AIHN

ASSOCIATION OF ISSUING HOUSES OF NIGERIA

Annual report

2013

ASSOCIATION OF ISSUING HOUSES OF NIGERIA

PARTNERSHIP INVESTMENT COMPANY PLC
• SINCE 1991 •

• INVESTMENT BANKING • SECURITIES TRADING • WEALTH MANAGEMENT • ADVISORY

Head office:
37, Ademola Street
Off Awolowo Road, S.W. Ikoyi
P.O.Box 50901 Ikoyi, Lagos, Nigeria
Tel: 01-4614038, 08150553299
0700 - PARTNERSHIP

Western Regional office:
Investment House, 1st Floor
Ring Road, Benin City
P.O.Box 4160 Benin City, Edo State
Tel: 08150553292

Northern Regional office:
Nigerian Stock Exchange Building,
Plot 252A Herbert Macaulay Way,
Central Area
Abuja
Tel: 08150553294

Eastern Regional office:
Niger Insurance House, 4th Floor
9, Port Harcourt-Aba Express Way
Opposite Air Force Secondary School
Rumuomasi, Port Harcourt
Tel: 08150553293

Website: www.partnershipplc.com

Email: info@partnershipplc.com

Contents

Introduction

ABOUT THE ASSOCIATION OF ISSUING HOUSES OF NIGERIA

The Association of Issuing Houses of Nigeria consists of financial institutions licensed to operate as Issuing Houses by the Securities & Exchange Commission and /or other appropriate regulatory bodies.

Its objectives are among other things, the following:

- To set professional and ethical standards for members;
- To promote free interplay of market forces;
- To encourage professional development of operators;
- To provide research and data on market transactions;
- To promote professional integrity across the industry.

The Association is registered as an incorporated trustee under Part C of the companies and Allied Matters Act, CAP C20 LFN 2004.

Corporate Information

Executive Committee Members

Mr Bolaji Balogun	Chairman
Mr. Victor Ogiemwonyi	Vice Chairman
Mr. Ebi Enaholo	Director of Administration
Mr. Chris Okenwa	Director of Finance
Mrs. Abiola Macaulay	Director of Treasury
Mr. Dafe Oraka	Director of Publicity
Mrs. Tairat Tijani	Asst. Director of Administration
Happy Aboiri	Executive Secretary

Registered Office – Plot 1310, Karimu Kotun Street
Victoria Island
Lagos.

Auditors – SIAO
18B, Olu Holloway Road
Ikoyi
Lagos.

Bankers – First Bank of Nigeria Plc

Mr. Happy Aboiri
Association of Issuing Houses
Executive Secretary

Executive Committee Report

The Executive Committee has the pleasure of presenting the audited financial statements for the year ended 31st December, 2013.

Principal Activities

The principal activity of the Association is to encourage the professional development of its members and provide an engagement platform for Nigerian investment banks.

Operating Results

Highlights of the Association's operating results for the year under review are as follows:

	2013
	N
Members' Subscription	**22,200,000**
Total Income	**37,243,083**
Surplus for the year	**15,164,175**

The results for the year are set out in the Income and Expenditure account on page 9.

Statement of Executive Committee's Responsibilities

The Companies and Allied Matters Act, CAP C20 LFN 2004 requires the Executive Committee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that year. In preparing those accounts, the Executive Committee is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Association will continue in the foreseeable future.

The Executive Committee are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Association and enable them to ensure that the accounts comply with part C of the Companies and Allied Matters Act, CAP C20 LFN 2004. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director

Director

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2013 Annual General Meeting of the Association of Issuing Houses of Nigeria will hold as follows:

Date: Tuesday, 15th July, 2014

Venue: The Wheatbaker, 4, Onitolo Road, Ikoyi, Lagos.

Time: 11.00a.m. prompt

AGENDA:

1. To receive the Audited Financial Statements for the year ended 31st December, 2013, together with the reports of the Directors and Auditors.
2. To re-appoint the Auditors
3. To authorize the Directors to fix the remuneration of the Auditors
4. To elect Officers
5. Any Other Business

By Order of the Committee

Mr. Ebi Enaholo
Greenwich Trust Ltd
Director of Admin.

Chairman's Statement

The AIHN Executive Committee, member houses, invited guests, ladies and gentlemen, I am delighted to welcome you all to the 2013 Annual General Meeting of the Association of Issuing Houses of Nigeria and to lay before you, the Audited Financial Statements for the year ended December 31, 2013. In AIHN's history, this is the earliest our accounts have been audited and our AGM held and I trust we can continue to improve on this standard.

Global Economy Review

Growth in emerging and frontier markets slowed in 2013, but they are still expected to expand much faster than their developed economy peers in 2014. This healthier outlook for the global economy is complicated not only by the fragility of the Eurozone, but also by the reduction of the US Federal Reserve's massive quantitative easing programme. Talk of tapering sent many emerging markets into a negative spiral in the middle of 2013 and while the reaction to the real thing has been less dramatic so far, the currencies of Brazil, India, Indonesia, South Africa and Turkey – the so-called 'fragile five' – and other emerging and frontier economies, are all thought to be at risk and central banks have started to raise interest rates. In developed markets, we expect a rise in interest rates from record lows, dampening business investment and consumer spending power, and potentially slowing the recovery.

Nigeria

Nigeria's economy witnessed strong growth in 2013, as the government maintained its focus on sustaining stable macro-economic environment through various policy initiatives. The Gross Domestic Product (GDP) in Nigeria reached an all-time high of 510.9 USD Billion in 2013, from the rebasing of the country's GDP. Nigeria is now Africa's largest economy with all that this portends for the country and our economy. By year end, we had attained single-digit inflation of 8.0%. The naira notwithstanding, all forecasts of a substantial devaluation was fairly stable as the Central Bank of Nigeria sustained its tight monetary stance, and the benchmark Monetary Policy Rate remaining unchanged, all through the year at 12%.

Total market capitalization rose by 28.92%, from N14.80 trillion at the start of the year, to N19.08 trillion on the last trading day of 2013. Equities market capitalization ended the year at N13.23 trillion, a significant milestone in the Nigerian capital market's recovery from the 2008 "bust". Similarly, May 30, 2013 marked the first time since May 2008, that equity market capitalization rose above N12 trillion and the NSE ASI crossed 38,000 points, closing at 38,016.80 and, for the first time in the history of the Exchange, the share price of a listed company crossed the N1,000 mark. The 1st of June, 2013, also recorded the largest single transaction on the NSE trading floor valued at N45.75 billion. Key contributors to the upward movement of share prices include strong corporate earnings by large capitalization companies, such as the banks and FMCG manufacturers, increased capital inflow and portfolio investments, and robust regulatory oversight, aided by stronger enforcement by the Securities and Exchange Commission (SEC) and the NSE. The on-going reforms in various sectors of the Nigerian economy also yielded positive results. In the banking sector, financial inclusion, cashless banking, risk-based supervision, and sustainable banking practices imposed by the Central Bank of Nigeria (CBN), continued to have a positive impact on the economy but in a few years time, we will all come to view the power privatization and the agricultural transformation programme, as key turning points in Nigeria's economic development.

Activities of the Association

In the year under review, the Association has implemented a number of developmental and capacity building initiatives with the aim of strengthening the investment banking segment and creating an enabling environment for growth of its member firms and their staff, as well as supporting the regulator in market development.

Our activities during 2013, included a Capital Market Conference co-organised with the SEC, Infrastructure Roundtable with the SEC, M & A Roundtable with Capital Market Solicitors and the SEC, recommendations to the SEC on Proposed Rules on Securitization, recommendations on the New Minimum Capital Requirement for Operators, collaborated with the Chartered Institute of Stockbrokers and ASHON on a number of initiatives around demutualization and the new capital requirements, monthly and quarterly lunch meetings with presentations, as part of our capacity building initiative, engagement with other trade groups on various market development issues, the Annual Capital Market Conference with BusinessDay newspaper.

Operating Performance

Our annual report and accounts has been delivered to members prior to this meeting and I believe you have all had the benefit of reviewing the accounts, prior to the meeting. The Association posted a robust result for the year under review. Total income grew 11.9% to reach N37.24million from N33.28million in 2012. The sum of N22.20million was realised from members' subscription compared to N21.05 million in 2012. Total expenses reduced marginally to N22.1million in 2013, from the 2012 figure of N23.9million due to stiffer controls on expenditures. N15.16million was transferred to the accumulated fund, increasing to N166million. As at the date of this AGM, we have over N175million.

Elections

The tenure of the current Executive Committee of the Association ends today and we shall be electing a new Executive Committee, to run the affairs of the Association. I have been privileged to serve you all for two terms and I am grateful for the tremendous cooperation that the Committee and I have received from you all. I ask that you kindly extend your support and co-operation, to Victor Ogiemwonyi who will take the AIHN forward as its next Chairman and his in-coming Executive Committee.

Conclusion

On behalf of the Association, I seize this opportunity to express my appreciation to my fellow Committee members for their support and co-operation. My gratitude also goes to the leadership of the Securities and Exchange Commission, the Nigerian Stock Exchange, the Central Bank of Nigeria, the Federal Ministry of Finance, the Asset Management Corporation of Nigeria, the Chartered Institute of Stockbrokers, ASHON, Capital Market Solicitors and other trade groups, our Auditors, SIAO, Hambak Printers and GNO Studios for their support and contributions. I also thank the staff of the AIHN Secretariat for their hard work.

I would like to encourage us all to work with greater collaboration and the recognition, that one firm alone, cannot make a market. Thank you for listening and God bless and my best wishes for a rewarding summer with all of your families.

'Bolaji Balogun
Chairman

Auditors Report

Lagos: 18b Olu Holloway Road, Ikoyi, Lagos.
Tel: 01 463 0871-2 Fax: 01-463 0870

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
E-mail: enquiries@siao-ng.com
Website: www.siao-ng.com

REPORT OF INDEPENDENT AUDITORS TO THE MEMBERS OF ASSOCIATION OF ISSUING HOUSES IN NIGERIA

Report on the financial statements

We have audited the accompanying financial statements of **Association of Issuing Houses of Nigeria** as at December 31, 2013, set out on pages 11 to 13 which have been prepared on the basis of the significant accounting policies on pages 8 to 10 and other explanatory notes on pages 14 to 21.

Committee's responsibilities for the financial statements

The Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004 and Financial Reporting Council Act, 2011. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian Standards on Auditing issued by the institute of Chartered Accountants of Nigeria and International Standards on Auditing issued by the International Federation of Accountants. These standards require that we comply with ethical requirements, plan, and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, 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 Association has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act, CAP C20, LFN 2004. The financial statements give a true and fair view of the financial position of **Association of Issuing Houses of Nigeria** as at 31st December, 2013, and of its financial performance and its cash flows for the year ended in accordance with the Statement of Accounting Standards issued by the Financial Reporting Council of Nigeria.

Joshua Ansa, FCA......................
FRC/2013/ICAN/00000001728
For: SIAO (Chartered Accountants)
Lagos, Nigeria

Date: 20th June, 2014

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A 559258

SIAO - Accomplish More
Audit & Accounting | Financial Advisory | Taxation | Human Resources

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1. Basis of Preparation

The financial statements have been prepared under the historical cost convention and comply with the relevant statements of Accounting Standards issued by the Nigerian Accounting Standards Board. The financial statements are presented in the functional currency, Nigeria Naira.

2. Property, Plant and Equipment

Property, Plant and Equipment are stated at the cost/valuation, less depreciation on a straight-line basis over the estimated useful life of the assets, taking into consideration any residual value, excluding the costs of day-to-day servicing.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

3. Depreciation on Property, Plant and Equipment

Depreciation is provided to write off the cost of property, plant and equipment during their expected useful lives on a straight-line basis. The principal annual rates of depreciation, which are consistent with those of previous years, are:

	%
Office Equipment	20
Motor Vehicle	20
Office Furniture and Fittings	20
Plant & Machinery	20

Depreciation is not provided on property, plant and equipment until they are brought into use.

4. Debtors

Debtors are stated after deduction of specific provisions for any debt considered doubtful of recovery. Debts considered bad and irrecoverable are written off.

5. Repair and Renewals

Normal repairs and renewals are written off as incurred but those that are capital in nature are capitalized.

6. **Income Recognition**

1. Subscriptions are accounted for on cash basis.
2. Interest income is accounted for on accrual basis

7. **Provisions**

Provisions are recognised when the Association has present obligation whether legal or constructive as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations in accordance with the Statement of Accounting Standard (SAS 23).

8. **Cash and Cash Equivalent:**

For the purpose of reporting cashflows, cash and cash equivalent include cash in hand, cash balances with banks, and short term deposits with banks.

9. **Taxation**

The association is a non-profit making organisation which qualifies it for income tax exemption under section 23 (1) (i) of CITA CAP C21 LFN 2004.

Balance Sheet

	Note	2013	2012
		₦	*N*
ASSETS			
Cash at bank	5	**27,531,940**	*31,753,231*
Investment	4	**136,700,000**	*115,000,000*
Debtors and prepayment	3	**568,341**	*4,162,517*
Fixed Asset	1	**4,157,710**	*3,133,795*
TOTAL ASSETS		**168,957,991**	*154,049,543*
LIABILITIES			
Due to Joint Committee SEC/AIHN	6	**232,072**	*232,072*
Other Payables	7	**2,293,894**	*2,330,000*
		2,525,966	*2,562,072*
NET ASSETS		**166,432,025**	*151,487,471*
			-
FINANCED BY:			
Accumulated Fund	8	**166,432,025**	*151,487,471*

These financial Statements were approved by the Executive Committee on 18th June 2014
and signed on its behalf by their:

Directors

The accounting policies on pages 6 to 7 and the notes on pages 11 to 15 form an integral part of these financial statements.

Income and Expenditure Account

	Note	2013 ₦	*2012 ₦*
INCOME			
Members' Subscriptions	9	**22,200,000**	*21,050,000**
Investment Income		**13,105,357**	*10,886,614*
Other income	10	**1,937,726**	*1,347,000*
		37,243,083	*33,283,614*
EXPENDITURE			
Annual General Meeting Expenses		**1,396,635**	*1,407,000*
Meeting and Seminar Expenses		**3,302,290**	*7,937,940*
Wages and Salaries		**5,137,368**	*4,773,400*
Printing		**266,505**	*41,530*
Office Running Expenses		**575,375**	*544,644*
Rent		**3,049,500**	*2,829,167*
Depreciation		**1,961,695**	*1,966,752*
Bad Debt		**3,000,000**	-
Miscellaneous		**89,000**	*179,094*
Bank Charges		**76,485**	*235,651*
Travelling Expenses		**750,270**	*560,790*
Vehicle Running Expenses		**379,605**	*283,191*
Staff Welfare		**117,400**	*100,000*
Audit Fee		**1,200,000**	*1,200,000*
Gifts		**-**	*1,703,500*
Professional Fee		**525,000**	-
Insurance		**121,500**	-
Staff Training		**105,000**	*100,000*
Despatch Expenses		**4,200**	*16,044*
Generator Expense		**21,080**	-
		22,078,908	*23,878,702*
Surplus transferred to accumulated fund		**15,164,175**	*9,404,912*

*This amount has been restated based on information now available and the corresponding (N850,000) has been recognised as deferred members' subscription under other payables.

The accounting policies on pages 6 to 7 and the notes on pages 11 to 15 form an integral part of these financial statements

Cashflow Statement

	2013	2012
	₦	₦
Cash Flow from Operating Activities		
Cash received	**37,243,083**	*34,133,614*
Cash paid to suppliers	**(20,117,213)**	*(22,761,950)*
Prior year adjustment	**(219,621)**	-
Sale of fixed asset	**(200,000)**	-
Operating profit before changes in operating assets/liabilities	**16,706,249**	*11,371,664*
Changes in Operating Assets/Liabilities		
Debtors and prepayments	**3,594,176**	*(3,220,833)*
Other Payables	**(36,106)**	*1,050,000*
Net Cash Flow from Operating Activities	**20,264,319**	*9,200,831*
Cash Flow from Investing Activities		
Purchase of fixed assets	**(2,985,610)**	*(210,000)*
Proceeds from disposal of fixed asset	**200,000**	-
Net Cash Flow from Investing Activities	**(2,785,610)**	*(210,000)*
Net Increase/Decrease in Cash and Cash Equivalents	**17,478,709**	*8,990,831*
Cash and cash equivalents at the beginning of the year	**146,753,231**	*137,762,400*
Cash and cash equivalents at the end of the year	**164,231,940**	*146,753,231*
Comprises of:		
Cash and cash equivalents	**27,531,940**	*31,753,231*
Investments	**136,700,000**	*115,000,000*
	164,231,940	*146,753,231*

The accounting policies on pages 6 to 7 and the accompanying notes on pages 11 to 15 form an integral part of these financial statements.

Notes to the Financial Statements

1 The Association

The Association of Issuing Houses of Nigeria is registered as an incorporated trustee under Part C of the Company and Allied Matters Act, Cap C20 LFN 2004 The Association consists of financial institutions in Nigeria licensed to operate as Issuing houses by the Securities and Exchange Commission . The principal activities of the Association are to set professional and ethical standards, enable professional development for its member issuing houses and promote free interplay of market forces

2 Property Plant & Equipment

	FURNITURE & FITTINGS 20% N'000	OFFICE EQUIPMENT 20% N'000	MOTOR VEHICLES 20% N'000	PLANT & MACHINERY 20% N'000	TOTAL N'000
COST					
At 1 January 2013	7,875,920	1,647,724	2,356,000	45,000	11,924,644
Additions	-	124,590	2,750,000	111,020	2,985,610
Disposal	-	-	(2,050,000)	-	(2,050,000)
As At 31/12/2013	**7,875,920**	**1,772,314**	**5,106,000**	**156,020**	**12,860,254**
DEPRECIATION					
At 1 January 2013	5,136,915	1,467,436	2,166,998	19,500	8,790,849
Charge for the year	1,223,830	157,947	565,367	14,551	1,961,695
Disposal	-	-	(2,050,000)	-	(2,050,000)
At 31 December 2013	**6,360,745**	**1,625,383**	**2,732,365**	**34,051**	**8,702,544**
Net Book Value as at 31/12/2013	**1,515,175**	**146,931**	**2,373,635**	**121,969**	**4,157,710**
Net Book Value as at 31/12/12	*2,739,005*	*180,288*	*189,002*	*25,500*	3,133,795

		2013	2012
		₦	₦
3	**Debtors and Prepayments**		
	Debtors	-	3,000,000
	Prepayments	568,341	1,162,517
		568,341	4,162,517
4	**Investments**		
	FGN Treasury Bills	132,400,000	115,000,000
	FGN Treasury Bills - Joint with SEC	3,160,000	-
	FGN Treasury Bills - Joint with NSE	1,140,000	-
		136,700,000	115,000,000
5	**Cash at Bank**		
	Cash at hand	-	-
	Call Account-First bank of Nigeria PLC	635,502	4,312,282
	Call Account- Fidelity Bank	3,785,211	2,996,927
	Fixed deposit	21,130,513	19,692,787
	Current account-First Bank of Nigeria PLC	1,531,219	439,866
	Current account-Joint with NSE	122,233	1,146,079
	Current account-Joint with SEC	327,263	3,165,292
		27,531,940	31,753,231
6	**Due to joint Committee SEC/ AIHN**		
	Due to joint Committee SEC/ AIHN	232,072	232,072
		232,072	232,072

This is a liability arising from a pledged commitment made by the principal officers to the joint committee of the Securities and Exchange Commission(SEC)/Association of Issuing Houses of Nigeria (AIHN) to support the activities of the joint committee.

		2013	2012
7	**Other payables**		
	Deferred Income: Members' Subscription	-	850000*
	Euro Money Training : HNB Trustees	280,000	280,000
	Interest Income	813,894	-
	Provision for Audit fee	1,200,000	1,200,000
		2,293,894	2,330,000

The deferred income of N850,000 refers to an amount wrongly included as income from members' subscription for 2012. It has been properly adopted as income for 2013 due to new information received in the period under review.

		2013	2012
8	**Accumulated Fund**		
	As at January 1 2013	151,487,471	142,082,559
	Prior Year Adjustment: Investment Income	(219,621)	-
	Surplus for the year	15,164,175	9,404,912
	As at December 31 2013	166,432,025	151,487,471

	2013	2012
9 Members' Subscriptions	**₦**	*₦*
Access Bank Plc	**850,000**	*750,000*
Afrinvest (West Africa) Ltd	**850,000**	*750,000*
BGL Plc	**850,000**	*750,000*
BGLSecurities Limited	**-**	*750,000*
Capital Bancorp Plc	**850,000**	*750,000*
Chapel Hill Denham Group	**850,000**	*750,000*
Dunn Loren Merrifield	**850,000**	*2,650,000*
Ecobank Nigeria Plc	**-**	*750,000*
FBN Capital Limited	**850,000**	*750,000*
FCMB Capital Markets Ltd	**850,000**	*750,000*
Federal Mortgage Bank of Nigeria	**250,000**	*500,000*
Fidelity Securities Ltd	**850,000**	*750,000*
Greenwich Trust Limited	**850,000**	*750,000*
Guaranty Trust Bank Plc	**-**	*750,000*
Intercontinental Capital Markets Ltd	**-**	*750,000*
Integrated Trust & Investment Limited	**500,000**	*500,000*
LeadCapital Plc	**850,000**	*750,000*
Marina Securities Limited	**950,000**	*-*
MBC Capital Ltd	**850,000**	*100,000*
PanAfrican Capital Plc	**1,500,000**	*1,000,000*
Partnership Investment Co. Plc	**850,000**	*750,000*
Planet Capital Limited	**850,000**	*100,000*
Rand Merchant Bank Nigeria Ltd	**950,000**	*-*
Renaissance Securities Nigeria Limited	**850,000**	*750,000*
Skye Financial Services Ltd	**850,000**	*-*
Stabic IBTC Capital Limited	**850,000**	*750,000*
Standard Chartered Securities (Nig.) Ltd	**850,000**	*100,000*
UBA Capital Plc	**850,000**	*2,500,000*
Vetiva Capital Management Ltd	**850,000**	*750,000*
WSTC Financial Services Limited	**850,000**	*100,000*
Investment One Financial Services Ltd	**100,000**	*-*
Interstate Securities Limited	**100,000**	*-*
	22,200,000	*21,050,000*

10 Other Income		
Seminar Income	**-**	*1,197,000*
Sponsorship	**-**	*150,000*
Interest - Fixed Deposit	**1,437,726**	*-*
Asset Disposal	**200,000**	*-*
Advert	**300,000**	*-*
	1,937,726	*1,347,000*

		2013	2012
		₦	₦
11	**Reconciliation of net surplus to net cash provided by operating activities**		
	Surplus transferred to accumulated fund	**15,164,175**	*9,404,912*
	Adjustmnent to reconcile surplus for the year to net cash provided by operating activities:		
	Depreciation	**1,961,695**	*1,966,752*
	Prior Year Adjustment	**(219,621)**	-
	Sale of Fixed Assets	**(200,000)**	-
	Changes in assets and liabilities:		
	Increase/ (Decrease) in debtors	**3,594,176**	*(3,220,833)*
	Increase in other payables	**(36,106)**	*1,050,000*
	Net Adjustments	**5,100,144**	*(204,081)*
	Net cash provided by operating activities	**20,264,319**	*9,200,831*
12	**Staff Cost**		
	Wages and Salaries	**5,137,368**	*4,773,400*
	Pension	**-**	-
		5,137,368	*4,773,400*
13	**Staff Number**		
	Average number employed:		
	Management	**1**	*1*
	Junior	**2**	*2*
		3	*3*
14	**Emoluments of Employeees**		
	Emoluments of Employees other than executive directors whose emoluments fell within the following range:		
	N1,000,000 and above	**1**	*1*

15 Capital Commitments

There are no material commitment for capital expenditure not provided for in these financial statements.

16 Post Balance Sheet

No events or transactions have occurred since the balance sheet date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or result of operations at the balance sheet date.

17 Contingent Liability

No contingent liabilities in respect of the year under review.

18 Reclassification of Balances

Certain prior year balances have been restated to conform with current year's presentation as well as to ensure proper disclosure in line with the Statement of Accounting Standard No. 2 (SAS 2).

19 Approval of Financial Statements

The Financial Statements were approved by the Executive Committee on....18th June 2014........

Statement of Value Added

	2013		2012	
	₦	%	₦	%
GROSS INCOME	**22,200,000**		*21,050,000*	
Less: Cost of goods and services				
Local	**(14,979,845)**		*(17,138,550)*	
Value Added from Operations	**7,220,155**		*3,911,450*	
Other Operating Income	**15,043,083**		*12,233,614*	
Value Added	**22,263,238**	**100**	*16,145,064*	*100*
Distributed as follows:				
Employees				
Wages and Salaries	**5,137,368**	**23**	*4,773,400*	*30*
Provided for Asset Replacement				
Depreciation	**1,961,695**	**9**	*1,966,752*	*12*
Surplus	**15,164,175**	**68**	*9,404,912*	*58*
	22,263,238	**100**	*16,145,064*	*100*

Value added represents the additional wealth the company has been able to create by its own and its employees' efforts. This statement shows the allocation of the wealth between employees shareholders, government and that retained for the future creation of more wealth.

Five Year Financial Summary

	2013	2012	2011	2010	2009
	₦	₦	₦	₦	₦
ASSETS					
Fixed Assets	**4,157,710**	3,133,795	4,890,547	6,753,051	1,857,052
Investment	**136,700,000**	115,000,000	15,000,000	1,962,000	1,962,000
Debtors & Prepayment	**568,341**	4,162,517	941,684	5,291,674	1,793,340
Bank and Cash	**27,531,940**	31,753,231	122,762,400	122,038,889	29,701,231
Total Assets	**168,957,991**	154,049,543	143,594,631	136,045,614	35,313,623
LIABILITIES					
Due to Joint committee SEC/AIHN	**232,072**	232,072	232,072	232,072	232,072
Other Payables	**2,293,894**	2,330,000	1,280,000	1,280,000	1,280,000
	2,525,966	2,562,072	1,512,072	1,512,072	1,512,072
NET ASSETS	**166,432,025**	151,487,471	142,082,559	134,533,542	33,801,551
Financed By:					
Accumulated fund	**166,432,025**	151,487,471	142,082,559	134,533,542	33,801,551
Shareholders' Fund	**166,432,025**	151,487,471	142,082,559	134,533,542	33,801,551
Income	**37,243,083**	33,283,614	30,870,692	123,761,577	25,199,621
Expenditure	**(22,078,908)**	(23,878,702)	(23,321,675)	(23,029,586)	(19,407,839)
Surplus for the year	**15,164,175**	9,404,912	7,549,017	100,731,991	5,791,782

Marina Securities

•Issuing House
•Financial Advisory

MarinaSecuritiesLimited(“MarinaSecurities“)wasincorporatedin1992tocarryonthebusinessof Stockbroking and commenced full business operations in July 1999, having been registered and licensedbytheSecurities&ExchangeCommissionandtheNigerianStockExchangeasBrokerDealer. TheCompanyhassinceevolvedfrombeingasubsidiaryoftwocommercialbankstobecomingan independentfull-fledgedinvestmentandfinancialadvisoryservicescompany.

Inrecognitionofthecompany’sexperience,reputationandtrackrecordinthedeliveryofCapital Market Advisory services since 2005, the company was granted an Issuing House licence by the SecuritiesandExchangeCommission.

TheNewMarinaSecuritiesfromtheprocessofbusinessre-engineeringhasemergedasaleadingforce; pushingtheboundariesofservicedelivery,technologicalinnovation,businessprocessesandmarket expertise.ThishassquarelyplacedusonthepathtoachievingourgoalofbeingAfrica'sleading securitiestradingandfinancialadvisorycompany

SERVICEOFFERINGS

CorporateFinance

- •IssuingHouseServices
- •ProjectFinance
- •Mergersandacquisition
- •Divestiture/Restructuring
- •Quasi-EquityCapitalRaising
- •PrivateEquity&VentureCapital

PublicSector

- •ProjectFinance
- •DebtSecuritization
- •PrivatizationAdvisory
- •PublicDebtCapitalArranging
- •PublicInfrastructureFinancing
- •CapitalRaising

Risk&Outsourcing

- •CorporateGovernance
- •EnterpriseRiskManagementFramework
- •ComplianceRiskFramework
- •OutsourceControlStaff

MarinaSecuritiesLimited
MarinaHouse
10,AmoduOjikutuStreet,V ictoriaIsland,
Lagos.Tel:01-9032140-1
Email:info@marinasecuritieslimited.com,W ebsite:www.marinasecuritieslimited.com

FCMB

FCMB Investment Banking Group

FCMB Investment Banking Group comprising FCMB Capital Markets Limited (”FCMB CM”) and CSL Stockbrokers Limited (“CSL”), is an advisory group of choice to Nigeria's leading companies and public institutions, and has been involved in landmark transactions, in Nigeria, over the past three decades.

FCMB Capital Markets Limited, our investment banking arm, provides comprehensive advisory services, combining innovative advice and proven execution skills, to our domestic and multinational clients. Its services include but are not limited to financial advisory, debt and equity capital raising including initial public offerings, mergers and acquisitions, project and structured finance.

CSL Stockbrokers Limited, our stockbroking arm, is the longest established stockbroker on The Nigerian Stock Exchange. It is a research orientated investment advisor with unparalleled understanding of the key drivers behind asset class performance in the Nigerian capital market. CSL offers bespoke investment management solutions including fixed income, equities, money markets, real estate and structured products to a diverse client base comprising government institutions and local and international Corporates, High Net-worth Individuals and family offices.

Our broad approach is to:

- Leverage on our deep industry knowledge and financial expertise to provide informed advice on a broad array of business and financing strategies to address specific client needs.
- Review government and regulatory policies that will best suit our clients and offer bespoke advice aimed at creating value.
- Identify and create “fit for purpose” solutions for our clients.
- Interact with the various units/divisions within FCMB Group Plc in order to provide comprehensive solutions for our clients.

FCMB CM remains committed to initiating, developing and executing original and innovative transactions, with the ultimate goal of supporting our clients in adapting to the evolving Nigerian business environment.

March 2013
Flour Mills of Nigeria Plc
Merger with Nigeran Bag Manufacturing Company Plc
Financial Adviser to Flour Mills

May 2012
Nigerian Breweries Plc
Merger with Sona Systems Associates Business Management Limited and Life Breweries Co. Limited
Financial Adviser

June 2013
Shoreline Natural Resources Limited
US$850,000,000
Reserve Based Acquisition Finance Facility
OML 30
Mandated Lead Arranger

March 2013
ACCUGAS
Accugas
US$225,000,000
Gas Piprline Refinancing and Expansion Project
Project Finance Facility
Mandated Lead Arranger & Technical Bank

Ai | Infrastructure Investment Awards
Oil and Gas Deal of the Year
First City Monument Bank
WINNER 2012

Executive Committee Members

Mr. Bolaji Balogun
Chapel Hill Advisory Partners Ltd
Chairman

Mr. Victor Ogiemwonyi
Partnership Investment Co. Plc
Vice Chairman

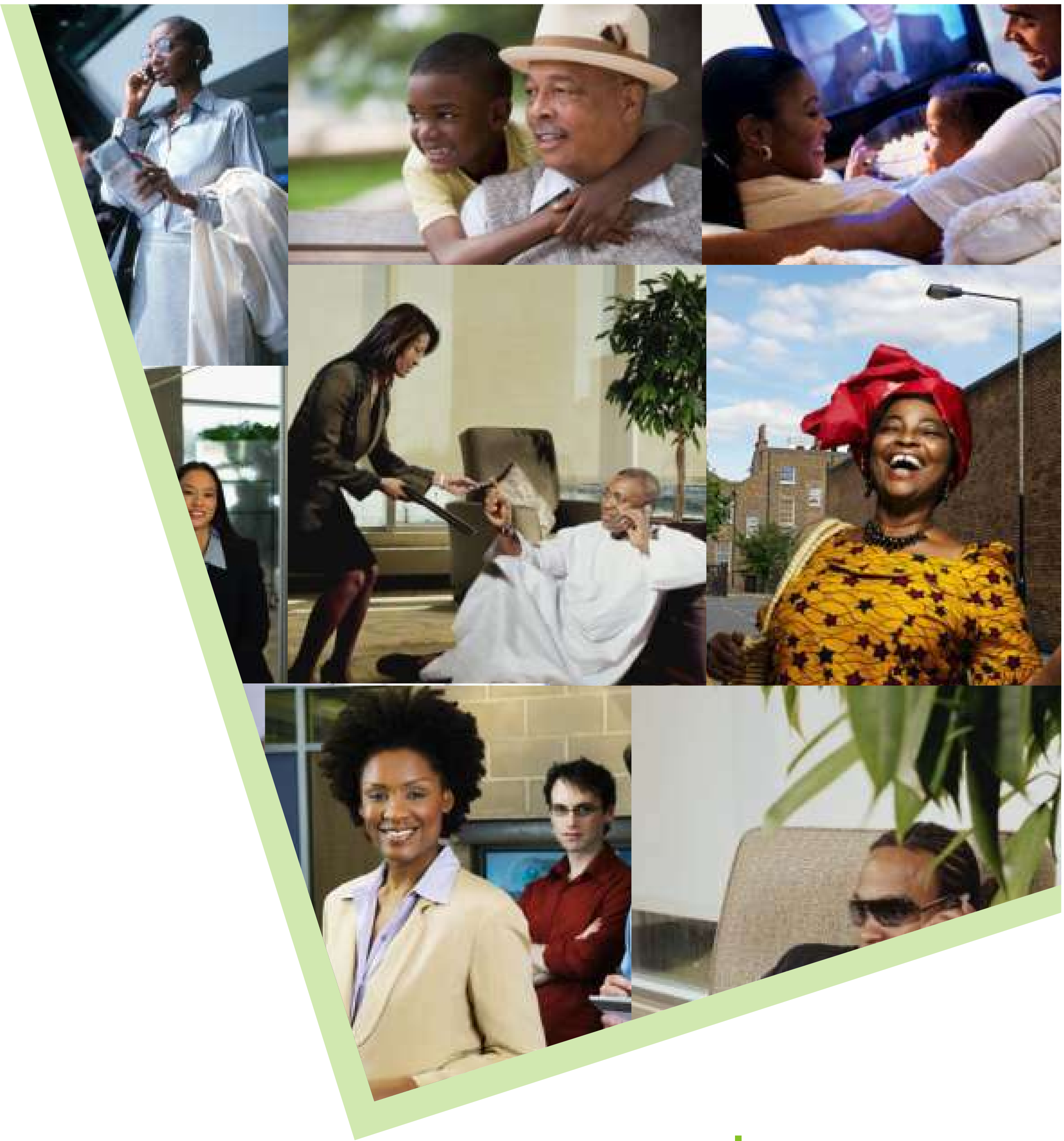
Mr. Chris Okenwa
Fidelity Securities Ltd
Director of Finance

Mrs. Abiola Macaulay
Intercontinental Capital Markets Ltd
Director of Treasury

Mrs. Tairat Tijani
FBN Capital
Asst. Director of Admin.

Mr. Dafe Oraka
BGL Plc
Director of Publicity

Mr. Ebi Enaholo
Greenwich Trust Ltd
Director of Admin.



...make your money work harder than you

FIDELITY SECURITIES LIMITED

Fidelity Securities Limited

(Member of The Nigerian Stock Exchange)

Plot 688, Amodu Tijani Close
P. O. Box 74846, Victoria Island, Lagos
Tel.: +234 1 2710818-9. Fax: +234 1 2712798
e-mail: fusl@fidelitybankplc.com
www.fidelityunionsecng.com

FIDELITY SECURITIES LIMITED