recognizes loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at fair value through statement of changes in net assets: debt instruments,other assets and receivables. No impairment loss is recognized on equity investments and other financial assets measured at fair value through statement of changes in net assets.

The Fund measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than other receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for other assets and receivables are always measured at an amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund considers a debt security to have low credit risk when their credit risk rating of the counterparty is equivalent to the globally understood definition of 'investment grade' or it is a sovereign debt issued in the local currency e.g. Treasury bills and Bonds issued by the Nigerian Government.

Notes to the Financial Statements

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties.

A debt instrument that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a debt instrument that is overdue for 90 days or more is considered impaired. In making an assessment of whether an investment in sub-national/supranational/corporate debt instrument is credit-impaired, the Fund considers the following factors:
- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The current financial situation of the sub-national/supranational/corporate issuer.
- The mechanisms in place to provide the necessary support (from the central government), as well as the intention, reflected in public statements of governments/corporate issuer and availability to use those mechanisms.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(vii) *Derecognition*

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognized) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Notes to the Financial Statements

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and overdraft if the Fund has the legal right to offset and call deposits with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value, and are used by the Fund in the management of its short-term commitments.

(c) Cash flow statement

The cash flow statement is prepared using the indirect method. Changes in statement of net assets items that have not resulted in cash flows, have been eliminated for the purpose of preparing the statement. Interest paid is included in financing activities while interest received and income received is included in investing activities.

(d) Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in statement of changes in net assets. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in statement of changes in net assets.

Investment property under construction

Investment property under construction is measured at cost until construction is completed. Subsequently, the Fund measures this investment property at fair value.

(e) Investment income

Interest income

Interest income is recognised in the statement of changes in net assets as it accrues, using the original effective interest rate of the instrument calculated at acquisition or origination date. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

Dividend income

Dividend income is recognised when the right to receive income is established, which in the case of quoted equity securities is the ex-dividend date.

Distribution income

Distributions from managed investment funds are recognised as at the date the unit value is quoted ex-distribution and if not received at reporting date, are reflected in the statement of net assets as a receivable at net market value.

Rental income

Rental income from investment property is recognised in statement of changes in net assets on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Net gain from investments at fair value

Net gain from investments at fair value includes all realised and unrealised fair value changes and is determined as the difference between the fair value at year end or consideration received (if sold during the period) and the fair value as at the prior year end or cost (if the investment was acquired during the period). It does not include interest, dividend, rental or distribution income.

(f) Contributions

Contributions are accounted for on an accrual basis and are recognised when the control and the benefits from the revenue have been transferred to the Fund.

(g) Expenses

All expenses are accounted for on an accrual basis.

(h) Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currency of the Fund at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in the statement of changes in net assets.

Notes to the Financial Statements

(i) Impairment

Non financial assets

The carrying amounts of the Fund’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Benefit payable

Pension benefits payable to qualifying members are calculated based on an accrual rate of 2% of the employee's final pensionable salary multiplied by the completed years of accredited service.

(k) Guaranteed benefit

Guaranteed benefits are payable to Fund members who have completed a minimum of 15 years accredited service and may qualify for voluntary early retirement upon attainment of 45 years of age.

(m) Taxation

In accordance with Section 10(2) of the Pension Reform Act (PRA) 2014, all interests, dividends, profits, investment and other income accruable to pension funds and assets under this Act shall not be taxable.

Notes to the Financial Statements

4 Changes in Significant accounting policies

Standards and interpretations effective for the first time for 31 December 2024 year end are as follows:

Pronouncement	Summary of requirements and assessment of impact	Effective date
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later. In May 2023, the Board issued amendments to IAS 12 Income Taxes, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective. The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. The amendment does not have any material impact on the Fund.	These amendments had no impact on the financial statements of the Fund as the Fund does not have insurance contracts.
Classification of Liabilities as Current or Non current and Non-current Liabilities with Covenants - Amendments to IAS 1	Effective for annual periods beginning on or after 1 January 2024. In January 2020 and October 2022, the Board issued amendments to IAS 1 Presentation to Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • What is meant by a right to defer settlement • That a right to defer settlement must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification • Disclosures Right to defer settlement The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Furthermore, the Board specified that the requirements in paragraph 72B of IAS 1 apply only to liabilities arising from loan arrangements. The Fund is not expected to be impacted with this amendment.	These amendments had no impact on the financial statements of the Fund.
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	Effective for annual periods beginning on or after 1 January 2024. In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' i such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 that results in information that is relevant and reliable. The amendments are not expected to have a material impact on the Fund.	These amendments had no impact on the financial statements of the Fund.

Notes to the Financial Statements

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	Effective for annual periods beginning on or after 1 January 2024. In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose. The Fund is not expected to be impacted with this amendment.	These amendments had no impact on the financial statements of the Fund.

Notes to the Financial Statements

5 Standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.
The Fund has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

Pronouncement	Summary of requirements	Assessment of Impact
Lack of exchangeability - Amendment to IAS 21	In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify: • when a currency is exchangeable into another currency; and • how a company estimates a spot rate when a currency lacks exchangeability. A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate. A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include: • the nature and financial impacts of the currency not being exchangeable; • the spot exchange rate used; • the estimation process; and risks to the company because the currency is not exchangeable.	The Fund is not expected to be impacted with this amendment.
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which: • Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met • Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features • Clarifies the treatment of non-recourse assets and contractually linked instruments • Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), .and equity instruments classified at fair value through other comprehensive income. This is applied to annual reporting periods beginning on or after 1 January 2026 and can be applied earlier.	The Fund do not expect the amendments to have a significant impact on the its financial statements. The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.
IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter	Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendments had no impact on the Company's financial statements.	An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendments will have no impact on the Fund's financial statements.
IFRS 7 Financial Instruments: Disclosures - Gain or Loss on Derecognition	The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.	An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The impact will not

Notes to the Financial Statements

Pronouncement	Summary of requirements	Assessment of Impact
Guidance on implementing IFRS 7 Financial Instruments: Disclosures - Disclosure of Deferred Difference between Fair Value and Transaction Price	The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements. Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13. Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.	The impact will not be material on the Company. The entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IFRS 9 Financial Instruments - Lessee Derecognition of Lease Liabilities	Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.	An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IFRS 18 – Presentation and Disclosure in Financial Statements	In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which requires judgement. An entity may have more than one main business activity.	The amendments may require changes in revenue recognition, such as the timing and amount of revenue recognized and introduce new disclosure requirements, providing more transparency about revenue recognition, contract balances, and performance obligations. An entity applies the standard for annual reporting periods beginning on or after 1 January, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.	This will have no impact on the Company. The standard is effective 1 January 2027.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.	This will have no impact on the Company. The standard is effective 1 January 2027.
Power Purchase Agreements - Amendments to IFRS 9 and IFRS 7	In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include: - Clarifying the application of the 'own-use' requirements - Permitting hedge accounting if these contracts are used as hedging instruments - Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.	This will no impact on the Company. The standard is effective 1 January 2026.

Notes to the Financial Statements

6 Financial risk management

(a) Introduction and overview

The Fund has exposure to the following risks from financial instruments:

* credit risk
* liquidity risk
* market risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

(b) Risk management framework

The Fund maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The Fund's investment portfolio comprises quoted equity investments, investments in treasury bills, FGN bonds, State government bonds, corporate bonds, infrastructure fund and mutual funds.

Asset purchases and sales are determined by the Fund's Investment Manager, compliance with the target asset allocations and the composition of the portfolio is monitored by the Board of directors of the Trustee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

(i) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from investment securities, cash and cash equivalents, receivables and other assets.

Exposure to credit risk

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

		Carrying amount	
In thousands of naira	**Note**	**31 December 2024**	**31 December 2023**
Financial assets held at amortized cost	*9(b)*	489,894,235	393,857,202
Financial assets at fair value- FGN Bonds	*9(a)*	1,249,565	7,875,852
Cash and cash equivalents	*8*	27,080,192	30,828,729
Receivables and other assets	*12*	19,778,922	1,437,850
Total		**538,002,915**	**433,999,633**

Movements in the allowance for impairment of financial assets

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

In thousands of Naira	**Balance at 31 December 2023**	**Remeasurement of loss allowance**	**Balance at 31 December 2024**
Impairment of Treasury bills	1,173	(1,173)	-
Impairment of State Bonds	27,533	(1,937)	25,597
Impairment of FGN bond	272,775	(7,671)	265,105
Impairment of Eurobond	1,788,535	1,647,774	3,436,309
Impairment of Corporate bond	34,900	7,690	42,590
Impairment of cash and cash equivalents	150,647	106,462	257,109
Impairment of Receivables and other assets	365,031	(335,494)	29,537
Impairment Charge	**2,640,594**	**1,415,651**	**4,056,246**

In thousands of Naira	**Balance at 31 December 2022**	**Remeasurement of loss allowance**	**Balance at 31 December 2023**
Impairment of Treasury bills	-	1,173	1,173
Impairment of State Bonds	10,268	17,265	27,533
Impairment of FGN bond	165,809	106,966	272,775
Impairment of Eurobond	786,967	1,001,568	1,788,535
Impairment of Corporate bond	28,302	6,598	34,900
Impairment of cash and cash equivalents	241,086	(90,439)	150,647
Impairment of Receivables and other assets	115,716	249,315	365,031
Impairment Charge	**1,348,148**	**1,292,446**	**2,640,594**

Investments in debt securities

The Fund has invested in some government and corporate debt securities with the following credit quality. The ratings are based on GCR and S&P

	2024		2023	
	Amortised cost	**FVTPL**	**Amortised cost**	**FVTPL**
FGN bonds				
Rated BBB+ and below	260,297,106	-	272,788,633	-
Euro bonds				
Rated BBB+ and below	216,583,818	-	113,222,034	-
State Government bonds				
Rated AA- to AA+	2,617,616	-	2,794,249	-
Rated A- to A+	4,595,110	-	3,307,189	-
Treasury bills				
Rated AA- to AA+	5,800,583	-	1,745,095	-
Supranational bonds				
Rated BBB+ and below	-	-	-	-
Total carrying amount	**489,894,235**	**-**	**393,857,202**	**-**

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties, which are rated B, based on Standard and Poor's (S&P Global) ratings.

Amounts arising from ECL

Impairment on some of the debt securities have been measured on a 12-month expected loss on the basis of their low credit risk, whilst the remaining debt securities and receivables have been measured on a lifetime expected loss on the basis of significant increase in their credit risk.
The Fund monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties.

12-month and lifetime probabilities of default are based on historical data supplied by Standard and Poor's (S&P Global) for each credit rating. However, if the asset were credit-impaired, then the estimate of loss would be based on a specific assessment of expected cash shortfalls and on the original effective interest rate.

(ii) Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. The Fund's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The maturity profiles of the contractual cash flows of financial liabilities and the matching financial assets at **31 December 2024** were as follows:

			Contractual cashflow			
In thousands of Naira	**Carrying amount**	**Total**	**2 month or less**	**2 - 12 months**	**1 - 2 years**	**2 - 5 years**
Financial Liabilities						
Other payable (Note 14)	23,369,441	23,369,441	22,801,000	568,441	-	-
Total	**23,369,441**	23,369,441	22,801,000	**568,441**	-	-
Financial Assets						
Financial Liabilities						
Other payable (Note 14)	9,032,443	9,032,443	8,464,002	568,441	-	-
Total	**9,032,443**	9,032,443	8,464,002	**568,441**	-	-
Financial Assets						
Receivables and Other assets (Note 12)	1,437,850	1,437,850	99,897	1,337,953	-	-
Total	**1,437,850**	1,437,850	99,897	**1,337,953**	-	-

Asset Liability Matching

The Fund is fully funded through regular contributions from the sponsor, TotalEnergies EP Nigeria Limited who ensures no reliance on borrowings. Although, the Fund is obliged to make payments on retirement benefits once notified, its maturing obligations are usually matched against its financial assets held at amortized cost, cash and other short term investments. The Fund manages its payments on retirement benefits on a behavioural basis and the table below provide an analysis on a behaviour basis.

31-Dec-24	**Carrying amount**	**Contractual cashflow**	**0-12 months**	**1-5 years**	**6-10 years**	**11-15 years**		**Above 15 years**
In thousands of Naira							#	
Retirement benefits payable	(526,483,765)	(620,615,471)	(17,713,000)	(55,906,000)	(60,579,000)	(275,168,000)	#	(211,249,471)
Financial assets held at amortized cost	489,894,235	499,345,285	6,092,432	60,672,488	17,197,599	70,781,984	#	344,600,782
Cash and Cash equivalents	27,080,192	27,080,192	27,080,192	-	-	-	#	-
Recievables and other assets	19,778,922	19,778,922	19,778,922	-	-	-	#	-
Other payable	(23,369,441)	(23,369,441)	(22,561,239)	(808,202)	-	-	#	-
Cumulative Gap	**(13,099,857)**	**(97,780,513)**	**12,677,308**	**3,958,285**	**(43,381,401)**	**(204,386,016)**	**#**	**133,351,311**
31-Dec-23							#	
In thousands of Naira								
Retirement benefits payable	(369,750,386)	(369,750,386)	(9,745,894)	(48,729,470)	(77,967,152)	(107,204,834)	#	(126,103,036)
Financial assets held at amortized cost	393,857,202	395,157,202	3,342,089	50,018,547	36,764,141	117,338,819	#	187,693,606
Cash and cash equivalents	30,828,729	30,828,730	30,828,730	-	-	-	#	-
Recievables and other assets	1,437,850	1,437,850	1,437,850	-	-	-	#	-
Other payable	(9,032,443)	(9,032,443)	(8,464,002)	(568,441)	-	-	#	-
Cumulative Gap	**47,340,952**	**48,640,953**	**17,398,773**	**720,636**	**(41,203,011)**	**10,133,985**	**#**	**61,590,570**

The Fund has adequate investments in treasury bills and cash and cash equivalents to settle any retirement benefits obligations that could fall due in the next twelve months.

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will affect the Fund's income or the fair value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of the market risk

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The Fund's investment objectives, policies and processes are aimed at instituting a model that objectively identifies, measures and manages market risks in the Fund. The Fund's market position are monitored on a periodic basis by the Fund Manager.

(iii)(a) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund has no financial instruments linked to variable interests. The risk that the Fund will realise a loss as a result of a change in the fair value of financial assets or liabilities is thus immaterial. The Fund has not entered into any derivative financial instrument to manage this risk.

Sensitivity of projected net interest income

Scenario level	**0.25%**	**0.50%**	**1%**	**2%**	**3%**
In thousands of Naira					
31 December 2024					
Increase	1,236,665	2,473,330	4,946,660	9,893,321	14,839,981
Decrease	(1,236,665)	(2,473,330)	(4,946,660)	(9,893,321)	(14,839,981)
31 December 2023					
Increase	1,012,878	2,025,756	4,051,512	8,103,023	12,154,535
Decrease	(1,012,878)	(2,025,756)	(4,051,512)	(8,103,023)	(12,154,535)

Exposure to Interest Rate Risk

The table below summarises the Funds's exposure to interest rate risk:

31 December 2024	**Carrying Amount**	**Less than 3 Months**	**3 to 6 Months**	**6 to 12 Months**	**1 to 5 years**	**More than 5years**
in thousands of Naira						
Financial Assets						
Cash and cash equivalents	27,080,192	27,080,192	-	-	-	-
Financial Assets at amortised cost						
FGN bond and eurobond	480,582,339	-	-	291,849	53,391,575	426,898,915
State govt Bonds	2,617,616	-	-	-	2,617,616	-
Corporate Bonds	4,637,700	-	-	-	4,637,700	-
Treasury bills	5,800,583	-	-	5,800,583	-	-
Total Interest bearing assets	**520,718,430**	**27,080,192**	**-**	**6,092,432**	**60,646,891**	**426,898,915**

31 December 2023	**Carrying Amount**	**Less than 3 Months**	**3 to 6 Months**	**6 to 12 Months**	**1 to 5 years**	**More than 5 years**
in thousands of Naira						
Financial Assets						
Cash and cash equivalents	30,828,730	30,828,730	-	-	-	-
Financial Assets at amortised cost						
FGN bond and eurobond	386,010,668	-	-	292,322	50,018,547	335,699,799
State govt Bonds	2,794,249	-	-	-	2,794,249	-
Corporate Bonds	3,307,189	-	-	-	3,307,189	-
Treasury bills	1,745,095	-	1,745,095	-	- #	-
Commercial paper	-	-	-	-	- #	-
Total Interest bearing assets	**424,685,931**	**30,828,730**	**1,745,095**	**292,322**	**56,119,985**	**335,699,799**

Exposure to currency risk

The table below summarises the Funds's exposure to interest rate risk:

(iii)(b) *Foreign exchange risk*

The Fund is exposed to currency risk on purchase of investments denominated in a currency other than its functional currency, the Nigerian Naira. The currencies in which these transactions primarily are denominated are US Dollar . The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

Exposure to currency risk

The summary quantitative data about the Fund's exposure to currency risk as reported to the management of the Fund is as follows:

In thousands of US	**2024**	**2023**
Investments in private equity	46,953	2,836
Investment in Euro Bonds	143,033	124,816
Investment in Corporate Bonds	2,056	2,058
Cash and cash equivalent	11,123	335
Net statement of net assets exposure	**203,165**	**130,045**

	Average rate		**Year end spot rate**	
	2024	**2023**	**2024**	**2023**
	₦	**₦**	**₦**	**₦**
US Dollar	1538.25	907.11	1,538.25	907.11

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Naira, as indicated below against the US dollar at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected statement of changes in net assets by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

Statement of changes in net assets

In thousand of Naira	**Strengthening**	**Weakening**
31 December 2024		
USD (10% movement)	20,316	(20,316)
31 December 2023		
USD (10% movement)	13,005	(13,005)

(c) *Market price risk*

Market price risk is the risk that the fair value of the financial instruments will fluctuate as a result of changes in market prices (other than arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The summary quantitative data about the Fund's exposure to market risk as reported to the management of the Fund is as follows;

In thousand of Naira	Note	**2024**	**2023**
Financial assets at fair value	9(a)	102,620,413	34,984,447
Net statement of net assets exposure		**102,620,413**	**34,984,447**

The information below shows the impact on the Fund's profit for the year, if market prices of held at fair value securities (investment in quoted equities) should increase or decrease by 100 basis points.

In thousand of Naira	**2024**	**2023**
Effect of 100 basis points increase on changes in net assets	1,026,204	349,844
Effect of 100 basis points decrease on changes in net assets	(1,026,204)	(349,844)

Exposure to equity investment risk

This risks arises from equity price changes of listed and unlisted equities in which the Fund holds investments. At 31 December 2024, the Fund was exposed to equity investment risk as a result of its exposures which stood at N23,783 million (31 December 2023: N19,155 million) in trading equities.

Capital management

The Fund has no equity and is sponsored by contributions from the parent company TEPNG as well as surpluses from its investments.

The Fund's objectives are to ensure a stable base to ensure payment of benefits to retirees when due, and to manage liquidity risk arising from these payments.

The Fund is not subject to any externally imposed capital requirements.

7 Use of estimates and judgments

(a) Determination of fair values

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

-Level 1: lnputs that are quoted market prices (unadjusted) in active markets for identical instruments

- Level 2: lnputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: lnputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(b) ***Valuation approach for specific instruments***

(i) *Investments in debt securities*
The fair value of debt securities is determined by reference to their quoted closing bid price at the reporting date. The fair value of investments in debt securities held at amortised cost is determined for disclosure purpose only.

(ii) *Listed equity securities*
Listed equity securities are valued using quoted prices in an active market for an identical instrument (Level 1 measurement).

(c) ***Accounting classification and fair value***

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Financial assets whose fair value equals carrying values as at the reporting date include equities (quoted & unquoted), private equity & mutual funds as well as infrastructure funds.

31 December 2024		**Carrying amount**				**Fair value**			
In thousands of Naira	***Note***	Fair value through changes in net assets	Held at Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value									
Quoted equities	*9(a)*	23,783,013	-	-	23,783,013	23,783,013	-	-	23,783,013
Private Equity Fund	*9(a)*	72,225,791	-	-	72,225,791		72,225,791	-	72,225,791
lnfrastructure Fund	*9(a)*	5,115,413	-	-	5,115,413		5,115,413	-	5,115,413
Mutual Funds	*9(a)*	246,630	-	-	246,630		246,630	-	246,630
Debt/bonds	*9(a)*	-	-	-	-	-	-	-	-
FGN Bonds	*9(a)*	1,249,565	-	-	1,249,565	1,249,565	-	-	1,249,565
		102,620,413	**-**	**-**	**102,620,413**	**25,032,578**	**77,587,835**	**-**	**102,620,413**
Financial assets not measured at fair value									
FGN bonds	*9(b)*	-	260,297,106	-	260,297,106	260,562,211	-	-	260,562,211
State bonds	*9(b)*	-	2,617,616	-	2,617,616	2,643,213	-	-	2,643,213
NIG Eurobonds	*9(b)*	-	216,583,818	-	216,583,818	220,020,127	-	-	220,020,127
Corporate bonds	*9(b)*	-	4,595,110	-	4,595,110	4,637,700	-	-	4,637,700
Treasury bills	*9(b)*	-	5,800,583	-	5,800,583	5,800,583	-	-	5,800,583
*Receivables and other assets	*12*	-	19,778,922	-	19,778,922	-	-	19,778,922	19,778,922
Cash and cash equivalents	*8*	-	27,080,192	-	27,080,192	-	-	27,080,192	27,080,192
		-	**536,753,349**	**-**	**536,753,349**	**493,663,835**	**-**	**46,859,114**	**540,522,949**
Financial liabilities not measured at fair value									
Other payables	*14*	-	-	(23,369,441)	23,369,441	-	-	23,369,441	-
		-	**-**	**(23,369,441)**	**23,369,441**	**-**	**-**	**23,369,441**	**-**

31 December 2023		**Carrying amount**				**Fair value**			
In thousands of Naira	***Note***	Fair value through changes in net assets	Held at redemption value	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Quoted equities	*9(a)*	19,158,460	-	-	19,158,460	19,158,460	-	-	19,158,460
Private Equity Fund	*9(a)*	2,572,895	-	-	2,572,895	-	2,572,895	-	2,572,895
lnfrastructure Fund	*9(a)*	-	-	-	-	-	-	-	-
Mutual Funds	*9(a)*	156,495	-	-	156,495	-	156,495	-	156,495
Unquoted equities	*9(a)*	5,220,744	-	-	5,220,744	-	5,220,744	-	5,220,744
FGN Bonds	*9(a)*	7,875,852	-	-	7,875,852	7,875,852	-		7,875,852
		34,984,447	**-**	**-**	**34,984,447**	**27,034,312**	**7,950,134**	**-**	**34,984,447**
Financial assets not measured at fair value									
FGN Bonds	*9(b)*	-	272,788,633	-	272,788,633	230,399,922	-	-	230,399,922
State Bonds	*9(b)*	-	2,794,249	-	2,794,249	1,857,652	-	-	1,857,652
Euro Bonds	*9(b)*	-	113,222,034	-	113,222,034	102,553,479	-	-	102,553,479
Corporate bonds	*9(b)*	-	3,307,189	-	3,307,189	2,128,793	-	-	2,128,793
Receivables and other assets	*12*		1,437,850		1,437,850	-	-	1,437,850	1,437,850
Cash and cash equivalents	*8*	-	30,828,729	-	30,828,729	-	-	30,828,729	30,828,729
		-	**426,123,781**	**-**	**426,123,781**	**338,584,921**	**-**	**32,266,579**	**370,851,500**
Financial liabilities not measured at fair value									
Other payables	*14*	-	-	(9,032,443)	9,032,443	-	-	9,032,443	-
		-	**-**	**(9,032,443)**	**9,032,443**	**-**	**-**	**9,032,443**	**-**

8 Cash and cash equivalents

In thousands of Nigerian Naira	**2024**	**2023**
Bank balances	791,650	9,058,504
Money Market Investments (see note (a) below)	26,335,087	21,770,225
ECL on Money Market Investments	(46,545)	-
Cash and cash equivalents in the statement of changes in net assets	**27,080,192**	**30,828,729**
For cashflow purposes:		
Less: lnterest receivable	(35,085)	(333,085)
Cash and cash equivalents, end of year	**27,045,107**	**30,495,644**

(a) These represents the Fund's investment in money market instruments with original maturities of less than 90 days. Money market instruments held by the Fund as at the reporting date were in fixed term deposits and commercial papers of the following institutions:

In thousands of Nigerian Naira	**2024**	**2023**
Fidelity Bank Plc.	17,323,776	-
Stanbic IBTC Bank Limited	9,011,311	-
Union Bank of Nigeria Limited	-	7,259,017
Ecobank Transnational Incorporated	-	7,523,602
Access Bank Limited	-	6,987,608
	26,335,087	**21,770,226**

lnformation on the Fund's exposure to credit risk are disclosedin Note 6(b).

9 Financial assets

In thousands of Nigerian Naira
Financial assets comprise:

	2024	**2023**
Financial assets at fair value (see (a) below)	102,620,413	34,984,447
Financial assets held at redemption value (see (b) below)	489,894,235	393,857,202
	592,514,648	**428,841,648**

(a) Financial assets at fair value through changes in net assets

In thousands of Nigerian Naira	**2024**	**2023**
Quoted equities (see a (i) below)	23,783,013	19,158,460
Private equity Fund (see a (ii) below)	72,225,791	2,572,895
Mutual funds (see a (iv) below)	246,630	156,495
Nigeria lnfrastructure Debt Fund (see a(iii) below	5,115,413	5,220,744
FGN bonds (see a (v) below)	1,249,565	7,875,852
	102,620,413	**34,984,447**

lnformation on the Fund's exposure to market risks are disclosed in Note 6(b)

Standard Alliance shares	-	4,200
UACN Plc shares	382,668	156,352
Dangote Cement Plc shares	1,466,862	980,053
Airtel Africa	187,771	800,490
Julius Berger Plc shares	148,258	181,723
West African Portland Cement Plc shares	879,520	396,067
Afriland Properties Plc	11,468	2,481
MTN Nigeria Communications Plc. shares	3,690,623	4,871,622
UPDC REIT shares	26,370	33,753
Dangote Sugar Plc	94	134,518
NASCON	-	85,149
PRESCO	388,709	157,938
Nestle	194,409	238,576
Access Bank Holding Plc.	2,661,138	573,971
FCMB Plc	508,000	-
Fidelity Bank Plc	1,069,575	-
FBN Plc	1,565,912	-
	23,783,013	**19,158,460**

a (ii) Investments in private equity funds

In thousands of Nigerian Naira	**2024**	**2023**
Pioneer Management and business ventures LLP Fund	260,780	277,000
ARM/HARITH Infrastructure Fund	3,924,076	2,295,895
Africa Finance Corporation - AFC	66,352,530	-
AFRICAN INFRASTRUCTURE INVESTMENT FUND 4	1,688,406	-
	72,225,791	**2,572,895**

Investment in Pioneer Management & Business Ventures Limited Liability Partnership (LLP) Fund is managed by Capital Alliance Private Equity (CAPE) III Limited. The Fund has a capital commitment to place $2,500,000 (2023: $2,500,000) with the Pioneer Management & Business Ventures Limited Liability Partnership (LLP) Fund. Total commitments drawn down to date amounted to $2,486,834 (2023: $2,486,834). The outstanding balance of $13,166 (2023: $13,166) is subject to calls at the discretion of the Fund Manager.

Investment in ARM-Harith Infrastructure Fund is managed by ARM - Harith Infrastructure Investment Limited. The Fund has a capital commitment to place $2,500,000 (2023: $2,500,000) to ARM-Harith Infrastructure Investment Limited. Total commitments drawn down to date amounted to $1,735,000 (2023: $1,735,000). The undrawn balance of $765,000 (2023: $765,000) is subject to calls at the discretion of the Fund Manager.

a (iii) lnvestment in infrastructure funds

In thousands of Nigerian Naira	**2024**	**2023**
Nigeria lnfrastructure Debt Fund	5,115,413	5,220,744
	5,115,413	**5,220,744**

lnvestment in the Nigeria lnfrastructure Debt Fund is managed by Chapel Hill Denham. During the year, the Fund made no additional investment into this debt fund (2023: NIL).

a (iv) Investments in mutual funds comprise the following:

In thousands of Nigerian Naira	**2024**	**2023**
SIM - Capital Alliance Value Fund	246,630	156,495
	246,630	**156,495**

a (v) Investments in FGN bonds comprise the following:

In thousands of Nigerian Naira	**2024**	**2023**
15.70% June 2053(30 years)	-	4,855,658
15.45% FGN June 2038	1,249,565	3,020,195
	1,249,565	**7,875,852**

(b) Financial assets held at redemption value

In thousands of Nigerian Naira	**2024**	**2023**
FGN Bonds	260,297,106	272,788,633
State Bonds	2,617,616	2,794,249
Treasury bills	5,800,583	1,745,095
Nig Euro Bonds	216,583,818	113,222,034
Corporate Bonds	4,595,110	3,307,189
	489,894,235	**393,857,202**

lnformation on the Fund's exposure to credit and market risks is included in Note 6(b)(i) and (iii) respectively.

Fair value measurement

The fair values of financial assets held at redemption value as at year end are as as follows:

In thousands of Nigerian Naira	**2024**	**2023**
FGN Bonds	260,562,211	230,399,922
State Bonds	2,643,213	1,857,652
NIG Euro Bonds	220,020,127	102,553,479
Treasury bills	5,800,583	1,645,075
Corporate Bonds	4,637,700	2,128,793
	493,663,835	**338,584,921**

Fair values for financial assets held at redemption value are based on market prices.

At the reporting date, there were no financial assets held at redemption value that were impaired.

b (i) Investments in Federal Government of Nigeria (FGN) bonds comprise the following:

In thousands of Nigerian Naira	**2024**	**2023**
13.98% FGN Feb 2028	17,121,310	17,051,519
15.00% FGN Nov 2028	1,269,434	1,298,905
15.45% FGN June 2038	15,313,257	10,528,541
12.98% March 2050	35,958,503	35,902,898
8.50% FGN Nov 2029	2,529,646	2,511,894
10.00% 7th FGN Jul 2030	4,925,157	4,920,317
14.2% FGN Mar 2024	-	13,622,184
12.1493% FGN Jul 2034	5,403,287	5,373,283
12.40% FGN Mar 2036	22,161,923	22,084,070
12.50% FGN Jan 2026	8,353,487	8,265,171
16.2884% FGN Mar 2027	8,076,435	8,146,441
16.2499% FGN Apr 2037	28,230,284	28,249,921
14.80% FGN April 2049	49,287,203	49,235,676
15.70% FGN June 2053	61,932,285	65,597,813
	260,562,211	**272,788,633**

b (ii) Investments in State Government bonds comprise the following:

In thousands of Nigerian Naira	**2024**	**2023**
17.25% Lagos State Govt Bond 2027 Series	2,617,616	2,794,249
	2,617,616	**2,794,249**

b (iii) These represent the Fund's investment in Central Bank of Nigeria treasury bills instruments with the original maturities shown below. Treasury bill instruments held by the Fund as at the reporting date is:

In thousands of Nigerian Naira	**2024**	**2023**
CBN Treasury Bills - 364 days	5,800,583	1,745,095
	5,800,583	**1,745,095**

b (iv) Investment in Federal Government of Nigeria Eurobonds comprise the following:

In thousands of Nigerian Naira	**2024**	**2023**
NIG 7 5/8 11/28/47 (30 years)	3,888,913	2,254,734
NIG 7 5/8 21/11/25 (20 years)	291,849	158,845
NIG 7 5/8 21/1/31 (20 years)	11,794,312	6,728,059
NIG 7 5/8 21/1/49 (30 years)	159,721,002	89,384,057
NIG 7 5/8 21/03/29 (20 years)	11,116,106	6,254,393
NIG 7 5/8 23/02/38 (20 years)	5,076,520	675,935
NIG 7 5/8 21/09/51 (30 years)	28,131,426	7,766,012
	220,020,127	**113,222,034**

b (v) Investments in Corporate bonds comprise the following:

In thousands of Nigerian Naira	**2024**	**2023**
15.50% Access Bank (7 Years) 2026	1,474,823	1,475,092
7.2% EcoBank Nig (5years) 2026	3,162,878	1,866,997
	4,637,700	**3,342,089**

(c) The movement in financial assets during the year is shown below

31 December 2024

In thousands of Nigerian Naira

		Financial assets at		
Financial assets		**fair value**	**amortized cost**	**Total**
Balance at the beginning of the year		36,678,123	393,857,202	430,535,324
Additions		74,367,584	96,037,033	170,404,618
Interest income earned (See note 17)		513,016	75,487,683	76,000,699
Dividend income earned		2,316,798	-	2,316,798
Disposals		(9,625,322)	(38,237,910)	(47,863,231)
Interest received		(2,459,385)	(111,697,947)	(114,157,332)
Dividend received		(2,316,798)	-	(2,316,798)
Impairment		-	(1,644,683)	(1,644,683)
Fair value gain		10,027,290	-	10,027,290
Exchange gain		-	76,136,264	76,136,264
Balance as at end of year	Note 9	**109,501,306**	**489,937,642**	**599,438,950**

31 December 2023

In thousands of Nigerian Naira

		Financial assets at amortized		
Financial assets		at fair value	**cost**	**Total**
Balance at the beginning of the year		17,093,243	218,301,747	235,394,990
Additions		35,985,933	120,893,287	156,879,220
Interest income earned (See note 17)		271,590	40,587,406	40,858,996
Dividend income earned		1,773,890	-	1,773,890
Disposals		(23,714,259)	-	(23,714,259)
Redemption		-	-	-
Interest received		(233,738)	(36,528,729)	(36,762,467)
Dividend received		(1,773,890)	-	(1,773,890)
Impairment		-	(1,133,571)	(1,133,571)
Fair value gain		7,275,354	-	7,275,354
Exchange gain		-	51,737,062	51,737,062
Balance as at end of year	Note 9	**36,678,123**	**393,857,202**	**430,535,324**

10 Investment properties

In thousands of Nigerian Naira	**2024**	**2023**
Investment properties - Residential (see (i) below)	3,807,372	3,275,851
Investment properties - Office (see (ii) below)	18,732,671	16,170,556
	22,540,043	**19,446,407**

(i) Investment properties - Residential comprise:

In thousands of Nigerian Naira	**2024**	**2023**
Elion House Hotels, Dolphin Estate Extension, Ikoyi, Lagos	3,807,372	2,837,558
Plot 100, Bimkol Crescent, GRA Phase 3, Port Harcourt	-	438,293
	3,807,372	**3,275,851**

10 Investment properties - Continued

(ii) Investment properties - Office comprise:

In thousands of Nigerian Naira	**2024**	**2023**
35, Kofo Abayomi Street, Victoria Island, Lagos	7,955,133	5,920,556
Plot 59A & B, Trans Amadi Industrial Layout, Port-Harcourt	4,915,200	3,400,000
58, Trans Amadi - (RIVOC)	5,862,338	6,850,000
	18,732,671	**16,170,556**

(iii) These properties were valued by Dapo Olaiya (FRC/2013/NIESV/00000004238) of Dapo Olaiya Consulting (FRC/2013/NIESV/00000000569), Biodun Olapade (FRC/2013/NIESV/00000004303) of Biodun Olapade & Co (FRC/2024/COY/402341) and Nwokoma Nwankwo (FRC/2016/NIESV/00000015726) of Nwokoma Nwankwo & Co. (FRC/2012/0000000000200) Estate Surveyors, Valuers & Developers using Open Market Value basis as at 31 December 2024.

(iv) The movement in investment properties is as stated below:

In thousands of Nigerian Naira	**2024**	**2023**
Balance at the beginning of the year:	19,446,407	22,896,751
Disposal	(438,292)	(4,299,220)
Fair value changes (See note (21))	3,531,929	848,876
Balance as at end of period	**22,540,043**	**19,446,407**

(v) Measurement of fair values of investment properties

i.Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Fund's investment property portfolio annually.

The fair value measurement for all of the investment properties has been categorised as a Level 3 (2022: Level 3) fair value based on the inputs to the valuation technique used (see Note 2(d)).

ii.Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique and significant unobservable inputs

Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental income and its growth rate, rental leakages and facility running costs. The expected net cash flows are discounted using risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) and lease terms.

Significant unobservable inputs

_Expected annual rental income growth of 5%
_Capitalisation rate of 9% to 9.5%
_ Risk-adjusted discount rates of 10.5%
_ Rental income leakages of 5%
_ Facility running cost of 10%

Inter-relationship between key unobservable

The estimated fair value would increase (decrease) if:
_ expected market rental income growth were higher (lower);
_ the capitalisation rates were higher (lower);
_the risk-adjusted discount rate were lower (higher);
_facility running costs were lower (higher).

11 Investment properties under development

Investment properties under development comprise:

(i) Investment properties - Office comprise:

In thousands of Nigerian Naira	2024	2023
Plot 1702 A&B Adetokunbo Ademola Street, Victoria Island, Lagos	-	2,851,572
	-	**2,851,572**

(a) The movement in this account is as stated below:

	2024	2023
Balance at the beginning of the year:	2,851,572	2,131,835
Disposal/Fair value changes (See note (21))	(2,851,572)	719,737
Balance as at end of year	**-**	**2,851,572**

12 Receivables and other assets

In thousands of Nigerian Naira	2024	2023
Rent receivable	477,075	1,337,953
Other debtors	16,692,988	99,897
Due from TEPNG	2,608,859	
	19,778,922	**1,437,850**

The carrying amount of the financial assets above represents the Fund's exposure to credit risk related to receivables and other assets. lnformation about the Fund's exposure to credit risks are disclosed in note 6(b)(i).

Other debtors relates to advance payment made to third parties for services to be rendered (mostly building maintenance services).

13 Prepayments

In thousands of Nigerian Naira	2024	2023
Prepayments - Insurance and others	20,590	21,988
	20,590	**21,988**

14 Other payables

In thousands of Nigerian Naira	2024	2023
Accruals	239,761	99,276
Benefits payable	568,441	568,441
Due to vendors	65,500	1,293,585
Due on Disposal of Property	8,300,000	-
Due to TEPNG	14,195,739	7,071,141
	23,369,441	**9,032,443**

lnformation about the Fund's exposure to liquidity risks are disclosed in note 6(b)(ii).

15 Deferred rental income

Deferred income represents mainly rental income received in advance in respect of the Pension Fund's investment in investment properties.

The movement on this account during the year was as follows:

In thousands of Nigerian Naira	2024	2023
Balance, beginning of year	-	796,782
Additions during the year	6,701,269	1,819,188
Amortization for the year	(4,487,818)	(2,615,970)
Balance, end of year	**2,213,451**	**-**

16 Withholding tax/VAT payable

In thousands of Nigerian Naira	2024	2023
Accounts payable: WHT due - FIRS	31,921	5,540
Accounts payable: VAT due - FIRS	20,770	7,536
Accounts payable: WHT due - SIRB (Rivers/Lagos)	500	710
	53,191	**13,786**

The Fund is exempted from paying income taxes under the current system of taxation in Nigeria. Dividend and interest income received by the Fund is exempted from withholding tax imposed under the PRA 2014. Withholding tax is deducted from qualifying transactions with suppliers and vendors. During the year, the withholding tax rate was 5% and 10% depending on the transaction type (2023:5% & 10%). No VAT was charged on rent collected from tenants on commercial properties.

The movement on this account during the year was as follows:

In thousands of Nigerian Naira	2024	2023
Opening balance	13,786	2,965
Additional VAT liability	61,043	42,151
Additional WHT liability	55,567	52,112
Payment during the period	(77,205)	(83,442)
Balance as at year end	**53,191**	**13,786**

17 Interest income

In thousands of Nigerian Naira	**2024**	**2023**
Interest income on cash and cash equivalents	2,459,385	14,555,134
Interest income on financial assets held at redemption value (see (a) below)	75,487,683	40,587,406
Interest income calculated using the effective interest method	77,947,068	55,142,540
Interest income on financial assets at fair value*	513,016	271,590
	78,460,084	**55,414,130**

*This relates to interest on FGN Bonds measured at fair value

(a) Interest income on financial assets held at redemption value comprise of:

In thousands of Nigerian Naira	**2024**	**2023**
Interest income on Federal Government of Nigeria bonds	39,973,743	39,885,778
Interest income on State Government bonds	419,414	335,073
Interest income - Supranational /Corporate Bonds	33,880,442	353,319
Interest income on Treasury bills	1,214,084	13,236
	75,487,683	**40,587,406**

18 Dividend income

In thousands of Nigerian Naira	**2024**	**2023**
Dividend from quoted equities	1,187,053	781,876
Dividend from mutual funds	8,457	992,014
Dividend from Private Equities	1,121,288	-
	2,316,798	**1,773,890**

19 Rental income

In thousands of Nigerian Naira	**2024**	**2023**
Rental income from investment properties (Note 15)	**4,487,817**	**2,615,969**

Rental income on investment properties represents rental payment received and deferred rental income earned during the year.

20 Gain on disposal of investments

In thousands of Nigerian Naira	**2024**	**2023**
Realised gain on sale of trading bonds investments	718,811	884,006
Realised gain on sale of quoted equities	390,048	681,349
Realised gain on sale of Property investments	1,183,260	886,830
	2,292,118	**2,452,186**

21 Fair value gains from financial assets measured at fair value

In thousands of Nigerian Naira	**2024**	**2023**
Fair value gain on quoted equities	3,582,281	3,850,385
Fair value (loss)/gain on trading bonds	(86,869)	1,693,676
Fair value gain on mutual funds	6,531,878	1,731,293
Fair value gain (See note 9c)	**10,027,290**	**7,275,354**
Fair value gain on investment properties (See note 10(a))	3,531,929	848,876
	860,170	**329,598**

23 Operating expenses

In thousands of Nigerian Naira	**2024**	**2023**
PenCom fees	602,201	415,393
Custodian fees	396,373	296,485
Audit fees	12,255	10,643
Other expenses	-	-
	1,010,829	**722,521**

There was no non-audit service(s) rendered by the auditor during the year (2023: Nil) hence, no fees earned by the auditor outside the audit services rendered.

24 Impairment charge on financial assets

In thousands of Nigerian Naira	**2024**	**2023**
Impairment (reversal)/charge on FGN bond	(7,671)	106,966
Impairment charge on Eurobond	1,647,774	1,001,568
Impairment (reversal)/charge on State bond	(1,937)	17,265
Impairment charge on Corporate bond	7,690	6,598
Impairment (reversal)/charge on Treasury bills	(1,173)	1,173
Impairment charge/(reversal) on Cash and cash equivalents	106,462	(90,439)
Impairment (reversal)/charge on Receivables and other assets	(335,494)	249,315
	1,415,651	**1,292,446**
Impairment - Delinquent rents & Delisted Stock	125,965	-
	1,541,616	**1,292,446**

25 Contributions by Sponsor

In thousands of Nigerian Naira	**2024**	**2023**
Current year contribution received	**13,344,957**	**7,269,189**

The Fund is fully funded by the sponsor TotalEnergies EP Nigeria Limited

26 Payment to retired members

In thousands of Nigerian Naira	**2024**	**2023**
Pension benefits paid	16,275,265	10,959,994
Commutted pension	8,527,143	5,048,065
	24,802,408	16,008,059
Guaranteed/other Pension Benefit paid*	461,312	5,369
	25,263,720	**16,013,428**

*Guaranteed benefits are payable to Fund members who have completed a minimum of 15 years accredited service and may qualify for voluntary early retirement upon attainment of 45 years of age

26.1 Movement in the Asset Value

In thousands of Nigerian Naira	**2024**	**2023**
Benefits accrued as a result of operations	173,835,111	120,492,638
Contribution received during the year	13,344,957	7,269,189
Benefits paid during the year	(25,263,720)	(16,013,428)
Net increase in Fund during the year	**161,916,348**	**111,748,399**

27 Related Parties

(a) TotalEnergies EP Nigeria Limited

This affiliated entity is the "Sponsor" of the Fund, and provides funding for pension liabilities to the Fund. The outstanding amount due from the Company and its Venture Partners as at the year end was ₦2.61 billion (2023: NIL).

Also, two of the investment properties of the Fund are currently leased to the Sponsor for which an amount of ₦3.7 billion (2023: ₦2.1 billion) was earned in the current year as rental income and included as part of investment income in the statement of changes in net assets available for benefits.

(b) TotalEnergies EP Nigeria CPFA Limited

This affiliated entity is the Pension Fund Administrator, and the sole Trustee to the Fund in accordance with the Trust Deed. The company provides services to the Fund at cost. During the year, the Fund earned a total of ₦793 million (2023: ₦232 mllion) from the company in respect of rent on one of its properties currently occupied by the company.

28 Events after the reporting date

The Company completed the disposal of its building located at 35, Kofo Abayomi Street, Victoria Island, Lagos after obtaining approvals from all necessary regulatory bodies after the reporting date. The impact of the transaction will be recognized in the financial statements for the year ending 31 December 2025.

Aside the above, there were no events after the reporting date requiring disclosure in, or adjustment to, the financial statements of the Fund (2023: NIL).

29 Contingent assets and liabilities

There are no contingent assets or liabilities as at reporting date (2023: NIL).

30 Actuarial Valuation

Alexander Forbes Consulting Actuaries Nigeria Ltd carried out the actuarial valuation of the Pension Fund at 31 December 2024.

Based on the terms of the Trust Deed, and in line with the provisions of the Pension Reform Act 2014, a valuation is due every year, with the next falling due on 31 December 2025.

31 Actuarial Present Value of Accumulated Pension Fund Benefits and Net Assets

The actuarial present value of accumulated Pension Fund benefits represents the present value of the expected payments by the Pension Fund to existing and past employees, attributable to the service already rendered.

Accumulated Pension Fund benefits are those future periodic payments, including lump sum distributions, which are attributable under the Pension scheme's provisions to the service employees have rendered. Accumulated Pension Fund benefits include benefits payable to:

i Retired employees or their beneficiaries; and
ii Beneficiaries of employees who have died

Benefits payable are included, to the extent that they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of the accumulated Pension Fund benefits is determined by Alexander Forbes, consultants and actuaries (FRC/2017/NAS/00000016625), and is that amount that results from applying actuarial assumptions to adjust the accumulated pension benefits to reflect the time value of money (through discounts for interests) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The last actuarial valuation of the Fund was made as at 31 December 2024 and the significant actuarial assumptions used in the valuations were as follows:-

Actuarial assumptions:

Mortality rates for members in service were based on the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries, UK while the PA(90) Table, similarly jointly published, was used for members in Pension

Withdrawal from Service:-The following percentages of staff were assumed to withdraw from service

	2024	2023
Less than 45 years of age	0.50%	0.00%

Financial assumptions:	**2024**	**2023**
Per annum		
Long term discount rate (about 15 years plus)	17.7%	15.6%
Long term average inflation	14%	14%
Avearge rate of increase in salaries and allowances	14%	14%
Rate of increase to pensions in payment	6%	6%

The valuation established the Scheme's accumulated pension benefit obligations at ~~N469.21~~ billion (2023: ₦322.19 billion). (on a liquidation or vested benefit basis) and ~~N526.48~~ billion (2023: ₦369.75 billion), (on a going-concern or projected benefit basis).

The foregoing actuarial assumptions are based on the presumption that the Pension Fund will continue as a going concern into the forseeable future. Were the Pension Fund to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Actuarial present value of the benefits on a liquidation basis - i.e, based on service rendered to date and present pay levels, as at 31 December comprise:

In thousands of Nigerian Naira	**2024**	**2023**
Pension Benefits, Members in Pension	132,455,906	222,471,751
Pension Benefits, Members in Service-Vested	336,751,128	99,714,875
	469,207,034	**322,186,626**

The corresponding valuation of the benefits under the Scheme as at the same date on a going concern basis, that is , based on service rendered to that date and factoring in the impact of projected salary increases amounted to the following:

	2024	**2023**
In thousands of Nigerian Naira		
Pension Benefits, Members in Pension	132,455,906	222,471,751
Pension Benefits, Members in Service-Vested	336,751,128	99,714,875
Pension Benefits, Members in Service-Non-Vested	57,276,731	47,563,760
	526,483,765	**369,750,386**

31 Actuarial Present Value of Accumulated Pension Fund Benefits and Net Assets - Continued

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below: Although this analysis does not take into account the full distribution of cash flows expected under the plans, it does provide an approximation of the sensitivity of the assumptions shown.

	31 December 2024		**31 December 2023**	
Effect in thousands of Naira	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	578,926,541	473,667,170	333,892,510	411,839,289
Future salary growth (1% movement)	433,430,645	354,625,073	394,510,025	347,389,356
Future pension growth (1% movement)	145,701,497	119,210,315	388,534,584	352,914,373
Retirement age increase (1 year movement)	112,711,500	92,218,500	363,998,272	375,301,376

(iii) Plan assets

Plan assets comprise the following: *In Thousands of Nigerian Naira*	**2024**	**2023**
Equity securities:		
- Consumer markets	583,211	616,181
- Financial institutions	12,550,218	10,702,118
- Telecommunications	3,878,394	5,672,112
- Real estate	2,532,477	1,594,078
Funds	72,472,422	2,729,390
Government backed instruments	493,266,745	398,425,864
Investment properties	22,540,043	22,297,979
Receivables and other assets	19,778,922	1,437,850
Cash and cash equivalents	27,080,192	30,828,729
Others	9,731,115	8,549,923
	664,413,739	**482,854,225**

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by the Nigerian federal and state governments and are rated AA+ to BBB+, based on GCR and S&P ratings. The plan assets presented above do not include Prepayments as they are not available to be used in the settlement of the obligations of the Fund.

At each reporting date, an asset-liability matching (ALM) study is performed and the consequences of the strategic investment policies are analysed. The strategic investment policy of the pension fund can be summarised as follows:

— a strategic asset mix comprising 0-5% equity securities, 40-60% government bonds and 20–30% other investments;

— interest rate risk is managed through the use of debt instruments (government bonds)

Five-year Financial Summary

In thousands of Nigerian Naira	**2024**	**2023**	**2022**	**2021**	**2020**
Assets:					
Cash and cash equivalents	27,080,192	30,828,730	105,806,919	71,272,370	47,256,058
Investments	615,054,691	451,139,628	260,423,576	266,992,935	267,062,653
Receivable and other assets	19,778,922	1,437,850	176,205	166,122	160,812
Prepayment	20,590	21,988	-	13,393	32,375
	661,934,396	**483,428,196**	**366,406,700**	**338,444,820**	**314,511,898**
Liabilities:					
Other payable	23,369,441	9,032,443	2,973,386	465,397	2,689,268
WHT's payable/VAT payable	53,191	13,786	2,965	7,631	398
Deferred rental income	2,213,451	-	796,782	747,565	670,734
	25,636,083	**9,046,229**	**3,773,133**	**1,220,593**	**3,360,400**
Net assets available for members benefits	636,298,313	474,381,967	362,633,567	337,224,227	311,151,498
Contributions	13,344,957	7,269,189	6,192,323	12,511,072	12,393,396
Pension benefits	(25,263,720)	(16,013,428)	(22,707,533)	(15,330,829)	(15,966,191)
Net investment income	173,835,110	120,492,638	41,924,549	28,892,486	44,430,636
Net Surplus	161,916,348	111,748,399	25,409,339	26,072,729	40,857,841