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SIM CAPITAL ALLIANCE VALUE FUND

ANNUAL REPORTS AND FINANCIAL STATEMENTS
30 JUNE 2014

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CORPORATE INFORMATION

Names of Directors of the Fund Manager	Mr. Richard Kramer (American) Chairman Mr. Okechukwu Enelamah Ms Margaret Dawes (South African) Mr. Andre Roux (South African) Mr. Funso Doherty appointed effective 26th June 2014
Registered office	8th Floor C& C Towers, Plot 1684 Sanusi Fafunwa Street Victoria Island Lagos
Auditors	Akintola Williams Deloitte (Chartered Accountants) 235 Ikorodu Road, Ilupeju Lagos. Telephone: +234 1 271 7800
Bankers	Stanbic IBTC Plc Stanbic IBTC Place Walter Carrington Crescent Victoria Island Lagos
Trustees to the Fund	Leadway Capital and Trust Limited 121/123 Funso Williams Avenue Iponri Lagos
Custodian	Stanbic IBTC Plc Stanbic IBTC Place Walter Carrington Crescent Victoria Island Lagos
Company Secretary	Alsec Nominees Limited 10/13th floors St. Nicholas House Catholic Mission House Ikoyi, Lagos

STATEMENT OF FUND MANAGER'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

In accordance with the provision of the Companies and Allied Matters Act CAP C20 LFN 2004, the Fund Manager is responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Fund and of the profit or loss for the financial year.

The responsibilities include ensuring that:

(a) Appropriate internal controls are established both to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities;

(b) The Fund keeps accounting records which disclose with reasonable accuracy the financial position of the Fund and which ensure that the financial statements comply with the requirements of the International Financial Reporting Standards, Companies and Allied Matters Act CAP C20 LFN 2004 and the Investment and Securities Act CAP S124 LFN 2007.

(c) The Fund has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and

(d) It is appropriate for the financial statements to be prepared on a going concern basis.

Auditors

The Auditors, Akintola Williams Deloitte, have indicated their willingness to continue in office as auditors. In accordance with Section 357(2) of the Companies and Allied Matters Act CAP C20 LFN 2004, a resolution will be proposed at the Annual General Meeting to authorize the directors to determine their remuneration.

BY ORDER OF THE BOARD

ALSEC NOMINEES LIMITED
Company Secretaries

ALSEC NOMINEES
Company Secretary

St Nicholas House
(10th/13th Floors)
Catholic Mission Street, Lagos
P. O. Box 53123, Ikoyi
Lagos, Nigeria

STATEMENT OF FUND MANAGER'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The Fund Manager further accepts responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the Fund Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE FUND MANAGER BY:

Richard L. Kramer

Mr. Richard Kramer

Mr. Funso Doherty

FUND MANAGER'S REPORT

The Fund Manager presents their annual report on the affairs of SIM Capital Alliance Value Fund financial statements and auditor's report thereon for the year ended 30 June 2014.

Legal firm and principal activity

The Fund is licensed by the Securities & Exchange Commission and registered as a Collective Investment Scheme.

The principal activity and objective of the Fund is to achieve long-term capital growth by investing in Nigerian equities. The Fund will pursue the objective by investing in companies listed on the Exchange, which the Manager considers under-valued, thus enabling Investors gain exposure to a concentrated portfolio of value stocks. The Fund will also invest in fixed income securities and unlisted equities. Investment in unlisted equities complies with the provisions of Securities and Exchange Commission of Nigeria guidelines for investment by collective investment scheme in unlisted equities.

Operating Results

The following is a summary of the Fund's operating results and transfers to reserves for the year ended 30 June 2014.

	2014	2013
	₦'000	₦'000
Net operating income before taxation	452,796	876,787
Withholding tax expenses	(18,176)	(31,612)
Profit after taxation transferred to retained earnings	434,620	845,175

The Fund intends to distribute income in the form of dividend at N10 per unit for the year ended 30 June 2014.The total distribution for the year amounts to N320,967,860. This represents an increase of 21.36% from prior year distribution of N8.24 per share.

Unit Capital Holdings

The Fund did not purchase its own units during the year. The issued and paid up units of the Fund is currently ₦3,209,678,600 made up of 32,096,786 units of ₦100 each

Analysis Shareholding:

Unit range analysis as at 30 June 2014	No of subscribers	% Holdings	Number of Holdings
0 - 1,000,000	16	11.45	3,673,859
1,000,000 - 5,000,000	7	88.55	28,422,927
5,000,000 - 10,000,000	-	-	-
	23	100	32,096,786

FUND MANAGER'S REPORT

Investment Management
The investment management of the Fund is undertaken by a Team of Analysts and Portfolio Managers working for SIM Capital Alliance Limited. The investment process is overseen by an Investment Committee made up of experienced portfolio management team with broad experience of operating in Nigeria. The Investment Committee members are as follows:

	Name	**Representing**
a)	Mr. Richard Kramer	African Capital Alliance
b)	Mr. Okechukwu Enelamah	African Capital Alliance
c)	Mr. Andre Roux	Sanlam Investment Management- South-Africa
d)	Mrs. Margaret Dawes	Sanlam Investment Management- South-Africa
e)	Mr. Femi Akinsanya	Independent Member
f)	Mr. Ayo Wuraola	Leadway Capital & Trusts
g)	Mr. Funso Doherty	SIM Capital Alliance

ECONOMIC REVIEW

The Fund Manager provides a review of the macroeconomic and financial market events that occurred during the period under review (1st July 2013 – 30th June 2014) to provide a context for the performance of the Value Fund.

In the period under review, the National Bureau of Statistics (NBS) released the updated GDP figures for Nigeria, a result of the rebasing exercise carried out by the NBS in conjunction with the World Bank, International Monetary Fund, United Nations and African Development Bank. The rebasing exercise which moved the base year from 1990 to 2010, reported a revised 2013 GDP estimate for the Nigerian economy of c.₦80.2trn (c. $509bn), making the Nigerian economy the largest economy in Africa and the 24th economy in the world. The result of the rebasing exercise which resulted in an 89.22% restatement of the 2013 GDP estimate, also revealed a significant change in the structure of the Nigerian economy. Based on the old GDP series, the contribution to GDP by the Industry, Agriculture and Services sectors was 36.26%, 34.69% and 29,04% respectively. Using the revised GDP series, the Services sector emerged as the highest contributor to GDP accounting for 52.26% of 2013 GDP (rebased).

Based on data from the Organization of the Petroleum Exporting Countries (OPEC), the average crude oil production of Nigeria stood at 1.89mb/d over the period under review, ranging between 1.82mb/d and 1.94mb/d, with June 2014 production put at 1.91mb/d against the benchmark production volume of 2.39mb/d used for the 2014 budget. Oil prices (Bonny Light) ranged from $106.12 to $114.36 over the period. Nigeria's External reserves closed at $37.48bn in June 2014, down by 23.4% from June 2013 reflecting a slowdown in accretion to the external reserves account in spite of elevated oil prices over the period. The decline in the external reserves may be attributed to the intervention by the Central Bank at its regulated Retail Dutch Auction System (RDAS) given the increase in the demand for the US dollar during the period.

Over the period under review, the Central Bank of Nigeria supplied the sum of $32.85bn at its scheduled auction, changing from the Whole Dutch Auction System to the Retail Dutch Auction System in October 2013. The CBN Offer rate which opened the period at N155.75/$1, ranging between N155.70/$1 to N156.07/$1, closed the period at N155.73/$1. The Interbank Offer rate opened the period at N162.58/$1, ranged between N158.13/$1 to N165.33/$1, and closed at N163.01/$1. The Bureaux-de-change Offer rate opened at N163/$1, ranged between N161.50/$1 and N174/$1 and closed at N168/$1.

Year on year headline inflation remained at single digit levels during the period under review. YoY inflation which commenced the period at 8.4% declined steadily to 7.9% in November 2013, then inched up to 8% in January 2014. By February 2014, YoY inflation declined to 7.7%, the lowest over the course of the period, however it has steadily trended up through the first half of 2014 closing the month of June at 8.2%. The upward trend in YoY inflation in 2014 has been largely attributed to the rise in food inflation.

Over the period under review, the Central Bank of Nigeria ("CBN"), which had a change of leadership – Godwin Emefiele became the 10th indigenous governor of the CBN - continued to maintain a tight stance on monetary policy, keeping the Monetary Policy Rate ("MPR") constant at 12%, and retaining the cash reserve ratio at the increased levels of 75% from 50% for public sector deposits and 15% from 12% for private sector deposits.

Although the MPR was maintained at 12% through the course of the period under review, interest rates on fixed income instruments declined over the period. Yields for Treasury Bills for 91, 182 and 364 days, closed June 2014 at 10.99%, 11% and 11.22% respectively compared to 13.05%, 14.40% and 14.82% a year ago. FGN Bond yields witnessed a similar trend with 2 year, 5 year and 10 year tenors closing the period at 11.38%, 11.42% and 12.25% compared 13.47%, 13.55% and 13.60% for June 2013.

The Nigerian Stock Exchange All Share Index which commenced the period under review at 36,164.31 points closed at 42,482.48 points, recording a year on year appreciation of 17.47%. A look at the performance of sector indices shows that the NSE Oil & Gas sector and the NSE Industrial were the best performing sectors for the period under review recording a return of 172.86% and 25.09% respectively. The performance of the other indices for the period under review is as follows: the NSE Banking index: 7.59%, NSE Insurance Index: 6% and NSE Consumer Goods Index: 3.90%. Overall market capitalization recorded a 22.8% growth for the period under review, closing the period at c.₦14.03trn.

In May 2014, the Morgan Stanley Capital International ("MSCI") Frontier Index was rebalanced following the upgrade of UAE and Qatar to the MSCI Emerging Market Index. This led to the increase of Nigeria's weight in the MSCI Frontier Market Index from 12% to 18.4%. In addition, 3 securities namely, SEPLAT, ETI and Forte Oil, were included in the Nigerian basket.

The Fund
The SIM Capital Alliance Value Fund ("Value Fund") which commenced operations on the 30th of June 2011 with a Net Asset Value ("NAV") per unit of ₦100 after deductions of the Initial Public Offer expenses, is a closed end collective investment scheme registered and regulated by the Securities & Exchange Commission. The issued and paid up capital of the Fund is ₦3,209,678,600 and made up of 32,096,786 units of ₦100 each.

The Value Fund, opened its 3rd financial year with a NAV per unit of ₦132.39. During the period, the Fund made a dividend distribution to note holders of ₦8.24/unit for the financial year ended 30th June 2013. To date, the Value Fund has made a total distribution of ₦15.83/unit. As 30th June 2014, the NAV per unit of the Value Fund closed at ₦152.16 net of all fees and expenses.

Fund Activity
During the period under review, the Fund Manager sought buying opportunities for the Fund which were in line with the value investing philosophy of the Fund. This led to an increase in quoted equity portion of the Fund. There were no disposals during the period under review.

As at 30th June 2014, equity investments accounted for 53.50% of total investments compared to 42.9% of total investments as at 30th June 2013. Fixed income securities accounted for the balance of 46.50% of total investments as at 30th June 2014. The chart below summarizes the mix of the portfolio as at 30th June, 2014.

Fund Performance
As at 30th June 2014, the Value Fund achieved a year on year total return (net of all fees and expenses) of 21.16% for its 3rd financial year. This is arrived at by comparing the closing net asset value as at 30th June 2014 (₦152.16) plus dividend paid out during the year (₦8.24) with the opening net asset value (₦132.39). This performance results in a 67.99% return since inception of the Fund and a 3 year CAGR of 18.88%.

The equity portfolio which accounted for 53.50% of the total assets of the Fund as at 30th June 2014 is made up of quoted and unquoted securities. This portion of the Fund achieved a total return of 34.69% for the period under review (FYE 2013: 82.27%). The quoted equity portfolio recorded a year on year total return of 12.74%. Year on year total return achieved by each sector in the quoted equity portfolio is as follows: Banking sector 13.33% (FYE 2013: 66.91%); Conglomerate 11.84% (FYE 2013: 118.93%), Insurance -4.92% (FYE 2013: 89.61%) and Exploration & Production 21.53% (FYE 2013: -).

The unlisted equity portfolio achieved a year on year total return of 80.23% (FYE 2013: 12.92%). Year on year total return achieved by each sector in the unquoted equity portfolio is as follows: Telecommunications 39.20% (FYE 2013: 19.15%); Breweries 25.65% (FYE 2013: -1.19%) and Consumer Goods 142.51% (FYE 2013: 14.47%).

The fixed income portfolio which accounted for 46.50% of the total assets of the Fund as at 30th of June 2014 is made up of investments in FGN bonds, Sub-national bonds, Treasury bills and Money Market instruments. The weighted average after tax yield of the fixed income portfolio as at 30th of June 2014 stood at 12.69% p.a. (FYE 2013: 12.56% p.a.). At year end, the Fund held 81.56% of its fixed income portfolio in instruments with less than 1 year to maturity; the balance held in instruments with more than 1 year to maturity.

Conclusion

The Fund Manager believes that the Nigerian financial markets will be impacted by a number of external and internal themes expected to prevail over the course of the next financial year. One external theme which the Fund Manager continues to pay attention to is the impact of Quantitative Easing ("QE") in the United States which is expected to be concluded by the end of 2014. It is expected that with the diminishing of QE, interest rates in the US may trend upwards. This could potentially cause foreign fund managers participating in the Nigerian market to reallocate funds away from Nigeria impacting both the equity and fixed income markets.

Domestically, the Fund Manager expects the upcoming 2015 elections to impact the markets, with anticipated election-related spending putting pressure on inflation and foreign exchange in the run-up to elections.

The Fund Manager will continue to review these and other anticipated themes as well as unfolding events, to assess their potential impact on the securities held by the Fund and to ensure that the Fund is well positioned to address the opportunities and/or risks that such themes present.

TRUSTEES' REPORT

The Trustees present their annual report for the year ended 30 June 2014.

Principal Activity:
The principal activity of this Fund is to achieve long-term capital growth by investing in listed Nigerian equities which the Fund Manager has identified as being undervalued and offering above average growth potential and any other securities as approved by the Securities & Exchange Commission from time to time. The Fund may also invest in fixed income securities.

Operating Results:
The results for the year which are set out on the following pages, have been duly audited in accordance with section 169 (1) of the Investments and Securities Act CAP 124 LFN 2007, Section 354 (1) of the Companies and Allied Matters Act CAP C20 LFN 2004 and the Trust Deed establishing the Fund.

Directors:
The Directors of SIM Capital Alliance Limited who served during the year under review are:

Mr. Richard Kramer (American)	-	Chairman
Mr. Okechukwu Enelamah		
Ms. Margaret Dawes (South African)		
Mr. Andre Roux (South African)		
Mr. Funso Doherty	-	Appointed effective 26th June, 2014

Responsibilities of the Fund Manager:
The Investment and Securities Act, 2007 requires SIM Capital Alliance Limited to keep proper books of account and prepare annual financial statements, which give a true and fair view of the state of affairs of the Fund during the period covered by the financial statements.
SIM Capital Alliance Limited is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any point in time, the financial position of the Fund, and enable SIM Capital Alliance Limited to ensure that the financial statements comply with the Companies & Allied Matters Act, CAP C20, LFN 2004, the Trust Deed, together with the rules and regulations set out by the regulatory bodies established pursuant to the legislation referred to within this paragraph. SIM Capital Alliance Limited is also responsible for taking any reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibilities of the Trustees:
The responsibilities of the Trustees as provided by the Securities and Exchange Commission (SEC)'s Rules and Regulations pursuant to the Investment and Securities Act, are as stated below:

- Monitoring of the activities of SIM Capital Alliance Limited on behalf of and in the interest of unit holders,
- Safe-keeping documents relating to the investments by the Fund;
- Monitoring of the Register of unit holders;
- Ascertaining the profitability rationale for the investment decision making of SIM Capital Alliance Limited;
- Ascertaining compliance with the provisions of the Trustee Investment Act, CAP T22 LFN 2004, the Investment and Securities Act, 2007, and the Trust Deed by SIM Capital Alliance Limited;
- Ascertaining that monthly and other periodic returns/ reports relating to the Fund are sent by SIM Capital Alliance Limited to the Commission.

Stanbic IBTC Bank Plc was appointed Custodian to the Fund effective July 2011 consequent to new Rules issued by SEC and has since had responsibility for custody of the funds and certain documents relating to investments by the Fund.

Opinion:
The Trustees are of the opinion that the Fund was administered and managed in line with the provisions of the Trust Deed and the Investment and Securities Act, 2007.

By Order of the Trustees
Leadway Capital & Trusts Limited
28th November 2014

Deloitte.

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Independent Auditor's Report
To the Unit Holders of SIM CAPITAL ALLIANCE VALUE FUND

Report on the Financial Statements
We have audited the accompanying financial statements of SIM Capital Alliance Value Fund which comprise Statement of financial position as at 30 June 2014 and 30 June 2013, Statement of profit or loss and other comprehensive income, Statement of cash flows for the year ended 30 June 2014 and 30 June 2013, Statement of changes in equity, a summary statements of significant accounting policies and other explanatory information.

Fund Manager's Responsibility for the Financial Statements
The Fund Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS), Companies and Allied Matters Act, CAP C20 LFN 2004, the Investment and Securities Act CAP S124 LFN 2007, and the Financial Reporting Council of Nigeria Act No 6, 2011 and for such internal control as the Fund Manager determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Fund Manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of SIM Capital Alliance Value Fund as at 30 June 2014 and 30 June 2013 and the financial performance and cash flows for the year then ended 30 June 2014 and 30 June 2013; in accordance with the International Financial Reporting Standards (IFRS), the Companies and Allied Matters Act CAP C20, LFN 2004, the Investment and Securities Act CAP S124, LFN 2007 and the Financial Reporting Council of Nigeria Act No 6, 2011.

Emphasis of matter
Without qualifying our opinion, we draw your attention to note 1.2 which indicates that SIM Capital Alliance Value Fund has exceeded the maximum limit stipulated for unquoted equity. Section 8.4 of the trust deed stipulates the range in which the fund's assets may be invested in specific class of asset.

David Achugamonu, FCA -FRC/2013/ICAN/0000000840

For Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
27 November, 2014

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
081216

STATEMENT OF PROFIT OR LOSS

	Note	2014 N'000	2013 N'000
Interest income	3	296,904	370,503
Dividend income	4	129,469	101,920
Net gains from financial instruments at fair value through profit or loss	5	106,974	498,993
Total revenue		533,347	971,416
Fund Manager's fees		(45,344)	(40,834)
Trustees fees		(2,395)	(1,429)
Custodian fees		(9,699)	(8,406)
Registrars fees		(400)	(400)
Audit fees		(4,500)	(4,500)
Other operating expenses	6	(5,890)	(8,672)
Total operating expense		(68,228)	(64,241)
Net operating income before Fund Manager's incentive fees		465,119	907,175
Fund Manager's incentive fees	22	(12,323)	(30,388)
Net operating income		452,796	876,787
Withholding tax expense	7	(18,176)	(31,612)
Profit after tax		**434,620**	**845,175**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2014 N'000	2013 N'000
Profit for the year	19	434,620	845,175
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net gains from financial assets classified as available-for-sale	12.1	464,504	30,143
Other comprehensive income net of tax		464,504	30,143
Total comprehensive income for the year		899,124	875,318

STATEMENT OF FINANCIAL POSITION

	Note	2014 N'000	2013 N'000
ASSETS			
Cash and Bank balances	8	15,166	29,864
Due from other financial institutions	9	562,237	368,244
Financial assets at fair value through profit or loss	11	1,489,683	1,166,709
Available-for-sale financial assets	12	1,141,307	676,803
Held-to-maturity investments	13	1,699,704	1,936,677
Loans & receivables	14	-	97,287
Other assets	15	11,240	26,357
TOTAL ASSETS		**4,919,337**	**4,301,941**
LIABILITIES			
Payables and accruals	16	35,379	52,629
TOTAL LIABILITIES		**35,379**	**52,629**
EQUITY			
Share capital and share premium	17	3,211,506	3,211,506
Other reserves	18	485,116	20,612
Retained earnings	19	1,187,336	1,017,194
TOTAL EQUITY		**4,883,958**	**4,249,312**
TOTAL LIABILITIES & EQUITY		**4,919,337**	**4,301,941**

The financial statements were approved by the Fund Managers on 30th October 2014 and signed on its behalf by:

OkechukwuEnelamah
Director
FRC/2013/ICAN/00000004912

Richard Kramer
Director
FRC/2013/ICAN/00000004909

Samuel Oniovosa
Chief Financial Officer
FRC/2013/ICAN/00000004911

STATEMENT OF CASH FLOWS

	Note	2014 N'000	2013 N'000
Cash flows from operating activities			
Interest received		337,035	346,645
Dividend received		144,586	83,592
Purchase of FVTPL		(216,000)	(48,448)
Fees and other operating expenses paid		(95,990)	(65,996)
Net cash flows from operating activities		169,631	315,793
Withholding tax paid		(19,987)	(32,148)
Net cash flows provided by operating activities	10.1	149,644	283,645
Cash flows from investing activities			
Unquoted Equity	12.1	-	(429,115)
Net Fixed income investments		294,126	(1,285,432)
Net cash flows from investing activities		294,126	(1,714,547)
Cash flows from financing activities			
Dividend paid	19	(264,478)	(243,613)
Net cash flows from financing activities		(264,478)	(243,613)
Net decrease in cash and cash equivalents		179,293	(1,674,515)
Cash and cash equivalents at start of year		398,110	2,072,625
Cash and cash equivalents at end of year	10	577,403	398,110

STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital N'000	Share premium N'000	Available for sale revaluation reserve N'000	Retained earnings N'000	Total N'000
Balance at 1 July 2012		3,209,679	1,827	(9,531)	415,633	3,617,608
Other comprehensive income for the year	12.1	-	-	30,143	-	30,143
Profit for the year					845,175	845,175
Dividend paid		-	-	-	(243,614)	(243,613)
Balance as at 30 June 2013		**3,209,679**	**1,827**	**20,612**	**1,017,194**	**4,249,312**
Other comprehensive income for the year	12.1	-	-	464,504	-	464,504
Profit for the year		-	-	-	434,620	434,620
Dividend paid		-	-	-	(264,478)	(264,478)
Balance as at 30 June 2014		**3,209,679**	**1,827**	**485,116**	**1,187,336**	**4,883,958**

NOTES TO THE FINANCIAL STATEMENTS

1.1 General information

SIM Capital Alliance Value Fund ('The Fund) is a closed-end unit Trust Scheme established by a Trust Deed dated 6 April, 2010 and the supplemental Trust Deed dated 5 February, 2013. It is under the management of SIM Capital Alliance Limited with Leadway Capital and Trusts Limited as the Trustees. It commenced business on 1 July 2011. The units of the Fund are listed on the Nigerian Stock Exchange.

Principal Activities

The principal activity of the Fund is to achieve long-term capital growth by investing in listed and unlisted Nigerian equities which the Fund Manager has identified as being undervalued and offering above average growth potential and any other securities as approved by the Securities and Exchange Commission from time to time. The Fund may also invest in fixed income securities.

1.2 Asset Allocation

The Fund has exceeded the maximum limit stipulated for unquoted equity. Section 8.4 of the trust deed stipulates a range of 0-20% of total assets for investment in unlisted equity. However as at year end the Fund held 23% in unlisted equity as against 20% limit. This was majorly due to a capital appreciation and not additional investment by the Fund.

1.3 Going concern

These financial statements have been prepared on a going concern basis. Neither the Trustees nor the Fund manager have any intention or need to reduce substantially the operations of the Fund. The Fund manager and the Trustees believe that the going concern assumption is appropriate for SIM Capital Alliance Value Fund as the Fund's investment objectives are feasible.

2.1 Basis of preparation

A Statement of Compliance

The financial statement report of the Fund is a general purpose report which has been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). International Financial Reporting Standards (IFRS) are Standards and Interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were authorized for issue by the Board of Directors of the Fund on 30th October 2014

B Basis of Measurement

The financial statements have been prepared based on IAS 1 and investments of the Fund are measured in accordance with IAS 32 & 39.

C Functional and Presentation Currency

These financial statements are presented in Naira which is the company's functional currency. Except as otherwise indicated, financial information presented in Naira has been rounded to the nearest thousand.

D Use of Estimates and Judgments

The preparation of the 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

2.2 Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Fund and to all periods presented in the financial report.

A Foreign Currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities resulting from foreign currency transactions are subsequently translated at the spot rate at reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different to those at which they were initially recognized or included in a previous financial report, are recognized in the income statement in the period in which they arise. Translation differences on non-monetary items, such as derivatives measured at fair value through profit or loss, are reported as part of the fair value gain or loss on these items. Translation differences on non-monetary items measured at fair value through equity, such as equities classified as available-for-sale financial assets, are included in the available-for-sale reserve in equity.

B Interest

Interest income and expense are recognized in profit or loss using the effective interest method. 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 or liability (or where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense presented in the statement of comprehensive income include:
· interest on financial assets measured at amortised cost calculated on an effective interest basis.

C Fair value changes

i Net gains from financial instruments at fair value through profit or loss

Net gains from financial instruments at fair value through profit or loss comprises gains less losses relating to trading assets and includes all realized and unrealized fair value changes during the year on financial instruments categorised as being at fair value through profit or loss.

ii Net gains from financial instruments classified as available-for-sale

Net gains from financial assets classified as available-for-sale comprises gains less losses relating to unrealized fair value changes during the year from unquoted equity investments. This is reported under the other comprehensive income and accumulated under the heading of investments revaluation reserve.

D Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission expense including account servicing fees, Fund Manager fees, Trustees fees, custodian fees, registrar fees, Fund Manager's incentive fees etc., are recognized as the related services are performed.

NOTES TO THE FINANCIAL STATEMENTS

E Dividend distribution

Dividend distributions are at the discretion of the Fund. A dividend distribution to the Fund's unit holders is accounted for as a deduction from retained earnings. A proposed dividend is recognised as a liability in the period in which it is approved by the annual general meeting of unit holders.

F Dividend income

Dividend income is recognized when the right to receive income is established. Usually, this is the ex-dividend date for equity securities. Dividends are reflected as a component of net trading income, net income from other financial instruments at fair value through profit or loss or other operating income based on the underlying classification of the equity investment.

G Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment committee of the Fund that makes strategic decisions.

H Financial assets and Financial Liabilities

i Recognition of Financial Assets

All financial assets and liabilities are initially recognized on the trade date at which the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue.

ii Classification and initial recognition of financial assets

Financial assets at fair value through profit or loss are recognised initially on the trade date, which is the date that the Fund becomes a party to the contractual provisions of the instrument. Other financial assets are recognised on the date they are originated.

Financial assets at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are either Held-for-Trading or designated as being at Fair value through Profit or Loss.

A financial asset is Held-for-Trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- On initial recognition it is part of a portfolio that is managed together and for which there is evidence of a recent pattern of short-term profit taking

The Fund designates certain financial assets as being at fair value through profit or loss when the assets are managed, evaluated and reported internally on a fair value basis.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Fund has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets classified as available-for-sale
AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

The Fund has investments in unlisted shares that are not traded in an active market but that are classified as AFS financial assets and stated at fair value at the end of each reporting period because the directors consider that fair value can be reliably measured.

Fair value is determined in the manner described in note H (VII). Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including other receivables, bank balances and cash and Due from other financial institutions) are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

iii De-recognition of financial assets
The Fund derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Fund is recognized as a separate asset or liability in the statement of financial position. 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 transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

iv Classification and initial recognition of financial liabilities
Financial liabilities are initially measured at fair value, plus transaction costs, except for those financial liabilities classified as fair value through profit or loss, which are initially recognized at fair value. All financial liabilities are measured at amortized cost using the effective interest rate method except when specifically designated by the Fund as being at fair value through profit or loss.

v De-recognition of financial liabilities
The Fund derecognizes financial liabilities when, and only when its obligations are discharged, cancelled or expire.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

vi Identification and measurement of impairment for loans and receivables
At each reporting date the Fund assesses whether there is objective evidence that financial assets carried at amortized cost are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

Objective evidence that financial assets are impaired can include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The lender, for economic or legal reasons relating to the issuer's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets,
- Although the decrease cannot yet be identified with the individual financial assets in the portfolio, including: adverse changes in the payment status of borrowers in the portfolio; national or local economic conditions that correlate with defaults on the assets in the portfolio.

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

vii Valuation of financial Instruments

The best evidence of fair value is a quoted price in an actively traded market. In the event that the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data and so the reliability of the fair value measurement is high. For unquoted equities instruments, the fair value is determined by using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is similar; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

However, certain financial instruments are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable. Valuation techniques that rely to a greater extent on unobservable inputs require a higher level of management judgment to calculate a fair value than those based wholly on observable inputs.

NOTES TO THE FINANCIAL STATEMENTS

- the likelihood and expected timing of future cash flows on the instrument. These cash flows are usually governed by the terms of the instrument, although judgment may be required when the ability of the counterparty to service the instrument in accordance with the contractual terms is in doubt. Future cash flows may be sensitive to changes in market rates;

- selecting an appropriate discount rate for the instrument. The determination of this is based on the assessment of what a market participant would regard as the appropriate spread of the rate for the instrument over the appropriate rate; and

- judgment to determine what model to use to calculate fair value in areas where the choice of valuation model is particularly subjective

When applying a model with unobservable inputs, estimates are made to reflect uncertainties in fair values resulting from a lack of market data inputs, for example, as a result of illiquidity in the market. For these instruments, the fair value measurement is less reliable. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which to determine the level at which an arm's length transaction would occur under normal business conditions.

However, in most cases there is some market data available on which to base a determination of fair value, for example historical data, and the fair values of most financial instruments are based on some market observable inputs even when unobservable inputs are significant.

Given the uncertainty and subjective nature of valuing financial instruments at fair value, it is possible that the outcomes in the next financial year could differ from the assumptions used, and this could result in a material adjustment to the carrying amount of financial instruments measured at fair value.

I Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

J Provisions

Provision are recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Fund from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Fund recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Fund; or present obligations that have arisen from past events but are not recognized because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured. Contingent liabilities are not recognised in the financial statements but are disclosed unless the probability of settlement is remote.

NOTES TO THE FINANCIAL STATEMENTS

K Taxation
The Fund is domiciled in Nigeria. Under the current income tax laws of Nigeria, the Fund is liable to withholding tax on certain income. Such income or gains are recorded gross of withholding taxes in the statement of profit or loss. Withholding taxes are shown as a separate item in the statement of profit or loss.

L Payables and accruals
Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.3 Application of new and revised International Financial Reporting Standards (IFRSs)

2.3.1 New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Fund has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2013.

IFRS 13 Fair Value Measurement
The Fund has applied IFRS 13 for the first time in the prior year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. The Fund has made disclosures required by IFRS 13 for the reporting and comparative periods. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

The amendments have been applied retrospectively. As the Fund already carries its financial assets at fair value, the amendment has had no material impact on the disclosures or on the amounts recognised in the financial statements.

Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
The Fund has applied amendments to IFRS 7 for the first time in the current year. The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments do not apply to the disclosures or on the amounts recognised in the financial statements of the Fund as it does not have any offsetting arrangements.

NOTES TO THE FINANCIAL STATEMENTS

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

These standards are not applicable to the Fund as it does not prepare consolidated financial statements.

Annual Improvements to IFRSs 2009 – 2011 Cycle issued in May 2012
The Fund has applied annual improvement to IFRSs (2009-2011 Cycle issued in May 2012) for the first time in the current year. These improvements make amendments to the following standards:

IFRS 1	Permit the repeated application of IFRS 1, borrowing costs on certain qualifying assets
IAS 1	Clarification of the requirements for comparative information
IAS 16	Classification of servicing equipment
IAS 32	Clarify that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes
IAS 34	Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments

The Fund Manager has considered these improvements and concluded that none is applicable to the Fund.

2.3.2 New and revised IFRSs in issue but not yet effective

The Fund has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[1]
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
IFRS 9	Financial Instruments (2014)[2]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IFRSs	Annual Improvements 2010-2012 Cycle[4]
Amendments to IFRSs	Annual Improvements 2011-2013 Cycle[4]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 July 2014

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The Fund Manager does not anticipate that the application of these amendments to IAS 32 would have any material impact on the disclosures or on the amounts recognised in the financial statements as the Fund does not have any offsetting arrangements in place.

NOTES TO THE FINANCIAL STATEMENTS

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
The amendments to IFRS 10 defines an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with professional investment management services.
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

Based on the definition in the amendments, the Fund qualifies as an investment entity. However, the Fund Manager does not anticipate that the application of these amendments would have material impact on the disclosures or on the amounts recognised in the financial statements as the Fund does not prepare consolidated financial statements.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

The Fund Manager does not anticipate that the application of these amendments to IAS 36 would have any material impact on the disclosures or on the amounts recognised in the financial statements as the Fund does not have a non-financial asset with indicators of impairment.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
The amendments make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

The Fund Manager does not anticipate that the application of these amendments would have any material impact on the disclosures or on the amounts recognised in the financial statements as the Fund is prohibited from dealing in derivatives.

IFRS 9 Financial Instruments (2014)
There has been a finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

- Impairment. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

NOTES TO THE FINANCIAL STATEMENTS

- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition. The requirements for derecognition of financial assets and liabilities are carried forward from IAS 39.

Note: Depending on the chosen approach to applying IFRS 9, the transition can involve one or more than one date of initial application for different requirements.

The Fund Managers do not anticipate the application of this standard to have a material impact on the disclosures or on the amounts recognised in the financial statements of the Fund as the changes introduced by the new standard do not relate to the business of the Fund.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Fund Manager does not anticipate that the application of this standard would have material impact on the disclosures or on the amounts recognised in the financial statements of the Fund.

Annual Improvements to IFRSs 2010-2012 Cycle

These improvements make amendments to the following standards:

IFRS 2	Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'
IFRS 3	Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date
IFRS 8	Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly
IFRS 13	Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only)
IAS 16 and IAS 38	Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount
IAS 24	Clarify how payments to entities providing management services are to be disclosed

The Fund Manager does not anticipate that the application of these improvements would have material impact on the disclosures or on the amounts recognised in the financial statements of the Fund.

NOTES TO THE FINANCIAL STATEMENTS

Annual Improvements to IFRSs 2011-2013 Cycle
These improvements make amendments to the following standards:

IFRS 1	Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only)
IFRS 3	Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself
IFRS 13	Clarify the scope of the portfolio exception in paragraph 52
IAS 40	Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

The Fund Manager does not anticipate that the application of these improvements would have material impact on the disclosures or on the amounts recognised in the financial statements of the Fund.

		2014 ₦'000	2013 ₦'000
3	**Net interest income**		
	Interest on bonds	55,511	34,637
	Interest on treasury bills	186,392	118,444
	Interest on short term placements	55,001	217,422
	Interest income	**296,904**	**370,503**
4	**Dividend income**		
	Listed securities	72,537	55,937
	Unlisted securities	56,932	45,983
	Total dividend income	**129,469**	**101,920**
5	**Gain/(Loss) from financial instruments at fair value through profit or loss**		
	Guaranty Trust Bank Plc	36,722	73,444
	FBN Holdings Plc	(40,925)	124,198
	Zenith Bank Plc	47,250	54,450
	UAC of Nigeria Plc	32,115	195,366
	Seplat Petroleum Dev. Co. Plc	46,500	-
	Continental Reinsurance Plc	(14,688)	51,535
	Net fair value changes	**106,974**	**498,993**
6	**Other operating expenses**		
	Transaction costs	-	467
	Listing fees to Nigerian Stock Exchange	1,072	2,143
	Domiciliary and other fees to CSCS	436	1,407
	Rating fees	-	750
	VAT on fees	3,116	2,778
	Other operating expenses	1,266	1,127
	Total	**5,890**	**8,672**

NOTES TO THE FINANCIAL STATEMENTS

		2014 ₦'000	2013 ₦'000
7	**Tax expense**		
	Withholding tax on interest income earned	5,229	20,864
	Withholding tax on dividend income earned	12,947	10,748
	Total tax expense	**18,176**	**31,612**
8	**Bank balances**		
	Bank balance	**15,166**	**29,864**

Bank balance of the Fund represents balance in the Call account with Stanbic IBTC Bank Plc which qualify for recognition as cash & cash equivalents in accordance with IAS 7. The Call account is an interest earning account with Stanbic IBTC Bank Plc.

		2014 ₦'000	2013 ₦'000
9	**Due from other financial institutions**		
	Fidelity Bank Plc	103,055	200,270
	Skye Bank Plc	205,723	167,974
	First City Monument Bank Plc	153,267	-
	Access Bank Plc	100,192	-
		562,237	**368,244**

This amount represents monies invested in various Nigerian banks. The tenors of the placements vary between 30 to 90 days and at different rates.

		2014 ₦'000	2013 ₦'000
10	**Cash and cash equivalents**		
	Bank balance	15,166	29,866
	Due from other financial institutions	562,237	368,244
		577,403	**398,110**
10.1	**Reconciliation of profit after tax to net cash flows from operating activities**		
	Profit after tax	434,620	845,175
	Items not involving movement of cash		
	Net gains from financial instruments at fair value through profit or loss	(106,974)	(498,993)
	Change in operating assets and liabilities		
	Dividend receivable	15,118	(18,328)
	Interest receivable	40,130	(23,858)
	Financial Assets at fair value through profit or loss	(216,000)	(48,448)
	Payables and accruals	(17,250)	28,097
	Net cash flows from operating activities	**149,644**	**283,645**

NOTES TO THE FINANCIAL STATEMENTS

		2014 ₦'000	2013 ₦'000
11	**Financial assets at fair value through profit or loss**		
	Investment in listed equity instruments:		
	Continental Reinsurance Company Plc	97,308	111,996
	FBN Holdings Plc	277,577	318,501
	Guaranty Trust Bank Plc	228,623	191,902
	UACN Plc	398,225	366,110
	Seplat Plc	262,500	-
	Zenith Bank Plc	225,450	178,200
	Total	**1,489,683**	**1,166,709**

Listed equity securities are securities that are traded on the Nigerian Stock Exchange. These securities which were identified as undervalued with an above growth potential when purchased, are carried at fair value with fair value changes recorded in the statement of profit or loss.

		2014 N'000	2013 N'000
12	**Financial assets available-for-sale**		
	Investment in unquoted equity securities:		
	MTN Nigeria linked notes	307,68	249,730
	Friesland Campina WAMCO Nigeria Plc	667,88	294,120
	Consolidated Breweries Plc	165,73	132,953
	Total	**1,141,3**	**676,803**

Unquoted equity securities are classified as available for sale. Differences in fair valuation of available-for-sale securities are reported in the investments revaluation reserve.

Unquoted equity securities are carried at fair value as required by IAS 39. Fair value is determined as the latest transaction price at which the most recent trade on the Over the Counter platform was carried out. The Fund Manager believes this captures the fair value of these holdings at the reporting date.

		2014 N'000	2013 N'000
12.1	**Gains or losses on financial assets classified as available for sale**		
	At 1 July	676,803	217,545
	Additions during the year	-	429,115
	Net fair value change during the year	464,504	30,143
	At 30 June	1,141,307	676,803
13	**Held-to-maturity investments**		
	Treasury bills	1,277,106	1,596,011
	Federal Government of Nigeria Bonds	270,215	188,282
	Lagos State Government Bonds 7 years (14.5%)	152,383	152,384
	Total	**1,699,704**	**1,936,677**

NOTES TO THE FINANCIAL STATEMENTS

Held-to-maturity investments of the Fund as at the reporting date consist mainly of Treasury bills issued by the Federal Government of Nigeria as short term debt instruments. The Treasury bills are discounted debt securities purchased through licensed institutions (majorly banks).The interest earned on the treasury bills are tax free and payable upfront in form of discount on the bills. The assets bought from the primary market have tenor ranges between 91 to 364 days. The Fund has invested in these instruments with the intention to hold them to maturity. The Fund also holds bonds issued by Federal Government of Nigeria and Lagos State Government. The Fund intends to hold these securities to maturity. Coupon for both FGN Bonds and Lagos State Government Bond are paid bi-annually and principal repaid on maturity.

14 Loans & receivables	2014 N'000	2013 N'000
Commercial papers	-	97,287
Total	**-**	**97,287**

The loans and receivables consist of interest bearing investments of the Fund that are not quoted. These securities are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate as required by IAS 39. The Fund did not hold any instrument which qualifies as loans & receivables as at report date.

15 Other assets	2014 N'000	2013 N'000
Dividend receivable from:		
UAC of Nigeria Plc	11,240	8,564
FBN Holding Plc	-	17,793
Total	**11,240**	**26,357**

16 Payables & accruals		
Due to Fund Manager	24,320	39,590
Trustee fees payable	1,616	734
Custody fees payable	2,565	2,293
Audit fees	4,500	4,500
VAT on fees payable	1,034	2,357
Withholding tax Payables	1,344	3,155
	35,379	**52,629**

These account balances represents fees payable to entities that rendered various services to the Fund during the year. They are unpaid portion of cost of services rendered. The fees are computed monthly. The fee due to the Trustees is payable semi-annually while that of the Fund Manager is payable quarterly. The Custodian Fees is payable monthly based on the term of the safe custody agreement. Financial liabilities of the Fund are measured at amortised cost except when specifically designated as being at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

		2014 N'000	2013 N'000
17	**Share capital**		
	Authorised, issued and fully paid:		
	32,096,786 units of N100 each	3,209,679	3,209,679
	Premium on issue of units	1,827	1,827
	Net proceeds from sale of units	**3,211,506**	**3,211,506**
18	**Investments revaluation reserve**		
	At 1 July	20,612	(9,531)
	Net gain arising on revaluation of available-for-sale financial assets	464,504	30,143
	Income tax relating to revaluation of available-for-sale financial assets	-	-
	Cumulative (gain)/loss reclassified to profit or loss on sale of AFS financial assets	-	-
	Cumulative loss reclassified to profit or loss on impairment of AFS financial assets	-	-
	At 30 June	**485,116**	**20,612**
19	**Retained earnings**		
	At 1 July	1,017,194	415,632
	Profit for the year	434,620	845,175
	Dividend payment	(264,478)	(243,613)
	At 30 June	**1,187,336**	**1,017,194**

20 Use of estimates and judgments

(a) Key sources of estimation uncertainty

(i) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of 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, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) Critical accounting judgments in applying the Fund's accounting policies

(i) Valuation of financial instruments

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: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

NOTES TO THE FINANCIAL STATEMENTS

- Level 3: Valuation techniques using significant unobservable inputs. 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 for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments the Fund determines fair values using valuation techniques or obtains market values of the assets in OTC markets. Valuation techniques include net present value and discounted cash flow models, and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length. The Fund uses widely recognized valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity investments.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments the Fund uses proprietary valuation models, which usually are developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain over the counter securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates. The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1	**Level 2**	**Level 3**	**Total**
30-Jun-14	**N'000**	**N'000**	**N'000**	**N'000**
Financial assets at fair value				
Equity investments	1,489,683	1,141,307	-	2,630,990
Debt securities	-	-	-	-
	1,489,683	**1,141,307**	**-**	**2,630,990**
Financial liabilities at fair value				
Securities sold short	-	-	-	-

	Level 1	Level 2	Level 3	Total
30-Jun-13	N'000	N'000	N'000	N'000
Financial assets at fair value				
Equity investments	1,166,709	676,803	-	1,843,512
Debt securities	-	-	-	-
	1,166,709	**676,803**	-	**1,843,512**
Financial liabilities at fair value				
Securities sold short	-	-	-	-

21 Financial risk management

(a) Introduction and overview

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

- credit risk
- liquidity risk
- market risk
- operational 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.

(i) Risk management framework

The Fund's investment portfolio comprises listed and unlisted equity and debt securities including Government issued bonds and treasury bills.

(b) Credit risk

Credit risk is the risk that 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 debt securities held, and also from derivative financial assets, cash and cash equivalents, balances due from brokers and receivables from reverse repurchase agreements. For risk management reporting purposes the Fund considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

(i) Management of credit risk

The Fund's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out in the Fund's investment strategy document. The Fund's exposure to the corporate bonds sector will be restricted to investment grade issues. High yield issues will be considered provided sufficient compensation for additional risk is obtainable. Overall, the Fund will not allocate more than 10% of the portfolio to any one issuer.

Credit risk is monitored on a weekly basis by the investment manager in accordance with policies and procedures in place. The balances held in instruments that are exposed to credit risk are measured against the asset value of the portfolio to ensure it is within the limits. If it is found to be outside of the limit steps are taken to bring the holding in line with policy. In addition, on an annual basis, credit rating of the financial institutions the Fund invests in, is assessed to ensure the rating is investment grade. The Fund's credit risk is monitored on a regular basis by the investment manager. Where the credit risk is not in accordance with the investment policy or guidelines of the Fund, the investment manager is obliged to bring this to the attention of the Investment Committee at the succeeding investment committee meeting. The position is to be discussed at every subsequent investment committee meeting for as long as such positions subsist.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Exposure to credit risk

The Fund's maximum credit risk exposure at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that a financial instrument cannot be purchased or sold without a significant concession in price because of the market's potential inability to efficiently accommodate the desired trading size.

(i) Management of liquidity risk

The Fund's policy and the investment manager's approach to managing liquidity is to ensure the Fund uses position limits to ensure that the Fund is not overly exposed to illiquid securities.

(ii) Maturity analysis for financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	(outflow)	Gross nominal inflow/ outflow	Less than 1month	3 months	3months to1year
30-Jun-14	**N'000**		**N'000**	**N'000**		
Balances due to:						
Fund Parties	28,501	-		28,501	-	-
Other payables	6,878	-		6,878	-	-
	35,379	-	-	**35,379**	-	-

	Carrying amount	(outflow)	Gross nominal inflow/ outflow	Less than 1month	3 months	3months to1year
30-Jun-13	**N'000**		**N'000**	**N'000**		
Balances due to						
Fund Parties	42,617	-		**42,617**	-	-
Other payables	10,012	-		**10,012**	-	-
	52,629	-	-	**52,629**	-	-

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Management of market risk

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The Fund's market positions are monitored on a regular basis by the Investment Committee.

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(ii) Interest rate risk

The Fund is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates.

The distribution of the Fund's fixed income portfolio is shown below:

	2014		2013	
Tenor	**% of Net Assets**	**After Tax Weighted Yield (%)**	**% of Net Assets**	**After Tax Weighted Yield (%)**
< 1 Year	26.15%	10.12%	52.96%	11.62%
1 - 3 Years	5.53%	1.58%	0%	0%
> 3 Years	3.12%	0.98%	3.59%	0.94%
		12.69%		**12.56%**

(iii) Equity price risk

Equity price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those 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.

Price risk is managed by the investment manager by diversifying the portfolio thus limiting exposure to any particular sector or security. Exposure limits are set by the Fund as follows: Not more than 5% of the Fund is invested in a particular security. Where allocation is higher than 7%, this position is brought to the attention of the Investment Committee. Necessary steps are taken to review the position.

The Fund's policy for concentration of its investment portfolio profile is as follows:

Equity investments listed on the Nigerian stock exchange	Up to 85% of net assets
Unlisted equity investments	Up to 20% of net assets
Unlisted open-ended investment funds	Up to 0% of net assets

The internal procedures require the investment manager to manage price risk on a daily basis. The Fund's procedures require price risk to be monitored on a regular basis by the Investment Committee.

Where the price risk is not in accordance with the investment policy or guidelines of the Fund, the Portfolio manager is required to bring this to the attention of the Investment Committee. Necessary steps are taken to review the position.

The following table sets out concentration of the investment assets and liabilities of the Fund

	2014 % of net assets	**2013 % of net assets**
Equity investments:		
Quoted equity investments	30.54	27.46
Unlisted equity investments	23.40	15.93
Total equity investments	53.94	43.38
Total debt securities	46.37	56.53
Total investment assets	100.31	99.92
Total investment liabilities	(0.85)	(1.24)

NOTES TO THE FINANCIAL STATEMENTS

The investment manager further monitors concentration of risk based on counterparties and industries. The Fund's equity investments are concentrated in the following industries:

	2014 %	2013 %
Banking sector	**15.00**	**16.21**
Building materials	0.00	0.00
Oil & Gas	**5.38**	0.00
Breweries	**3.40**	**3.13**
Conglomerates	**8.16**	**8.62**
Food and beverages	**13.69**	**6.92**
Real Estate	0.00	0.00
Road transport	0.00	0.00
Insurance	**1.99**	**2.64**
Foreign listing	0.00	0.00
Maritime	0.00	0.00
Telecommunications	**6.31**	**5.88**
Others	0.00	0.00
	53.94	**43.38**

No exposure to any individual issuer or sector exceeded 20% of the net assets attributable to the unit holders.

No impairment losses have been recognised for the years presented relating to listed equities classified as Fair value through profit or loss and unlisted equities investments classified as being available-for-sale investments. For more information see note 13.1 on Available-for-sale investments.

At 30 June 2014, it is estimated that an increase of 10% in value of unquoted equity investments would result in an immediate credit to other comprehensive income of N114.1 million (2013: N67.7 million credit to other comprehensive income), while a decrease of 10% in the value of unquoted equity investments would result to an immediate charge to other comprehensive income of N114.1million (2013: N67.7 million charge to other comprehensive income).

It is also estimated that at 30 June 2014 an increase of 10% in quoted equity prices would result in an immediate credit to Profit or loss of N148.9 million (2013 N116.7 million credit to Profit or loss), while a decrease of 10% in quoted equity prices would result to an immediate charge to Profit or loss of N148.9 million (2013 N116.7 million charge to Profit or loss).

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Investment Committee. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- contingency plans;
- ethical and business standards; and
- risk mitigation, including insurance if this is effective.

The Fund Manager's and Investment Committee's assessment of the adequacy of the controls and processes in place at the service providers with respect to operational risk is carried out via ad-hoc discussions with the service providers.

		30-Jun 2014 N'000	30-Jun 2013 N'000
22	**Fund Manager's incentive fees**		
	Opening net asset (audited)	4,249,312	3,617,609
	Closing NAV before Incentive Fees	4,896,281	4,279,700
	Dividend paid during year	264,478	243,615
	Growth in NAV (%)	21.45%	25.04%
	Excess above 20%	1.45%	5.04%
	Return in excess of 20% benchmark ((₦)	61,615	182,327
	Incentive fee due to the Fund Manager	12,323	36,466
	Incentive fee charged to P or L (Note 22.1)	12,323	30,388
	Closing net asset after incentive fee (audited)	**4,883,958**	**4,249,312**

22.1 The Fund Manager is entitled to an incentive fee of 20% of the total returns in excess of 20% of the scheme's net asset value per annum. With effect from year end 30 June 2014, total returns is determined based on growth in NAV. In the prior year, return was determined as profit for the year as reported in the Statement of profit or loss.

23 Segment information

The Investment Committee of the Fund manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by this Committee that are used to make strategic decisions.

The Committee considers the business along the lines of asset classes stated in the Trust Deed, which are managed by the Investment Manager. These classes are cash represented by call deposit; money market represented by Due from other financial institutions and loans and receivable; fixed income securities represented by held to maturity assets; unquoted equities represented by available-for-sales; and quoted equities represented by fair value through profit or loss.

The reportable operating segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of interest, dividends and gains on the appreciation in the value of investments.

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The segment information provided to the Investment Committee for the reportable segments are as follows:

For the year ended 30 June 2014

	Cash	Money Market	Fixed Income	Unquoted Equities	Quoted Equities	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Interest income	4,464	50,537	241,903	-	-	296,904
Dividend Income	-	-	-	56,932	72,538	129,470
Fair value gain	-	-	-	464,504	106,974	571,478
Transaction cost	-	-	-	-	-	-
Withholding taxes	(447)	(4,782)	-	(5,693)	(7,254)	(18,176)
Total net segment income	4,017	45,755	241,903	515,743	172,258	979,675
Total segment assets	15,166	562,237	1,699,704	1,141,307	1,489,683	4,908,097
Total segment liabilities	-	-	-	-	-	-

For the year ended 30 June 2013

	Cash	Money Market	Fixed Income	Unquoted Equities	Quoted Equities	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Interest income	4,026	213,396	153,081	-	-	370,503
Dividend Income	-	-	-	45,983	55,937	101,920
Fair value gain/loss	-	-	-	30,143	498,993	529,136
Transaction cost	-	-	-	-	(467)	(467)
Withholding taxes	(403)	(20,461)	-	(5,154)	(5,594)	(31,612)
Total net segment income	3,623	192,935	153,081	70,972	548,869	969,480
Total segment assets	29,864	465,533	1,936,677	676,803	1,166,709	4,275,586
Total segment liabilities	-	-	-	-	-	-

There were no transactions between reportable segments.

The Fund's Management fees and other administrative expenses are not considered to be segment expenses.

A reconciliation of total net segmental income to net operating profit is provided as follows.

	2014	2013
	N'000	N'000
Total net segment income	997,850	1,001,559
Withholding taxes	(18,176)	(31,612)
Fair Value Gain from AFS	(464,504)	(30,143)
Other expenses	(80,551)	(94,629)
Operating profit	434,620	845,175

The Fund's other assets are not considered to be segment assets and are managed by the administration function.

Reportable segments' assets are reconciled to total assets as follows.

	2014	2013
	N'000	N'000
Segment assets for reportable segments	4,908,097	4,275,586
Other assets	11,240	26,357
Total assets	4,919,337	4,301,943

NOTES TO THE FINANCIAL STATEMENTS

The Fund's accrual and payables are not considered to be segment liabilities.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2014	2013
	N'000	N'000
Segment liabilities for reportable segments:		
Accruals and payables	35,379	52,629

The Fund is domiciled in Nigeria. All of the Fund's income from investments is from entities incorporated in countries other than Nigeria.

24 Related parties and other key contracts

A number of transactions were entered into with related parties of The Fund in the normal course of business. The volume of related-party transactions and outstanding balances at the year-end are as follows:

Fund manager and other parties

The Fund is managed by SIM Capital Alliance Limited, an investment management company incorporated in Nigeria, to implement the investment strategy as specified in the prospectus. Under the Trust deed, the Fund manager receives a management fee at an annual rate of 1% of the net assets value. In addition, the Fund Manager earns an incentive fee of 20% of the excess of return for the year over 20% (see note 22).

The Trustees, Leadway Capital and Trusts Limited, under the Trust deed receives 0.035% of net asset value of the Fund per annum as Trustees' fee. The Trustees' fee was reviewed to 0.07% by a resolution passed by Unit holders at the 2nd Annual General Meeting held on the 17th of December 2013.

Under the safe custody agreement, the Custodian, Stanbic IBTC Bank Plc, receives a fee of 0.20% of the value of securities in its custody over N2 billion in addition to a fee of 0.25% of the value of the securities up to N1 billion and another of 0.225% of the value of securities between N1 billion and N2 billion per annum.

A director of the Fund Manager, Mr. Okechukwu Enelamah, is a non-executive director in UACN Plc, a company where the Fund has 6,422,977 units of shares.

The fees earned by the Fund Manager and other parties to the Fund during the year are disclosed on the face of the Statement of profit or loss. The amounts payable as at the end of year on these fees to these related parties are disclosed in note 16.

Unit holding

One of the requirements of the Securities and Exchange Commission of Nigeria, regarding collective investment schemes is for the Fund manager to invest 5% of the offer size. SIM Capital Alliance Limited complied with this law by virtue of their investment in the Value Fund.

Stanbic IBTC Pension Managers Limited is an investor in the Value Fund, whilst Stanbic IBTC Bank Plc provides custodian and banking services to the Value Fund.

Stanbic IBTC Bank Plc (through related entities)

SIM Capital Alliance Limited

NOTES TO THE FINANCIAL STATEMENTS

25 Events after the end of the reporting period

Subsequent to the end of the reporting period, the Fund manager proposed a dividend of N10 each on the 32,096,786 units of N100 each issued capital as at 30 June 2014.

Sanlam Investment Management, a shareholder with a 50% stake in the Fund Manager, SIM Capital Alliance Limited, has commenced the process of selling its ownership in the Fund Manager to ACA Holdings Limited. The necessary documents for this transaction have been submitted to the Securities & Exchange Commission ("SEC") for approval. The Fund Manager expects the approval to be received subsequent to the end of the reporting period.

There are no other post balance sheet events that required disclosure in these financial statements.

26 Approval of financial statements

The financial statements were approved by the board of directors of the Fund Manager and authorised for issue on 30th October 2014.