

# **SIM CAPITAL ALLIANCE VALUE FUND**

Unaudited Quarterly Reports And Financial Statements

September 30, 2017

## Table of Contents

Corporate Information	<u>i</u>
Statement of profit or loss	<u>2</u>
Statement of comprehensive income	<u>3</u>
Statement of financial position	<u>4</u>
Statement of cash flows	<u>5</u>
Statement of changes in equity	<u>6</u>
Notes to the financial statements	<u>7</u>

**CORPORATE INFORMATION**

<b>Names of Directors of the Fund Manager</b>	Mr. Richard Kramer (American) Chairman Cyril Odu Sam Oniovosa (Alternate)
<b>Registered Office</b>	8th Floor C & C Towers, Plot 1684 Sanusi Fafunwa Street Victoria Island Lagos
<b>Auditors</b>	Akintola Williams Deloitte (Chartered Accountants) Civic Towers Plot GA 1 Ozumba Mbadiwe Avenue, Victoria Island Lagos
<b>Bankers</b>	Stanbic IBTC Plc Stanbic IBTC Place Walter Carrington Crescent Victoria Island Lagos
<b>Trustees to the Fund</b>	Leadway Capital and Trust Limited 121/123 Funso Williams Avenue Iponri Lagos
<b>Custodian</b>	Stanbic IBTC Plc Stanbic IBTC Place Walter Carrington Crescent Victoria Island Lagos
<b>Company Secretary</b>	Alsec Nominees Limited 10/13th floors St. Nicholas House Catholic Mission House Ikoyi, Lagos

**STATEMENT OF PROFIT OR LOSS  
FOR THE QUARTER ENDED 30 SEPT 2017**

	Note	30-Sep 2017 N'000	30-Sep 2016 N'000
Interest income	3	81,178	56,776
Dividend income	4	31,599	31,762
Net gains from financial instruments at fair value through profit or loss		41,996	24,215
Other Income	5	12,080	31,901
<b>Total revenue</b>		<b>166,853</b>	<b>144,654</b>
Fund Manager's fees		(12,489)	(10,168)
Trustees fees		(874)	(712)
Custodian fees		(1,254)	(2,132)
Registrars fees		-	-
Audit fees		-	-
Other operating expenses	6	(9,836)	(2,499)
		(24,454)	(15,511)
Net operating income before Fund Manager's incentive fees		142,399	129,142
Fund Manager's incentive fees		-	-
Net operating income		142,399	129,142
Withholding Tax expense	7	(3,575)	(3,487)
<b>Profit after tax</b>		<b>138,824</b>	<b>125,656</b>

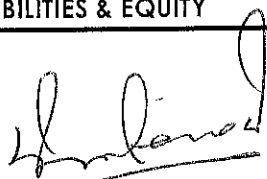
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 SEPT 2017**

	30-Sep 2017 N'000	30-Sep 2016 N'000
<b>Profit for the quarter</b>	138,824	125,656
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net (losses) / gains from financial assets classified as available-for-sale	(20,331)	(124,509)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Reclassification adjustment relating to available for sale financial assets disposed during the quarter	-	
<b>Other comprehensive income net of tax</b>	(20,331)	(124,509)
<b>Total comprehensive income for the quarter</b>	118,493	1,147

**STATEMENT OF FINANCIAL POSITION**  
**as at 30 September, 2017**

**Audited**

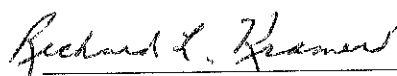
		30-Sep 2017 N'000	30-Jun 2017 N'000
	Note		
<b>ASSETS</b>			
Cash and Bank balances	8	14,720	58,052
Due from other financial institutions	9	306,346	275,621
Financial assets at fair value through profit or loss	10	2,402,233	2,705,170
Available-for-sale financial assets - Unquoted Equities	11	405,118	437,382
Available-for-sale financial assets - Fixed Income Securities	12	1,916,290	1,453,388
Other assets	13	2,651	7,750
<b>TOTAL ASSETS</b>		<b>5,047,358</b>	<b>4,937,363</b>
<b>LIABILITIES</b>			
Payables and accruals	14	85,332	90,757
<b>TOTAL LIABILITIES</b>		<b>85,332</b>	<b>90,757</b>
<b>EQUITY</b>			
Issued share capital	15	3,209,679	3,209,679
Share Premium	15	1,827	1,827
Other reserves		47,080	71,139
Retained earnings		1,703,440	1,563,961
<b>TOTAL EQUITY</b>		<b>4,962,026</b>	<b>4,846,606</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>5,047,358</b>	<b>4,937,363</b>



Sam Oniovosa

Chief Financial Officer

FRC/2013/ICAN/00000004911



Richard Kramer

Director

FRC/2013/ICAN/00000004909

**STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 SEPT 2017**

	<b>30-Sep 2017 N'000</b>	<b>30-Sep 2016 N'000</b>
<b>Cash flows from operating activities</b>		
Profit after tax for the quarter	138,824	125,656
Adjustments for:		
Dividend income	(31,599)	(31,762)
Net loss/(income) from financial instruments at fair value through profit or loss	(41,996)	(24,215)
	<b>65,229</b>	<b>69,679</b>
Movement in working capital:		
Net decrease in other assets	5,099	-
Net increase / (decrease) in payables and accruals	(4,768)	490
Net (increase)/ decrease in financial assets at fair value through profit or loss	344,934	(219,623)
Net (increase)/decrease in available-for-sale financial assets	(454,700)	-
Net decrease/ (increase) in held to maturity investments	-	(346,174)
Cash generated from/ (used in) operations	(44,206)	(495,628)
Dividend received	31,599	31,762
Net cash generated by operating activities	<b>(12,607)</b>	<b>(463,866)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	-	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	(12,607)	(463,866)
Cash and cash equivalents at start of quarter	333,673	598,581
	<b>321,066</b>	<b>134,715</b>

**STATEMENT OF CHANGES IN EQUITY**  
**as at 30 September, 2017**

	Ordinary Share Capital	Share Premium	Available for sale revaluation Reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000
<b>Balance at 1 July 2016</b>	3,209,679	1,827	116,251	743,528	4,071,285
Other comprehensive income for the year	-	-	(45,112)	-	(45,112)
Profit for the year	-	-	-	1,141,395	1,141,395
Dividend paid	-	-	-	(320,967)	(320,967)
<b>Balance as at 30 June 2017</b>	<b>3,209,679</b>	<b>1,827</b>	<b>71,139</b>	<b>1,563,956</b>	<b>4,846,601</b>
Other comprehensive income for the quarter	-	-	(20,331)	-	(20,331)
Post Audit Adjustment	-	-	-	(3,068)	(3,068)
Profit for the year	-	-	-	138,824	138,824
Dividend paid	-	-	-	-	-
<b>Balance as at 30 Sept 2017</b>	<b>3,209,679</b>	<b>1,827</b>	<b>50,808</b>	<b>1,699,712</b>	<b>4,962,026</b>



## 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 ValuAlliance Asset Management 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 Activity

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 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 report of the Fund is a general purpose financial 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).

#### 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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

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 relate 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 relate 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.

### **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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

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

## NOTES TO THE FINANCIAL STATEMENTS

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.

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.

## **NOTES TO THE FINANCIAL STATEMENTS**

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.

### **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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	<b>30-Sep 2017 N'000</b>	<b>30-Sep 2016 N'000</b>
<b>3 Interest income</b>		
Interest on bonds	19,742	35,298
Interest on treasury bills	56,796	18,371
Interest on short term placements	4,640	3,107
<b>Interest income</b>	<b>81,178</b>	<b>56,776</b>
	<b>30-Sep 2017 N'000</b>	<b>30-Sep 2016 N'000</b>
<b>4 Dividend income</b>		
Listed securities	24,844	31,762
Unlisted securities	6,755	-
<b>Total dividend income</b>	<b>31,599</b>	<b>31,762</b>
	<b>30-Sep 2017 N'000</b>	<b>30-Sep 2016 N'000</b>
<b>5 Other Income</b>		
Realised Income from Disposal of Financial assets at fair value through profit or loss	12,080	-
Cummulative gain reclassified from equity on disposal of available for sale	-	-
Exchange Gain	-	31,901
Others	-	-
<b>Total</b>	<b>12,080</b>	<b>31,901</b>
	<b>30-Sep 2017 N'000</b>	<b>30-Sep 2016 N'000</b>
<b>6 Other operating expenses</b>		
Listing fees to Nigerian Stock Exchange	-	-
Domiciliary and other fees to CSCS	-	-
VAT on Fees	731	651
Brokerage	893	849
SEC Fees	2,142	659
Stamp Duties	268	165
Bank Charges	3	6
Exchange Loss	5,100	-
Nominee Fee	529	-
Recoverable Expenses from Audit	171	171
	<b>9,836</b>	<b>2,499</b>
	<b>30-Sep 2017 N'000</b>	<b>30-Sep 2016 N'000</b>
<b>7 Withholding Tax expense</b>		
Withholding Tax on interest income earned	415	311
Withholding Tax on dividend income earned	3,160	3,176
<b>Total tax expense</b>	<b>3,575</b>	<b>3,487</b>



NOTES TO THE FINANCIAL STATEMENTS

8 <b>Bank balances</b>	30-Sep	Audited
	2017	30-Jun
	₦'000	2017
		₦'000
Bank balance	14,720	58,052

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.

9 <b>Due from other financial institutions</b>	30-Sep	Audited
	2017	30-Jun
	₦'000	2017
		₦'000
Stanbic IBTC	306,346	-
Union Bank	-	275,621
	<b>306,346</b>	<b>275,621</b>

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

9.1 <b>Cash and cash equivalent</b>	30-Sep	Audited
	2017	30-Jun
	₦'000	2017
		₦'000
Bank balance	14,720	58,052
Due from other financial institutions	306,346	275,621
	<b>321,067</b>	<b>333,673</b>

## NOTES TO THE FINANCIAL STATEMENTS

	<b>30-Sep 2017 N'000</b>	<b>Audited 30-Jun 2017 N'000</b>
<b>10 Financial assets at fair value through profit or loss</b>		
<b>Investment in quoted equity instruments:</b>		
Access Bank Plc	195,733	189,025
Continental Reinsurance Company Plc	137,700	74,378
Custodian & Allied Plc	120,166	128,428
Diamond Bank	26,119	29,444
FCMB Plc	16,050	18,750
FBN Holdings Plc	110,390	124,874
Fidelity Bank	69,627	68,068
Guaranty Trust Bank Plc	295,889	362,030
Okomu Oil Palm	199,136	184,266
Presco Plc	187,245	231,676
Seplat	168,788	174,375
Stanbic IBTC Holdings	155,865	356,596
Total	152,229	184,520
UACN Plc	96,345	138,415
UBA	164,160	166,440
Zenith Bank Plc	306,793	273,885
<b>Total</b>	<b>2,402,233</b>	<b>2,705,170</b>

Quoted 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.

	<b>30-Sep 2017 N'000</b>	<b>Audited 30-Jun 2017 N'000</b>
<b>11 Financial assets available-for-sale</b>		
<b>Unquoted Equity Securities</b>		
Investment in unquoted equity securities:		
MTN Nigeria linked notes	218,611	218,719
Friesland Campina WAMCO Nigeria Plc	186,506	218,663
<b>Total</b>	<b>405,118</b>	<b>437,382</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS

	30-Sep 2017	Audited 30-Jun 2017
	N'000	N'000
<b>12 Financial Assets Available for Sale – Fixed Income Securities</b>		
Eurobonds	187,795	189,475
Treasury bills	1,281,044	929,979
Federal Government of Nigeria Bonds	344,914	236,702
Lagos State Government Bond	102,536	97,232
<b>Total</b>	<b>1,916,290</b>	<b>1,453,388</b>

Available for Sale - Fixed Income Securities 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 Treasury Bills bought from the primary and secondary markets have tenors of 365 days or less.

The Fund also holds bonds issued by Federal Government of Nigeria, Lagos State Government and Eurobonds issued by Nigerian Corporates. Coupon for all bonds held by the Fund are paid bi-annually. While principal for the FGN Bonds and Eurobonds held by the Fund is to be repaid at maturity, the Lagos State Government Bond is an amortizing bond, with a portion of principal repaid semi-annually.

	30-Sep 2017	Audited 30-Jun 2017
	N'000	N'000
<b>13 Other assets</b>		
Dividend receivable from: Stanbic IBTC Holdings	-	486
Interest Receivable from: Federal Government of Nigeria Bonds	2,651	7,264
	<b>2,651</b>	<b>7,750</b>

	30-Sep 2017	Audited 30-Jun 2017
	N'000	N'000
<b>14 Payables &amp; accruals</b>		
Due to Fund Manager	12,480	10,693
Trustee fees payable	874	1,395
Custody fees payable	1,355	1,286
Fund Manager's Incentiv Fee Payable	69,863	70,515
Audit fees	-	4,500
VAT on Fees	735	669
Recoverable Expenses from Audit	-	928
Fees in relation to Dividend Payment	25	288
Annual Registers Fees	-	483
	<b>85,332</b>	<b>90,757</b>

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.

	30-Sep 2017 #'000	Audited 30-Jun 2017 #'000
<b>15 Share capital</b>		
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
<b>Net proceeds from sale of units</b>	<b>3,211,506</b>	<b>3,211,506</b>