

**Nigeria Sovereign Investment Authority  
Interim Financial Statements for the 3 months  
period ended 31 March 2016**

**Nigeria Sovereign Investment Authority**  
**Index to the consolidated interim financial statements**  
**For the 3 months period ended 31 March 2016**

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**Nigeria Sovereign Investment Authority**  
**Interim financial statements**  
**For the 3 months period ended 31 March 2016**

**Directors, officers and professional advisors**

Directors  
Mr. Uche Orji (Managing)  
Mr. Hanspeter Ackermann (Executive)  
Mrs. Stella Ojekwe-Onyejeli (Executive)

The non-executive members of the board were withdrawn on 16 July 2015 by the Federal Government of Nigeria, which is yet to nominate their replacements.

Secretary  
Mrs. Ezinwa Okoroafor

Registered office  
The Clan Place, 4th floor  
Plot 1386A, Tigris Crescent Maitama  
Abuja

Auditor  
PricewaterhouseCoopers  
Landmark Towers  
5B Water Corporation Road  
Victoria Island  
Lagos

Banker  
Central Bank of Nigeria

Custodians  
JP Morgan (Global Custodian)  
Stanbic IBTC Bank Limited (Local Custodian)

**Nigeria Sovereign Investment Authority**  
**Interim financial statements**  
**For the 3 months period ended 31 March 2016**

**Management's report**

**1. Financial statements**

Management present their interim report on the affairs of Nigeria Sovereign Investment Authority ('the Authority' or 'NSIA'), together with the interim financial statements and independent auditor's report for the 3 months period ended 31 March 2016.

**2. Principal activities**

The Authority was established by the Nigeria Sovereign Investment Authority (Establishment etc.) Act to manage excess funds from the country's sale of crude oil. This is performed through three (3) funds: Stabilisation Fund (SF), Nigeria Infrastructure Fund (NIF) and Future Generation Fund (FGF).

NSIA has a broad mandate to:

- a) build a savings base for the Nigerian people;
- b) enhance the development of Nigerian infrastructure;
- c) provide stabilisation support in times of economic stress; and
- d) carry out such other matters as may be related to the above objects.

**3. Operating results**

The following is a summary of the operating results for the period:

	<b>Group</b>
	<b>3 months to 31</b>
	<b>March 2016</b>
	<b>N'000</b>
	<hr/>
Total operating income	4,884,424
Net foreign exchange gains	(76,662)
Profit for the period	4,434,801
Total comprehensive income for the period	5,058,412
Retained earnings for the period	<hr/> <hr/> 21,900,921

**4. Governance and management**

The Authority is managed by Three Directors which make up the Executive Management, in addition the Act establishes a Governing Council ("the Council") for the Authority. The council comprises the following:

- a) The President of Nigeria (who may be represented by the Vice-President);
- b) Governors of Nigeria's 36 States; and
- c) Eighteen other appointees, including:
  - (i) Attorney-General of the Federation;
  - (ii) Minister of Finance;
  - (iii) Minister in charge of the National Planning Commission.

**5. Employment of disabled persons**

The Authority has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Authority's policy prohibits discrimination of disabled persons in the recruitment, training and career

**6. Employee health, safety and environment**

The Authority enforces strict health and safety rules and practices in the work environment, which are reviewed and tested regularly. The Authority provides medical insurance for its employees through designated hospitals and clinics. Fire prevention and fire-fighting equipment are installed at strategic locations within the Authority's premises.



Mrs Ezinwa Okoroafor

Secretary

**Nigeria Sovereign Investment Authority  
Interim financial statements  
For the 3 months period ended 31 March 2016**

**Statement of Management's responsibilities  
In relation to the financial statements**

Management accepts responsibility for the preparation of these quarterly financial statements that give a true and fair view of the state of financial affairs of the Authority.

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

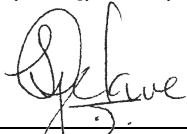
Management has made an assessment of the Authority's ability to continue as a going concern and have no reason to believe the Authority will not remain a going concern in the next 12 months.

**SIGNED ON BEHALF OF MANAGEMENT BY:**



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**Mr. Uche Orji**  
**Managing Director**  
**FRC/2014/IODN/00000007036**



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**Mrs Stella Ojekwe-Onyejeli**  
**Executive Director**  
**FRC/2014/ICAN/00000005766**



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**Mr Hanspeter Ackermann**  
**Executive Director**  
**FRC/2015/IODN/00000012315**



## REPORT ON THE INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF THE NIGERIA SOVEREIGN INVESTMENT AUTHORITY

### *Introduction*

We have reviewed the accompanying interim statements of financial position of Nigeria Sovereign Investment Authority (“the Authority”) and its subsidiaries (together “the Group”) as of 31 March 2016 and the related statements of income, changes in equity and cash flows for the three-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standard 34 “Interim financial reporting”. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information performed by the independent auditor of the entity.” A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the Authority and the Group as at 31 March 2016, and of their financial performance and cash flows for the three-month period then ended in accordance with International Accounting Standard 34 “Interim financial reporting”.

For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria

Engagement partner: Daniel Asapokhai  
FRC/2013/ICAN/0000000946

2 November 2016



**Nigeria Sovereign Investment Authority**  
**Interim financial statements**  
**Statement of comprehensive income for the 3 months period ended 31 March 2016**

	Note	Group 31 March 2016 N '000	Group 31 March 2015 N '000	Authority 31 March 2016 N '000	Authority 31 March 2015 N '000
Investment and interest income	8	4,961,086	1,372,180	4,854,753	1,294,521
Net exchange gains		(76,662)	10,646,993	(76,662)	10,646,993
<b>Operating income</b>		<b>4,884,424</b>	<b>12,019,173</b>	<b>4,778,091</b>	<b>11,941,514</b>
Investment management fees		28,825	75,319	28,825	75,319
Local custodian fees		2,525	3,525	2,525	3,525
Foreign custodian fees		20,975	29,509	20,975	29,509
		<b>52,325</b>	<b>108,353</b>	<b>52,325</b>	<b>108,353</b>
<b>Operating profit</b>		<b>4,832,099</b>	<b>11,910,820</b>	<b>4,725,766</b>	<b>11,833,161</b>
Operating and administrative expenses	9	423,656	463,304	416,204	463,304
Share of profit/(loss) of investments in associates	16	23,847	(2,684)	-	-
<b>Profit/(loss) before tax</b>		<b>4,432,290</b>	<b>11,444,832</b>	<b>4,309,562</b>	<b>11,369,857</b>
Taxation	11	(2,511)	32,025	214	26,336
<b>Profit/(loss) for the period</b>		<b>4,434,801</b>	<b>11,412,807</b>	<b>4,309,348</b>	<b>11,343,521</b>
Profit/(loss) attributable to:					
Owners of NSIA		4,434,670	11,412,784	4,309,348	11,343,521
Non-controlling interests		131	23	-	-
		<b>4,434,801</b>	<b>11,412,807</b>	<b>4,309,348</b>	<b>11,343,521</b>
<b>Other comprehensive income:</b>					
<b>Items that may be subsequently reclassified to profit or loss:</b>					
Fair value gains on available for sale investments					
Net change in fair value	20	592,262	15,617,394	595,009	16,067,031
Currency translation differences	20	23,861	1,709,177	-	-
Share of other comprehensive income of investments in associates	20	7,488	-	-	-
<b>Other comprehensive income for the</b>		<b>623,611</b>	<b>17,326,571</b>	<b>595,009</b>	<b>16,067,031</b>
<b>Total comprehensive income for the period</b>		<b>5,058,412</b>	<b>28,739,378</b>	<b>4,904,357</b>	<b>27,410,552</b>
Total comprehensive income for the period attributable to:					
Owners of NSIA		5,057,900	28,739,499	4,904,357	27,410,552
Non-controlling interests		512	(121)	-	-
		<b>5,058,412</b>	<b>28,739,378</b>	<b>4,904,357</b>	<b>27,410,552</b>

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

**Nigeria Sovereign Investment Authority**  
**Interim financial statements**  
**Statement of financial position as at 31 March 2016**

	Note	Group 31 March 2016 N '000	Group 31 December 2015 N '000	Authority 31 March 2016 N '000	Authority 31 December 2015 N '000
<b>Assets</b>					
Cash and cash equivalents	12	104,741,557	37,983,532	99,991,484	32,913,468
Advances		7,651	4,756	7,651	4,756
Investment securities	13	144,453,719	164,382,547	133,778,909	154,152,447
Financial asset at fair value through profit or loss	14	4,097,828	-	4,097,828	-
Other assets	15	3,736,486	1,467,752	6,148,761	3,839,847
Investment in subsidiaries	16	-	-	7,066,155	7,066,155
Investment in associate	16	2,160,935	2,129,600	1,600,000	1,600,000
Property and equipment	17	7,693,904	7,700,860	98,072	104,603
Intangible assets	18	3,703	5,739	3,703	5,739
<b>Total assets</b>		<b>266,895,783</b>	<b>213,674,786</b>	<b>252,792,563</b>	<b>199,687,015</b>
<b>Liabilities</b>					
Trade and other payables	19	14,826,094	15,788,509	3,178,532	4,102,341
<b>Total liabilities</b>		<b>14,826,094</b>	<b>15,788,509</b>	<b>3,178,532</b>	<b>4,102,341</b>
<b>Equity and reserves</b>					
Contribution by Government	20	204,375,000	155,250,000	204,375,000	155,250,000
Retained earnings	20	21,900,921	17,466,251	22,047,773	17,738,425
Fair value reserves	20	24,112,481	23,513,074	23,191,258	22,596,249
Currency translation reserves	20	1,677,608	1,653,739	-	-
Non-controlling interest	20	3,679	3,213	-	-
<b>Total equity and amount attributable to equity contributors of the parent (Government)</b>		<b>252,069,689</b>	<b>197,886,277</b>	<b>249,614,031</b>	<b>195,584,674</b>
<b>Total equity and liabilities</b>		<b>266,895,783</b>	<b>213,674,786</b>	<b>252,792,563</b>	<b>199,687,015</b>

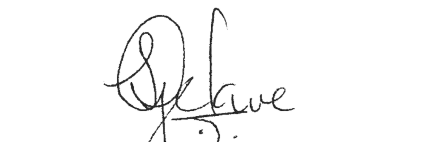
The interim financial statements were approved for issue by management on October 2016 and signed on its behalf by:



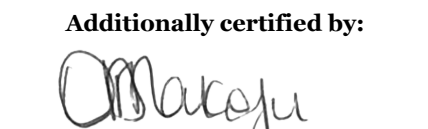
**Mr. Uche Orji**  
**Managing Director**  
**FRC/2014/IODN/00000007036**



**Mr. Hanspeter Ackermann**  
**Executive Director**  
**FRC/2015/IODN/000000012315**



**Mrs. Stella Ojekwe-Onyejeli**  
**Executive Director**  
**FRC/2014/ICAN/00000005766**

**Additionally certified by:**  


**Mrs. Olubisi Makaju**  
**Financial Controller**  
**FRC/2014/ICAN/00000005765**

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



**Nigeria Sovereign Investment Authority**  
**Interim financial statements**  
**Statement of changes in equity**  
**For the 3 months period ended 31 March 2016**

<b>Group</b>	<b>Contribution by Government N'000</b>	<b>Retained earnings N'000</b>	<b>Fair value reserves N'000</b>	<b>Translation reserves N'000</b>	<b>Non- controlling interest N'000</b>	<b>Total N'000</b>
<b>1 January 2016</b>	<b>155,250,000</b>	<b>17,466,251</b>	<b>23,513,074</b>	<b>1,653,739</b>	<b>3,213</b>	<b>197,886,277</b>
Profit / (loss) for the period	-	4,434,670	-	-	131	4,434,801
<b>Other comprehensive income for the period</b>						
Net changes in fair value reserve of financial assets (available for sale)	-	-	599,407	-	343	599,750
Currency translation differences	-	-	-	23,869	(8)	23,861
Total other comprehensive income for the period	-	-	599,407	23,869	335	623,611
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>4,434,670</b>	<b>599,407</b>	<b>23,869</b>	<b>466</b>	<b>5,058,412</b>
Contribution by Government	49,125,000	-	-	-	-	49,125,000
<b>Total contributions and distributions</b>	<b>49,125,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,125,000</b>
<b>31 March 2016</b>	<b>204,375,000</b>	<b>21,900,921</b>	<b>24,112,481</b>	<b>1,677,608</b>	<b>3,679</b>	<b>252,069,689</b>

<b>Group</b>	<b>Contribution by Government N'000</b>	<b>Retained earnings N'000</b>	<b>Fair value reserves N'000</b>	<b>Translation reserves N'000</b>	<b>Non- controlling interests N'000</b>	<b>Total N'000</b>
<b>1 January 2015</b>	<b>155,250,000</b>	<b>5,691,084</b>	<b>10,470,202</b>	<b>116,981</b>	<b>-</b>	<b>171,528,267</b>
Profit / (loss) for the period	-	11,412,784	-	-	23	11,412,807
<b>Other comprehensive income for the period</b>						
Net changes in fair value reserve of financial assets (available for sale)	-	-	15,617,393	-	(143)	15,617,250
Currency translation differences	-	-	-	1,709,177	-	1,709,177
Total other comprehensive income for the period	-	-	15,617,393	1,709,177	(143)	17,326,427
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>11,412,784</b>	<b>15,617,393</b>	<b>1,709,177</b>	<b>(120)</b>	<b>28,739,234</b>
Capital contribution by non-controlling interest in subsidiary	-	-	-	-	3,000	3,000
<b>Total contribution and distributions to owner</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>
<b>31 March 2015</b>	<b>155,250,000</b>	<b>17,103,868</b>	<b>26,087,595</b>	<b>1,826,158</b>	<b>2,880</b>	<b>200,270,501</b>

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

**Nigeria Sovereign Investment Authority**  
**Interim financial statements**  
**Statement of changes in equity**  
**For the 3 months period ended 31 March 2016**

Authority	Contribution by Government N'000	Retained earnings N'000	Fair value reserves N'000	Total N'000
<b>1 January 2016</b>	<b>155,250,000</b>	<b>17,738,425</b>	<b>22,596,249</b>	<b>195,584,674</b>
Profit / (loss) for the period	-	4,309,348	-	4,309,348
<b>Other comprehensive income for the period</b>				
Net changes in fair value reserve of financial assets (available for sale)	-	-	595,009	595,009
Total other comprehensive income for the period	-	-	595,009	595,009
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>4,309,348</b>	<b>595,009</b>	<b>4,904,357</b>
Contribution by Government	49,125,000	-	-	49,125,000
<b>Total contributions and distributions</b>	<b>49,125,000</b>	<b>-</b>	<b>-</b>	<b>49,125,000</b>
<b>31 March 2016</b>	<b>204,375,000</b>	<b>22,047,773</b>	<b>23,191,258</b>	<b>249,614,031</b>

Authority	Contribution by Government N'000	Retained earnings N'000	Fair value reserves N'000	Total N'000
<b>1 January 2015</b>	<b>155,250,000</b>	<b>5,532,544</b>	<b>8,857,892</b>	<b>169,640,436</b>
<b>Total comprehensive income</b>				
Profit / (loss) for the period	-	11,343,521	-	11,343,521
<b>Other comprehensive income for the period</b>				
Net changes in fair value reserve of financial assets (available for sale)	-	-	16,067,031	16,067,031
Total other comprehensive income for the period	-	-	16,067,031	16,067,031
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>11,343,521</b>	<b>16,067,031</b>	<b>27,410,552</b>
<b>31 March 2015</b>	<b>155,250,000</b>	<b>16,876,065</b>	<b>24,924,923</b>	<b>197,050,988</b>

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

**Nigeria Sovereign Investment Authority**  
**Interim financial statements**  
**Statement of cash flows**  
**For the 3 months period ended 31 March 2016**

		<b>Group period ended 31 March 2016 N '000</b>	<b>Group 3 months period ended 31 March 2015 N '000</b>	<b>Authority 3 months period ended 31 March 2016 N '000</b>	<b>Authority 3 months period ended 31 March 2015 N '000</b>
<b>Cash flows from operating activities</b>					
Profit before tax		4,432,290	11,412,807	4,309,562	11,343,521
<b>Adjustments for:</b>					
Depreciation	17	20,546	21,203	20,121	20,844
Amortisation of intangible assets	18	2,036	1,950	2,036	1,950
Unrealised gain on financial assets at FVTPL		(4,097,828)	-	(4,097,828)	-
Withholding tax deducted from income received	11	2,511	(32,025)	(214)	(26,336)
Share of (profit)/loss from associate	16	(23,847)	2,684	-	-
<b>Movements in operating assets/liabilities</b>					
Increase in investment securities	13	20,544,951	(50,559,804)	20,968,547	(50,446,601)
Decrease/(increase) in other assets		(2,268,734)	3,698,130	(2,308,914)	3,699,189
Decrease in advances		(2,895)	6,530	(2,895)	6,530
Increase/(decrease) in trade and other payables	19	(962,415)	(389,454)	(923,809)	408,615
<b>Net cash used in operating activities</b>		<b>17,646,615</b>	<b>(35,837,979)</b>	<b>17,966,606</b>	<b>(34,992,288)</b>
<b>Cash flows from investing activities</b>					
Purchase / (disposal) of property and equipment	17	(13,590)	(441,142)	(13,590)	(1,365)
Purchase of intangible assets	18	-	(1,675)	-	(1,675)
Return of capital from subsidiary		-	-	-	4,014,503
<b>Net cash (used)/generated in investing activities</b>		<b>(13,590)</b>	<b>(442,817)</b>	<b>(13,590)</b>	<b>4,011,463</b>
<b>Cash flows from financing activities</b>					
Contribution by Government		49,125,000	-	49,125,000	-
Transactions with non-controlling interest("NCI")		-	3,000	-	-
<b>Net cash generated/(used) in financing activities</b>		<b>49,125,000</b>	<b>3,000</b>	<b>49,125,000</b>	<b>-</b>
<b>Net cash movement for the period</b>		<b>66,758,025</b>	<b>(36,277,796)</b>	<b>67,078,016</b>	<b>(30,980,825)</b>
Cash and cash equivalents at beginning of period		37,983,532	49,903,739	32,913,468	43,098,473
Net exchange gains on cash and cash equivalents		-	10,646,993	-	10,646,993
<b>Cash and cash equivalents at period end</b>		<b>104,741,557</b>	<b>24,272,936</b>	<b>99,991,484</b>	<b>22,764,641</b>
<b>Cash and cash equivalents comprise:</b>					
Cash in hand		3	82	3	82
Bank balances		104,741,554	5,843,459	99,991,481	4,855,779
Placements with financial institutions		-	18,429,395	-	17,908,780
<b>Total cash and cash equivalents</b>		<b>104,741,557</b>	<b>24,272,936</b>	<b>99,991,484</b>	<b>22,764,641</b>

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

**Nigeria Sovereign Investment Authority**  
**Interim financial statements**  
**For the 3 months period ended 31 March 2016**

**Notes to the financial statements**

**1 General Information**

Nigeria Sovereign Investment Authority ('NSIA' or 'the Authority') was established to receive, manage and invest the excess funds from the country's sale of crude oil in a diversified portfolio of medium and long-term investments. The Authority was set up by the Nigeria Sovereign Investment Authority Act, which was signed in May 2011 and was allocated an initial USD 1 billion in seed capital. The Authority commenced operations in October 2012.

The Authority is domiciled in Nigeria. The Authority's office address is the Clan Place, 4th floor, Plot 1386A, Tigris Crescent, Maitama, Abuja.

In order to actualize its mandate, the Authority has established three separate "ring-fenced" funds. They include Stabilisation Fund (SF), Future Generations Fund (FGF) and Nigeria Infrastructure Fund (NIF).

The investment activities of the funds are managed as follows:

Fund	Investment managers
Stabilisation Fund (SF)	UBS
Nigeria Infrastructure Fund (NIF)	In-house Management Team, Fund for Agricultural Finance in Nigeria (FAFIN), Goldman Sachs, JPM Asset Management and Legg Mason Global Asset Management
Future Generations Fund (FGF)	Cevian Capital, Blue Mountain Capital Management, JHL Capital Group, Edgbaston Investment partners, Capital Group, Arbiter Offshore Limited, Somerset Capital Management LLP, Marathon Asset Management LLP, Chieftain Capital, Prince Street, JP Morgan Asset Management, Goldman Sachs Asset Management, Jamison Capital Partners, Xenon Private Equity, Z Capital Partners, Helios Investment partners, Healthcare Royalty Partners, AQR Capital Management, Actis Capital, Africa Capital Alliance and Legg Mason Global Asset Management.

**2. Basis of preparation**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on Interim financial information (IAS 34), including International Accounting Standards and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) applicable to companies reporting under IFRS.

The Group has adopted the liquidity approach in the presentation of the consolidated statement of financial position as this best represents the nature of its activities.

**2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following:

- Available-for-sale financial assets are measured at fair value
- Fair value through profit or loss financial assets are measured at fair value
- Trade and other receivables, held to maturity financial assets and financial liabilities are measured at amortized cost.

**2.3 Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Naira', which is the group's presentation currency.

**2.4 Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'net exchange gains'.

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Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

**2.5 Group companies**

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

**2.6 Changes in accounting policy**

There were no changes in the accounting policies of the Authority and Group during the period.

**(a) New standards, amendments and interpretations adopted by the Group**

No new standards were been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016.

**(b) New standards, amendments and interpretations not yet adopted**

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statement. None of these is expected to have a significant effect on financial statements except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit and Loss (P&L). The standard is effective for accounting periods beginning on or after 1 January 2018, with adoption permitted.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting the revenue and cash flows arising from an entity's contracts with customers. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted.

There are no other IFRSs or IFRIC interpretations that are not yet effective that management expects would have a material impact on the Group.

**3 Significant accounting policies**

The significant accounting policies applied in the preparation of the financial statements are set out below:

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**3.1 Consolidation**

**(a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and any equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If a business combination is achieved in stages, the acquisition date carrying value of any previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

**(b) Changes in ownership interests in subsidiaries without loss of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**(c) Disposal of subsidiaries**

When the Group ceases to have control over a subsidiary entity, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

**(d) Associates**

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

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The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

**(e) Joint arrangements**

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Authority has assessed the nature of its joint arrangements and determined them to be joint operations. Joint operations are accounted for by recognising the group's share of the assets, liabilities, revenues and expenses of the joint operation.

**3.2 Interest income and interest expense**

Interest income and expense, including interest income from non-derivative financial assets at fair value through profit or loss, are recognised in profit or loss using the effective interest rate 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 Authority 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.

**3.3 Dividend income**

Dividend income is recognised when the right to receive income is established. Dividend income from equity securities designated at fair value through profit or loss is recognised as dividend income in the statement of comprehensive income.

**3.4 Transaction costs**

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction costs are expensed in the income statement. They include fees and commissions paid to agents, custodians and advisers.

**3.5 Net gain from financial instruments at fair value through profit or loss**

Net gain from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income, and dividend expense on short positions.

**3.6 Fees and commissions**

Fees, commission and other expenses that are not integral to the effective interest rate computation are recognised in profit or loss on an accrual basis as the related services are performed.

**3.6.1 Fiduciary activities**

The Authority provides investment management and custody services to the Debt Management Office and Nigerian Bulk Electricity Company Plc. ("NBET") which involve the Authority making allocation, purchase and sale decisions in relation to a wide range of financial instruments and investments. Those assets and income that are held in a fiduciary capacity are not included in these financial statements as they are not assets of the Authority. Some of these arrangements involve the Authority accepting targets for benchmark levels of returns for the assets under the Authority's care. The fees and commissions from these and other fiduciary activity are recognised in profit or loss as the related services are performed.

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**3.7 Income tax expense**

The Authority and its wholly-owned subsidiary entities in Nigeria are exempt from the provisions of any and all fiscal laws or regulations of all levels of Government in Nigeria, including without limitation, the Companies Income Tax Act, the Capital Gains Tax Act, the Stamp Duties Act, and the Value Added Tax Act.

**3.8 Financial assets and financial liabilities**

*3.8.1 Recognition and initial measurement*

All financial instruments are initially recognised at fair value at the trade date, which includes transaction costs for financial instruments not classified as fair value through profit or loss. Financial instruments are derecognised when the rights to receive cash flows from the financial instruments have expired or where the Authority has transferred substantially all risks and rewards of ownership.

*3.8.2 Classification*

The Authority has adopted the following classifications for financial assets and financial liabilities:

**Financial assets:**

- loans and receivables;
- held to maturity;
- available-for-sale; or
- fair value through profit or loss and within the category as:
- held for trading; or
- designated at fair value through profit or loss.

**Financial liabilities:**

- Financial liabilities are measured at amortised cost, or fair value through profit or loss.

*3.8.3 Subsequent measurement*

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

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Authority as fair value through profit or loss or available-for-sale. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Transaction costs that are integral to the effective rate are capitalised to the value of the loan and amortised through interest income as part of the effective interest rate. All of the Authority's advances are included in the loans and receivables category.

**Held-to-maturity**

Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity, and which are not designated as fair value through profit or loss or as available for sale. Where the Authority is to sell more than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale assets and the difference between amortised cost and fair value will be accounted for in other comprehensive income. Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any provisions for impairment.

**Available-for-sale**

Financial assets classified by the Authority as available-for-sale financial assets are generally those that are not designated as another category of financial assets, or strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in fair value reserve in other comprehensive income until the financial asset is derecognised or impaired. When available-for-sale financial assets are disposed of, the fair value adjustments accumulated in other comprehensive income are recognised in profit or loss. Interest income, calculated using the effective interest method, is recognised in profit or loss.



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**Financial assets at fair value through profit or loss**

*3.8.4 Derecognition*

The Authority derecognises 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 authority neither transfers nor retains substantially all the risks and rewards of ownership and 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 authority is recognised 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 derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Authority derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

*3.8.5 Offsetting*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the authority has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

*3.8.6 Amortised cost measurement*

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

*3.8.7 Fair value measurement*

Fair value is the price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the authority measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, the authority establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the authority, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The authority calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different from its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

Subsequent to initial recognition, the fair values of financial instruments are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. If the market for a financial asset is not active or the instrument is unlisted, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and valuation techniques commonly used by market participants.

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Where discounted cash flow analyses are used, estimated cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date from a financial asset with similar terms and conditions. Where pricing models are used, inputs are based on observable market indicators at the reporting date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in setting a price.

**3.8.8 Identification and measurement of impairment**

At each reporting date the Authority assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is (are) 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.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**3.9 Cash and cash equivalents**

Cash and cash equivalents comprise fixed deposits with banks, and highly liquid financial instruments with original maturities of less than three months from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Authority in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

**3.10 Property and equipment**

**3.10.1 Initial Recognition**

All items of property and equipment are initially recognised at cost. Cost includes the value of consideration exchanged, or fair value in the case of donated or subsidised assets, and those costs directly attributable to bringing the item to working condition for its intended use.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

**3.10.2 Subsequent costs**

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

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**3.10.3 Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

The estimated useful lives are as follows:

Assets	Annual depreciation rate
Leasehold improvements	Over the shorter of the useful life of item or lease period
Leasehold land	Over the shorter of the useful life of item or lease period
Buildings	Over the lease period
Computer hardware	40 years
Furniture and fittings	3.3 years
Office equipment	5 years
Motor vehicles	4 years

**3.10.4 Derecognition**

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**3.11 Intangible assets - Software**

Software acquired by the Authority is stated at cost less accumulated amortisation and accumulated impairment losses. Software is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the software can be measured reliably. Expenditure that forms part of the cost of software that meets the recognition criteria are capitalised as part of the software. Software is accounted for using the cost model. After initial recognition, the software is carried at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 3 years, from the date that it is available for use. The amortisation method and useful life of software are reassessed at each financial year end and adjusted if appropriate.

**3.12 Trade receivables**

Trade receivable are amounts due from the sale of securities in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**3.13 Leased assets – lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases in which the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

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**3.14 Impairment of non-financial assets**

The carrying amounts of non-financial assets other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows, which are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

**3.15 Provisions**

A provision is recognised if, as a result of a past event, the Authority 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. The unwinding of the discount is recognised as finance cost.

*3.15.1 Restructuring*

A provision for restructuring is recognised when the Authority has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

**3.16 Trade payables**

Trade payables are obligations to pay for securities that have been acquired in the ordinary course of business from the secondary market. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**3.17 Contingencies**

*3.17.1 Contingent assets*

Contingent asset is a possible asset that arises from past events and 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 group.

A contingent asset is disclosed when an inflow of economic benefit is probable. When the realisation of income is virtually certain, then the related asset is not a contingent and its recognition is appropriate.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

*3.17.2 Contingent liabilities*

Contingent liability is a possible obligation that arises from past events and 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 group; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

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Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognised, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

**3.18 Employee benefits**

*3.18.1 Post-employment benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

The Authority operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014. The employee and the employer contributions are 8% and 10% respectively, of the qualifying employee's salary.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the period when the employees have rendered service entitling them to the contributions.

*3.18.2 Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.19 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, is the Managing

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Authority's headquarters), and head office expenses.

**3.20 Capital commitments**

Generally, a commitment arises when a decision is made to incur a liability in the form of a purchase contract (or similar documentation). Such a contractual commitment would be accompanied by actions taken to determine the amount of the eventual resource outflow and conditions to be satisfied to establish an obligation.

These preconditions ensure that the information relating to commitments is relevant and capable of reliable measurement. The Group may enter into a contract on or before the reporting date for expenditure over subsequent accounting periods, in which case a commitment exists at the reporting date as the Group has contracted for expenditure but work has not commenced and no payments have been made.

**3.21 Determination of fair values**

A number of the Authority's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

*3.21.1 Investments in equity and debt securities*

The fair value of equity and debt securities is determined by reference to their quoted closing bid price at the reporting date. The fair value of held-to-maturity investments (which are the Federal Government of Nigeria Treasury bills) is determined for disclosure purposes only and are determined by reference to the quoted closing bid price at the reporting date.

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*3.21.2 Investments in private equity funds*

The fair value of the investments in private equity funds is determined using the net asset valuation method. This involves obtaining (i) the valuation of the Investee Fund's underlying investments; (ii) the value date of the net asset value (NAV) provided; (iii) cash flows (calls/distributions) since the latest date; and (iv) the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Investee Fund's General Partner. If necessary, adjustments to the NAV are made to obtain the best estimate of fair value.

*3.21.3 Receivables*

The fair value of short term receivables is measured at their carrying amounts.

**3.22 Impairment of financial assets**

*Financial assets carried at amortised cost*

At each reporting date, the financial assets are assessed for impairment. A financial asset or portfolio of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or portfolio of financial assets that can be reliably estimated. Objective evidence of impairment includes observable data that may come to the attention of management from events such as:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- Bankruptcy or other financial reorganisation by the issuer or debtor;
- The disappearance of an active market for that financial asset ; or
- Measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

Management first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, such asset is included in a portfolio of financial assets with similar credit risk characteristics and collectively assessed for impairment. Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence of impairment of loans and receivables, 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 been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. As a practical expedient, management may measure impairment on the basis of an instrument's fair value using an observable market price.

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 recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

**4 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected. Management discusses with the Board of Directors the development, selection and disclosure of critical accounting policies and estimates, and the application of these policies and estimates. These disclosures supplement the commentary on financial risk management (see note 5).

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**4.1 Critical judgements in applying the Authority's accounting policies**

*4.1.1 Valuation of financial instruments*

The accounting policy on fair value measurements is discussed under Note 3.8.7. The Authority measures fair values using the following fair value hierarchy that reflects the nature and process used in making the measurements:

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using inputs that are not based on observable market data. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. It also includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

*4.1.2 Financial assets and liabilities classification*

The Authority's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances: Details of the classification of financial assets and liabilities are given in Note 3.8.

*4.1.3 Depreciation and carrying value of property and equipment*

The estimation of the useful lives of property and equipment is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

*4.1.4 Determination of impairment of property and equipment, and intangible assets.*

Management makes judgements regarding the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

*4.1.5 Joint arrangements*

A subsidiary undertaking, NSIA Motorways Investment Company (NMIC), has a joint arrangement with Julius Berger Investment Ltd (JBI) to design, build, operate and transfer a bridge over the river Niger. The joint arrangement constitutes a joint operation with each party holding 50% equity interest and joint control over the arrangement. Per the contractual agreements, consent is required from both parties for all relevant

*4.1.6 Impairment of available-for-sale equity investments*

The Group follows the guidance of IAS 39 Financial instruments: recognition and measurement to determine when an available-for-sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. There has been no impairment loss recognised in these financial statements.

**4.2 Critical accounting estimates**

The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*4.2.1 Fair value of investments classified as available-for-sale*

The fair values of quoted available-for-sale investments are determined by reference to prices quoted in an active market. Available for sale equity investments which are unquoted are carried at cost due to unavailability of inputs to determine their fair values.

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**4.2.2 Fair value of private equity investments**

The fair values of investments in private equity funds are determined using the net asset valuation method. This takes into account the net asset values as obtained from the different private equity investee funds' most recent available financial information, considering contributions and distributions between the last net asset valuation date and the reporting period. These private equity investments are unquoted and comparable market information is usually not available. Determining the fair values based on this valuation approach assumes that the investment will be realised at the reporting date at these values. The sensitivity of the fair values to changes in the assumptions made is discussed in Note 6.

**5 Financial risk management**

The Authority's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk and liquidity risk. The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's strategy for managing risks is to understand risk within the invested universe and the externalities that can affect this, with the aim of monitoring, controlling and mitigating against undesired events.

The Group has adopted, wherever possible, recommended best practice in the identification, evaluation and cost effective control of risks to ensure, as far as possible, that they are eliminated or reduced to a level that is acceptable to the Authority.

**5.1 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 Group, resulting in a financial loss to the Group. It arises principally from debt securities held, trade receivables and advances, and also from cash and The Authority'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.

**5.1.1 Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure.

As at 31 March 2016, all financial assets are neither past due nor impaired. The credit quality of these financial assets are disclosed in the table below.

**5.1.2 Credit quality of financial assets**

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Group	Group	Authority	Authority
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
(i) Money market placements	N '000	N '000	N '000	N '000
<b>Counterparties with external credit ratings (S&amp;P), Fitch &amp; Moody</b>				
B+	-	10,002,396	-	10,002,396
B	-	926,612	-	
B2*- (Moody)	-	2,955,123	-	84,903
<b>Total money market placements</b>	-	<b>13,884,131</b>	-	<b>10,087,299</b>



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	Group 31 March 2016	Group 31 December 2015	Authority 31 March 2016	Authority 31 December 2015
<b>(ii) Cash at bank</b>				
<i>Counterparties with external credit ratings (S&amp;P)</i>				
A	-	386,164	-	-
A-	101,499,056	19,953,063	97,710,881	19,953,063
B+	2,558,317	3,760,042	2,280,600	2,872,974
B+++	684,180	-	-	-
<b>Total cash at bank balances</b>	<b>104,741,553</b>	<b>24,099,269</b>	<b>99,991,481</b>	<b>22,826,037</b>
<b>(iii) Trade receivables and advances</b>				
<i>Counterparties without external credit ratings</i>				
Trade receivables (on US treasury bills)	3,185,575	930,118	3,234,540	1,559,198
Advances (to employees)	7,651	4,756	7,651	4,756
	<b>3,193,226</b>	<b>934,874</b>	<b>3,242,191</b>	<b>1,563,954</b>
<b>(iv) Investment securities</b>				
<i>Counterparties with external credit ratings (S&amp;P)</i>				
A+ (Fitch)	-	3,951,124	-	3,951,124
A- (S&P)	79,965,417	55,332,342	79,965,417	55,332,342
	<b>79,965,417</b>	<b>59,283,466</b>	<b>79,965,417</b>	<b>59,283,466</b>
<i>Counterparties with external sovereign credit ratings (Fitch)</i>				
B+ (S&P)	-	38,835,850	-	38,835,850
B- (S&P)	33,672,422	6,994,927	33,672,422	6,994,927
	<b>33,672,422</b>	<b>45,830,777</b>	<b>33,672,422</b>	<b>45,830,777</b>
<b>Total investment securities (subject to credit risk)</b>	<b>113,637,839</b>	<b>105,114,243</b>	<b>113,637,839</b>	<b>105,114,243</b>

## 5.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Group. The Group's approach to managing liquidity is to have sufficient funds to meet its liabilities, as and when due, without incurring undue losses or risking damage to the Group's reputation.

### 5.2.1 Exposure to liquidity risk

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

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*In thousands of Naira*

**Non-derivative financial liabilities**

	<b>Up to 3 months</b>	<b>4 – 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Total</b>
Trade payables	961,057	223	5,742	-	967,022
Accruals	2,033	554,773	-	-	556,806
Other payables	7,441	132,846	-	-	140,287
Payables to related parties	-	-	-	13,286,073	13,286,073
<b>Total liabilities</b>	<b>970,531</b>	<b>687,842</b>	<b>5,742</b>	<b>13,286,073</b>	<b>14,950,188</b>

**Group**

**31 December 2015**

*In thousands of Naira*

**Non-derivative financial liabilities**

	<b>Up to 3 months</b>	<b>4 – 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Total</b>
Trade payables	916,571	-	4,528	-	921,099
Accruals	-	295,757	-	-	295,757
Other payables	2,718,978	8,118	286,691	-	3,013,787
Payables to related parties	-	-	11,560,866	-	11,560,866
<b>Total liabilities</b>	<b>3,635,549</b>	<b>303,875</b>	<b>11,852,085</b>	<b>-</b>	<b>15,791,509</b>

**Authority**

**31 March 2016**

*In thousands of Naira*

**Non-derivative financial liabilities**

	<b>Up to 3 months</b>	<b>4 – 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Total</b>
Trade payables	959,573	223	5,742	-	965,538
Accruals	31,825	72,633	-	-	104,458
Other payables	7,441	132,846	1,000	-	141,287
<b>Total liabilities</b>	<b>998,839</b>	<b>205,702</b>	<b>6,742</b>	<b>-</b>	<b>1,211,283</b>

**Authority**

**31 December 2015**

*In thousands of Naira*

**Non-derivative financial liabilities**

	<b>Up to 3 months</b>	<b>4 – 6 months</b>	<b>Between 6 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>Total</b>
Trade payables	916,571	-	4,528	-	921,099
Accruals	282,221	-	5,787	-	288,008
Other payables	2,718,978	10,118	164,138	-	2,893,234
<b>Total liabilities</b>	<b>3,917,770</b>	<b>10,118</b>	<b>174,453</b>	<b>-</b>	<b>4,102,341</b>

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**5.3 Market risk**

Market risk is the risk of loss from unfavourable changes in the fair values of financial instruments caused by adverse moves in market variables, such as foreign exchange rates, interest rates, equity prices, commodity prices, credit spreads and implied volatilities of the market rates. Market risk losses could result in a loss of earning and/or capital to the Group. The Group is exposed to market risk through its proprietary investments.

With regards to investments in certain asset classes, the Group's potential exposure can be categorised into two: namely, traditional investments and alternative investments. Traditional investments include cash, listed equity and fixed income instruments. Alternative investments are the real estate assets, private equity, hedge funds, unquoted securities and equities, and are generally less liquid than traditional investments.

The Group manages market risk by actively controlling positions taken by investment managers in accordance with the investment strategy for each fund. The investment strategy outlines permissible asset classes, asset allocation limits and other position limits according to the portfolio risk appetite and risk profile. Exceptions are escalated and investment managers are expected to provide a plan of action that would bring portfolios within limits.

The identification, measurement and management of market risk for the different asset categories is as follows:

**5.3.1 Traditional/Financial assets**

Trading assets are carried at fair value using publicly available market rates for traded securities. Positions are monitored regularly and performance measured to relevant benchmarks.

**5.3.2 Alternative/Unlisted securities**

Key performance measures are set and a robust monitoring and reporting framework is put in place to monitor performance of investments in alternative and unlisted securities. These are also exposed to valuation risks, which derives from the valuation model and methodology chosen for unlisted securities.

**5.3.3 Foreign exchange risk**

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Group has an investment in a foreign operation, whose net assets are exposed to foreign currency translation risk as a result of the translation of its financial statements from the operation's functional currency to the Group's presentation currency. Currency exposure arising from the net assets of the Group's foreign subsidiary is managed primarily through cash and cash equivalents denominated in the relevant foreign currencies.

The table below summarises the Group's financial assets and liabilities, which are denominated in a currency other than the Nigerian Naira.

<b>Concentration of foreign currency exposure</b>	<b>Group</b>	<b>Group</b>	<b>Authority</b>	<b>Authority</b>
	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Cash and cash equivalents	104,463,944	20,524,313	99,991,589	20,138,149
Investment securities (loans and receivables)	10,434,201	30,230,299	10,434,201	30,230,299
Other assets (excluding prepayments)	1,080,075	822,392	1,077,863	822,392
Net foreign currency exposure impacting profit or loss	115,978,220	51,577,004	111,503,653	51,190,840
Investment securities - available-for-sale/HTM	100,347,096	113,479,673	89,672,286	103,249,573

There were no foreign currency liabilities as at the end of the reporting period. (2015: Nil).

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The table below summarises the sensitivity of monetary and non-monetary assets and liabilities to changes in exchange rates at the end of the reporting periods. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the table below, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates. The increase or decrease in profit or loss arises mainly from a change in the foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents, and other assets. The increase or decrease in other comprehensive income arises mainly from a change in the fair value of US Dollar denominated investment securities classified as available for sale.

Naira)

Impact on	Exchange rates (USD to Naira)	Net exposure translation	Sensitivity to 5% strengthening	Sensitivity to 5% weakening
<b>Group</b>				
31 March 2016				
Profit or loss	196.5	115,978,220	(5,798,911)	5,798,911
Other comprehensive income	196.5	100,347,096	(5,017,355)	5,017,355
<b>Group</b>				
31 December 2015				
Profit or loss	196.5	51,577,004	(2,578,850)	2,578,850
Other comprehensive income	196.5	113,479,673	(5,673,984)	5,673,984
<b>Authority</b>				
31 March 2016				
Profit or loss	196.5	111,503,653	(5,575,183)	5,575,183
Other comprehensive income	196.5	89,672,286	(4,483,614)	4,483,614
<b>Authority</b>				
31 December 2015				
Profit or loss	196.5	51,190,840	(2,559,542)	2,559,542
Other comprehensive income	196.5	103,249,573	(5,162,479)	5,162,479

Profit is more sensitive to movement in Naira/US Dollar exchange rates in 2016 than 2015 because of the recent devaluation of the Naira against the US Dollar.

**5.3.4 Interest risk management**

Interest rate risk is the risk of loss to net interest income (NII) arising from changes in market interest rates on rate sensitive assets and liabilities.

**Net interest income sensitivity**

The Group is not exposed to interest rate risk i.e. the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There are two types of scenarios that give rise to interest rate risk. These are where the Group holds variable rate instruments susceptible to cash flow interest rate risk due to a change in market interest rates or the Group holds debts instruments measured at fair value which will be exposed to fair value interest rate risk. As at the end of the reporting period, the Group's financial assets or liabilities are neither exposed to cash flow or fair value interest rate risk. Hence, no interest rate sensitivity analysis is required.

**5.3.5 Equity securities price risk**

The Group is exposed to equity securities price risk because of investments held and classified on the statement of financial position as available-for-sale. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio in accordance with established limits

The table below summarises the impact of increases/decreases on the Group's other comprehensive income and equity. The analysis is based on the assumption that equity prices had increased/decreased by 5% with all other variables held constant:

	Sensitivity	Group As at 31 March 2016 N'000	Group As at 31 December 2015 N'000	Authority As at 31 March 2016 N'000	Authority As at 31 December 2015 N'000
Available for sale - Equities	5% increase	1,019,084	943,093	485,343	431,588
	5% decrease	(1,019,084)	(943,093)	(485,343)	(431,588)

Other comprehensive income would increase/(decrease) as a result of gains/(losses) on equity securities classified as available for sale by the amounts shown above.

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**6 Fair value hierarchy**

The Group classifies financial instruments measured at fair value in the investment portfolio according to the following hierarchy

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	Quoted instruments
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	Equity instruments quoted in over-the-counter (OTC) markets
Level 3	Inputs that are not based on observable market data (that is, unobservable inputs)	Unquoted equity instruments and debt instruments

Unquoted equity and debt instruments are measured in accordance with the International Private Equity and Venture Capital valuation guidelines with reference to the most appropriate information available at the time of measurement.

The following table analyses within the fair value hierarchy the Authority's financial assets (by class) measured at fair value at 31 March 2016. All fair value measurements disclosed are recurring fair value measurements. There were no transfers between levels during the period.

**Group**

**31 March 2016**

	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Available for sale investment securities	16	44,077,913	2,422,316	53,846,867	100,347,096

**31 December 2015**

	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Available for sale investment securities	16	57,912,400	2,422,316	53,144,957	113,479,673

**Authority**

**31 March 2016**

	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Available for sale investment securities	16	44,077,913	2,422,316	43,172,057	89,672,286

**31 December 2015**

	Note	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Available for sale investment securities	16	57,912,400	2,422,316	42,914,857	103,249,573

**(a) Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices as at 31 March 2016. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. Instruments included in Level 1 comprise primarily DAX, FTSE 100 and Dow Jones equity investments as well as fixed income instruments classified as available for sale.

**(b) Financial instruments in level 2**

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. They include investments in equity securities that are not traded in an active market but for which a trading platform exists on which a price can be determined, which market participants would pay to purchase the asset as at the reporting date.

Specific valuation techniques used to value financial instruments include quoted market prices or dealer quotes for similar instruments. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

**(c) Financial instruments in level 3**

Level 3 inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

The determination of what constitutes 'observable' requires significant judgement. The Authority considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Available-for-sale (Investments in investee funds)

Level 3 is comprised of Investee Funds held by the subsidiary ('KG Brussels LP' or 'the Fund') that are not quoted in active markets. The fair value of these investments are determined using the latest available financial statements and/or capital account statements provided by the Investee Fund's general partner, unless there are reasons why such a valuation may not be the best approximation of fair value. In such cases, management determines fair value for such investments which may differ from what is reported by the Investee Fund's general partner.

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The fair values as at 31 March 2016 was as stated in the capital account statements provided by the General Partner of each investee fund.

Available-for-sale (Investments in hedge funds and private equity funds)

Level 3 also includes investments in hedge funds and private equity funds that are not quoted in active markets. In determining the fair value of these investments, the Authority relies on the valuation reported in the latest available financial statements and/or capital account statements provided by the investment manager, unless the Authority is aware of reasons that such a valuation may not be the best approximation of fair value. In such cases, management calculates a fair value which may differ from the one reported by the investment manager.

The following table presents the changes in Level 3 instruments for the period ended 31 March 2016 for available for sale financial assets.

	<b>Group 31 March 2016 N'000</b>	<b>Group 31 December 2015 N'000</b>	<b>Authority 31 March 2016 N'000</b>	<b>Authority 31 December 2015 N'000</b>
Balance, beginning of period	53,144,957	37,551,874	42,914,857	28,277,032
Additions	1,138,665	14,529,162	514,515	12,786,105
Distributions received	-	602,440	-	(779,326)
Disposals and repayments	(53,650)	(3,498,413)	(53,650)	(2,296,672)
Change in fair value	(383,105)	(2,425,950)	(203,665)	(1,458,126)
Exchange gain/ (loss)	-	6,385,844	-	6385844
	<b>53,846,867</b>	<b>53,144,957</b>	<b>43,172,057</b>	<b>42,914,857</b>

The table below shows the sensitivity analysis of fair value movements for available-for-sale financial assets:

	<b>Group</b>		<b>Authority</b>	
	<b>31 March 2016</b>		<b>31 March 2016</b>	
	<b>N'000</b>		<b>N'000</b>	
	5% change in fair value inputs	Inputs	Difference	Difference
Available-for-sale financial assets				
Fair value movement	Increase	NAV adjusted	(19,155)	(10,183)
	Decrease		19,155	10,183
	<b>Group</b>		<b>Authority</b>	
	<b>31 December 2015</b>		<b>31 December 2015</b>	
	<b>N'000</b>		<b>N'000</b>	
	5% change in fair value inputs	Inputs	Difference	Difference
	Increase	NAV adjusted	(121,297)	(72,906)
	Decrease		121,297	72,906

**6.1 Financial assets and financial liabilities**

The financial instruments by category for the Group and the Authority are shown in the tables below:

**Group**  
**31 March 2016**

	Note	<b>Held-to-maturity N'000</b>	<b>Loans and receivables N'000</b>	<b>Available-for-sale N'000</b>	<b>Other financial liabilities N'000</b>	<b>Total carrying amount N'000</b>	<b>Fair value N'000</b>
Cash and cash equivalents	12	-	104,741,557	-	-	104,741,557	104,741,557
Advances		-	7,651	-	-	7,651	7,651
Investment securities:	13						
Measured at fair value		-	-	100,347,096	-	100,347,096	100,347,096
Measured at amortised cost		33,672,422	10,434,201	-	-	44,106,623	37,191,217
Other assets	14	-	3,736,486	-	-	3,736,486	3,736,486
		<b>33,672,422</b>	<b>118,919,895</b>	<b>100,347,096</b>	<b>-</b>	<b>252,939,413</b>	<b>246,024,007</b>
Trade and other payables	18	-	-	-	14,826,094	14,826,094	14,826,094
		<b>-</b>	<b>-</b>	<b>-</b>	<b>14,826,094</b>	<b>14,826,094</b>	<b>14,826,094</b>

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**Group**  
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	Note	Held-to-maturity N'000	Loans and receivables N'000	Available-for-sale N'000	Other financial liabilities N'000	Total carrying amount N'000	Fair value N'000
Cash and cash equivalents	12	-	37,983,532	-	-	37,983,532	37,983,532
Advances		-	4,756	-	-	4,756	4,756
Investment securities:	13						
Measured at fair value		-	-	113,479,673	-	113,479,673	113,479,673
Measured at amortised cost		20,672,575	30,230,299	-	-	50,902,874	45,580,808
Other assets	14	-	1,467,752	-	-	1,467,752	1,467,752
		<b>20,672,575</b>	<b>69,686,339</b>	<b>113,479,673</b>	<b>-</b>	<b>203,838,587</b>	<b>198,516,521</b>
Trade and other payables	18	-	-	-	15,788,509	15,788,509	15,788,509
		-	-	-	<b>15,788,509</b>	<b>15,788,509</b>	<b>15,788,509</b>

**Authority**  
**31 March 2016**

	Note	Held-to-maturity N'000	Loans and receivables N'000	Available-for-sale N'000	Other financial liabilities N'000	Total carrying amount N'000	Fair value N'000
Cash and cash equivalents	12	-	99,991,484	-	-	99,991,484	99,991,484
Advances		-	7,651	-	-	7,651	7,651
Investment securities:	13						
Measured at fair value		-	-	89,672,286	-	89,672,286	89,672,286
Measured at amortised cost		33,672,422	10,434,201	-	-	44,106,623	37,191,217
Other assets	14	-	6,148,761	-	-	6,148,761	6,148,761
		<b>33,672,422</b>	<b>116,582,097</b>	<b>89,672,286</b>	<b>-</b>	<b>239,926,805</b>	<b>233,011,399</b>
Trade and other payables	18	-	-	-	3,178,532	3,178,532	3,178,532
		-	-	-	<b>3,178,532</b>	<b>3,178,532</b>	<b>3,178,532</b>

**Authority**  
**31 December 2015**

	Note	Held-to-maturity N'000	Loans and receivables N'000	Available-for-sale N'000	Other financial liabilities N'000	Total carrying amount N'000	Fair value N'000
Cash and cash equivalents	12	-	32,913,468	-	-	32,913,468	32,913,468
Advances		-	4,756	-	-	4,756	4,756
Investment securities:	13						
Measured at fair value		-	-	103,249,573	-	103,249,573	103,249,573
Measured at amortised cost		20,672,575	30,230,299	-	-	50,902,874	45,580,808
Other assets	14	-	3,839,847	-	-	3,839,847	3,839,847
		<b>20,672,575</b>	<b>66,988,370</b>	<b>103,249,573</b>	<b>-</b>	<b>190,910,518</b>	<b>185,588,452</b>
Trade and other payables	18	-	-	-	4,102,341	4,102,341	4,102,341
		-	-	-	<b>4,102,341</b>	<b>4,102,341</b>	<b>4,102,341</b>

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**7 Segment Information**

Management has determined the operating segments based on the information reviewed by the board of directors for the purposes of allocating resources and assessing performance.

The Authority has three reportable segments being the Stabilisation Fund (SF), Future Generations Fund (FGF) and Nigeria Infrastructure Fund (NIF). The Funds are managed separately as they entail different investment objectives and strategies and contain investments in different products.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit as included in the internal management reports that are reviewed by the board of directors. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the profitability of each segment.

<b>Group</b>	<b>Stabilisation Fund</b>	<b>Future Generations Fund</b>	<b>Nigeria Infrastructure Fund</b>	<b>Total</b>
<b>31 March 2016</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Investment and interest income	(291,505)	163,261	991,426	863,182
Other income	-	5,000	(81,662)	(76,662)
<b>Total operating segment income</b>	<b>(291,505)</b>	<b>168,261</b>	<b>909,764</b>	<b>786,520</b>
Investment management expenses	1,948	23,559	3,319	28,826
Local custodian fees	307	614	1,271	2,192
Global custodian fees	2,655	15,237	3,083	20,975
<b>Total segment investment management &amp; custodian fees</b>	<b>4,910</b>	<b>39,410</b>	<b>7,673</b>	<b>51,993</b>
	<b>(296,415)</b>	<b>128,851</b>	<b>902,091</b>	<b>734,527</b>
Professional expenses	624	21,993	11,198	33,815
Other operating expenses	25	10,522	28,669	39,216
<b>Segmented profit / (loss) for the period</b>	<b>(297,064)</b>	<b>96,336</b>	<b>862,224</b>	<b>661,496</b>
<b>Reportable segment liabilities</b>	<b>118,835</b>	<b>35,021</b>	<b>448,749</b>	<b>124,441</b>
<b>Reportable segment assets</b>	<b>46,594,985</b>	<b>117,359,286</b>	<b>109,580,134</b>	<b>253,230,168</b>
<b>Group</b>	<b>Stabilisation Fund</b>	<b>Future Generations Fund</b>	<b>Nigeria Infrastructure Fund</b>	<b>Total</b>
<b>31 December 2015</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Investment and interest income	335,052	1,207,619	4,270,307	5,812,978
Other non-operating income	3,750,201	951,948	3,994,913	8,697,062
	<b>4,085,253</b>	<b>2,159,567</b>	<b>8,265,220</b>	<b>14,510,040</b>
Investment management expenses	72,120	362,707	57,954	492,781
Local custodian fees	-	-	12,251	12,251
Global custodian fees	12,274	65,259	14,094	91,627
<b>Total segment investment management &amp; custodian fees</b>	<b>84,394</b>	<b>427,966</b>	<b>84,299</b>	<b>596,659</b>
<b>Total operating segment profit / (loss)</b>	<b>4,000,859</b>	<b>1,731,601</b>	<b>8,180,921</b>	<b>13,913,381</b>
Professional expenses	-	528,636	18,084	546,720
Other operating expenses	351	134,205	62,788	197,344
<b>Segmented profit/ (loss) for the period</b>	<b>4,000,508</b>	<b>1,068,760</b>	<b>8,100,049</b>	<b>13,169,317</b>
<b>Reportable segment assets</b>	<b>40,091,992</b>	<b>80,061,915</b>	<b>89,918,960</b>	<b>210,072,867</b>
<b>Reportable segment liabilities</b>	<b>821,835</b>	<b>2,750</b>	<b>11,690,342</b>	<b>12,514,927</b>



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<b>Authority</b> <b>31 March 2016</b>	<b>Stabilisation Fund N'000</b>	<b>Future Generations Fund N'000</b>	<b>Nigeria Infrastructure Fund N'000</b>	<b>Total N'000</b>
Investment and interest income	(291,505)	56,928	991,426	756,849
Other income	-	5,000	(81,662)	(76,662)
<b>Total operating segment income</b>	<b>(291,505)</b>	<b>61,928</b>	<b>909,764</b>	<b>680,187</b>
Investment management expenses	1,948	23,559	3,319	28,826
Local custodian fees	307	614	1,271	2,192
Global custodian fees	2,655	15,237	3,083	20,975
<b>Total segment investment management &amp; custodian fees</b>	<b>4,910</b>	<b>39,410</b>	<b>7,673</b>	<b>51,993</b>
	<b>(296,415)</b>	<b>22,518</b>	<b>902,091</b>	<b>628,194</b>
Professional expenses	624	21,993	11,198	33,815
Other operating expenses	25	263	28,669	28,957
<b>Segmented profit for the period / (loss)</b>	<b>(297,064)</b>	<b>262</b>	<b>862,224</b>	<b>565,422</b>
<b>Reportable segment liabilities</b>	<b>118,835</b>	<b>2,614</b>	<b>2,993</b>	<b>124,442</b>
<b>Reportable segment assets</b>	<b>46,594,985</b>	<b>97,579,114</b>	<b>99,950,706</b>	<b>244,124,805</b>
<b>Authority</b> <b>31 December 2015</b>	<b>Stabilisation Fund N'000</b>	<b>Future Generations Fund N'000</b>	<b>Nigeria Infrastructure Fund N'000</b>	<b>Total N'000</b>
Investment and interest income	335,052	1,197,429	4,270,307	5,802,788
Other non-operating income	3,750,201	951,948	3,994,913	8,697,062
<b>Total operating segment income</b>	<b>4,085,253</b>	<b>2,149,377</b>	<b>8,265,220</b>	<b>14,499,850</b>
Investment management expenses	72,120	362,707	57,954	492,781
Local custodian fees	-	-	12,251	12,251
Global custodian fees	12,274	65,259	14,094	91,627
<b>Total segment investment management &amp; custodian fees</b>	<b>84,394</b>	<b>427,966</b>	<b>84,299</b>	<b>596,659</b>
	<b>4,000,859</b>	<b>1,721,411</b>	<b>8,180,921</b>	<b>13,903,191</b>
Professional expenses	-	79,668	18,084	97,752
Other operating expenses	351	23,542	59,788	83,681
<b>Segmented profit for the period / (loss)</b>	<b>4,000,508</b>	<b>1,618,201</b>	<b>8,103,049</b>	<b>13,721,758</b>
<b>Reportable segment assets</b>	<b>40,091,992</b>	<b>78,249,863</b>	<b>77,635,721</b>	<b>195,977,576</b>
<b>Reportable segment liabilities</b>	<b>821,835</b>	<b>-</b>	<b>3,925</b>	<b>825,760</b>

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**Reconciliation of reportable segment revenues, profit or loss and assets and liabilities**

<i>In thousands of Naira</i>	Group	Group	Authority	Authority
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	N'000	N'000	N'000	N'000
<b>Revenues</b>				
Total revenue for reportable segments	786,520	5,812,978	680,187	5,802,788
Unallocated amounts	4,097,904	8,767	4,097,904	8,829
<b>Total revenue for the year</b>	<b>4,884,424</b>	<b>5,821,745</b>	<b>4,778,091</b>	<b>5,811,617</b>
<b>Profit or loss</b>				
Total profit or loss for reportable segments	661,496	13,169,317	565,422	13,721,758
Unallocated amounts	3,773,305	(1,393,739)	3,743,926	(1,515,877)
Total profit for the period	<b>4,434,801</b>	<b>11,775,578</b>	<b>4,309,348</b>	<b>12,205,881</b>
<b>Assets</b>				
Total assets for reportable segments	253,230,168	210,072,867	244,124,805	195,977,576
Other unallocated amounts	13,665,616	3,601,919	8,667,758	3,709,439
Total assets for the period	<b>266,895,783</b>	<b>213,674,786</b>	<b>252,792,563</b>	<b>199,687,015</b>
<b>Liabilities</b>				
Total liabilities for reportable segments	124,441	12,514,927	124,442	825,760
Other unallocated amounts	14,701,653	3,273,582	3,054,090	3,276,581
Total liabilities for the period	<b>14,826,094</b>	<b>15,788,509</b>	<b>3,178,532</b>	<b>4,102,341</b>

7a Entity-wide information

The breakdown of investment income from external customers are as follows:

	Group	Group	Authority	Authority
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	N '000	N '000	N '000	N '000
Attributable to the Authority's country of domicile	1,248,789	4,409,646	1,248,789	4,409,646
Attributable to foreign countries	3,712,297	1,263,638	3,605,965	1,290,373
Total investment income	<b>4,961,086</b>	<b>5,673,284</b>	<b>4,854,753</b>	<b>5,700,019</b>

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**8 Investment and interest income**

	<b>Group</b> <b>31 March 2016</b> <b>N '000</b>	<b>Group</b> <b>31 March 2015</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2016</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2015</b> <b>N '000</b>
Interest earned on treasury bills	452,735	442,529	452,735	442,529
Interest earned on fixed deposits	563,359	278,554	563,359	278,554
Interest earned on bank balances	6,426	37,022	6,426	37,022
Dividend income	91,396	77,932	91,396	77,932
Other financial instruments	(250,658)	536,143	(356,991)	458,484
Unrealised gain on financial assets at fair value through profit or loss	4,097,828	-	4,097,828	-
	<b>4,961,086</b>	<b>1,372,180</b>	<b>4,854,753</b>	<b>1,294,521</b>

\*MMDA – Money market deposit account  
 DDA – Demand deposit account

**9 Operating and administrative expenses**

	<b>Group</b> <b>31 March 2016</b> <b>N '000</b>	<b>Group</b> <b>31 March 2015</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2016</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2015</b> <b>N '000</b>
Personnel costs (Note 10)	279,879	251,277	279,879	251,277
Depreciation and amortisation	22,583	22,794	22,158	22,794
Audit fees	-	-	-	-
Non-audit fees - Quarterly reviews	3,500	-	3,500	-
Other professional fees	36,407	100,606	36,407	100,606
Directors' remuneration and expenses	230	32,592	230	32,592
General and administrative expenses	47,346	28,753	40,319	28,753
Office rent and other expenses	19,169	20,513	19,169	20,513
Travel expenses	14,542	6,769	14,542	6,769
	<b>423,656</b>	<b>463,304</b>	<b>416,204</b>	<b>463,304</b>

**10 Personnel costs**

	<b>Group</b> <b>31 March 2016</b> <b>N '000</b>	<b>Group</b> <b>31 March 2015</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2016</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2015</b> <b>N '000</b>
Salaries and wages	263,971	236,377	263,971	236,377
Contributions to defined contribution plans	15,908	14,900	15,908	14,900
	<b>279,879</b>	<b>251,277</b>	<b>279,879</b>	<b>251,277</b>

The average number of persons employed by the Authority during the period including executive directors was as follows:

	<b>Group</b> <b>31 March 2016</b> <b>Number</b>	<b>Group</b> <b>31 March 2015</b> <b>Number</b>	<b>Authority</b> <b>31 March 2016</b> <b>Number</b>	<b>Authority</b> <b>31 March 2015</b> <b>Number</b>
Executive management staff and senior staff	11	10	11	10
Non- management staff	17	17	17	17
	<b>28</b>	<b>27</b>	<b>28</b>	<b>27</b>

**11 Taxation**

	<b>Group</b> <b>31 March 2016</b> <b>N '000</b>	<b>Group</b> <b>31 March 2015</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2016</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2015</b> <b>N '000</b>
Withholding tax expense (WHT)	(2,511)	32,025	214	26,336
<b>Total tax expense</b>	<b>(2,511)</b>	<b>32,025</b>	<b>214</b>	<b>26,336</b>

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Withholding tax is deducted at source on certain dividend and investment income due to the Group

Effective tax rate reconciliation:

	<b>Group</b> <b>31 March 2016</b> <b>N '000</b>		<b>Authority</b> <b>31 March 2016</b> <b>N '000</b>
Profit before tax	4,432,290		4,309,562
Tax calculated at domestic tax rates applicable to profits in Nigeria (0%)	0%	-	0%
Withholding tax	-0.06%	2,511	0.00%
Tax charge	-0.06%	2,511	(214)
	<u>2,511</u>		<u>(214)</u>

The Authority and its wholly- owned subsidiary entities in Nigeria are exempt from the provisions of any and all fiscal laws or regulations of all levels of Government in Nigeria, including without limitation, the Companies Income Tax Act, the Capital Gains Tax Act, the Stamp Duties Act, and the Value Added Tax Act.

**12 Cash and cash equivalents**

	<b>Group</b> <b>31 March 2016</b> <b>N '000</b>	<b>Group</b> <b>31 December</b> <b>2015</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2016</b> <b>N '000</b>	<b>Authority</b> <b>31 December</b> <b>2015</b> <b>N '000</b>
Cash	3	133	3	133
Bank balances	104,741,554	24,099,268	99,991,481	22,826,036
Money market placements	-	13,884,131	-	10,087,299
	<u>104,741,557</u>	<u>37,983,532</u>	<u>99,991,484</u>	<u>32,913,468</u>

**13 Investment securities**

	<b>Group</b> <b>31 March 2016</b> <b>N '000</b>	<b>Group</b> <b>31 December</b> <b>2015</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2016</b> <b>N '000</b>	<b>Authority</b> <b>31 December</b> <b>2015</b> <b>N '000</b>
Held to maturity investments (Note 13.1)	33,672,422	20,672,575	33,672,422	20,672,575
Loans and receivables (Note 13.2)	10,434,201	30,230,299	10,434,201	30,230,299
Available for sale investments (Note 13.3)	100,347,096	113,479,673	89,672,286	103,249,573
	<u>144,453,719</u>	<u>164,382,547</u>	<u>133,778,909</u>	<u>154,152,447</u>

**13.1 HTM investment securities**

	<b>Group</b> <b>31 March 2016</b> <b>N '000</b>	<b>Group</b> <b>31 December</b> <b>2015</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2016</b> <b>N '000</b>	<b>Authority</b> <b>31 December</b> <b>2015</b> <b>N '000</b>
Nigerian marketable securities	33,672,422	20,672,575	33,672,422	20,672,575
	<u>33,672,422</u>	<u>20,672,575</u>	<u>33,672,422</u>	<u>20,672,575</u>
Maturity Analysis:				
Current	999,999	11,177,085	999,999	11,177,085
Non-Current	32,672,422	9,495,490	32,672,422	9,495,490
	<u>33,672,422</u>	<u>20,672,575</u>	<u>33,672,422</u>	<u>20,672,575</u>

**13.2 Loans and receivables**

	<b>Group</b> <b>31 March 2016</b> <b>N '000</b>	<b>Group</b> <b>31 December</b> <b>2015</b> <b>N '000</b>	<b>Authority</b> <b>31 March 2016</b> <b>N '000</b>	<b>Authority</b> <b>31 December</b> <b>2015</b> <b>N '000</b>
Bonds	10,434,201	30,230,299	10,434,201	30,230,299
	<u>10,434,201</u>	<u>30,230,299</u>	<u>10,434,201</u>	<u>30,230,299</u>
Maturity Analysis:				
Current	10,434,201	30,230,299	10,434,201	30,230,299
	<u>10,434,201</u>	<u>30,230,299</u>	<u>10,434,201</u>	<u>30,230,299</u>

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13.3 Analysis of available for sale investment

	Group 31 March 2016	Group 31 December 2015	Authority 31 March 2016	Authority 31 December 2015
	N '000	N '000	N '000	N '000
US treasury bills	15,791,187	9,952,654	15,791,187	9,952,655
Equities	20,381,679	16,981,113	9,706,869	6,751,012
Hedge funds, long only and other securities	64,174,230	86,545,906	64,174,230	86,545,906
	<b>100,347,096</b>	<b>113,479,673</b>	<b>89,672,286</b>	<b>103,249,573</b>
Maturity Analysis:				
Non-Current	100,347,096	113,479,673	89,672,286	103,249,573
	<b>100,347,096</b>	<b>113,479,673</b>	<b>89,672,286</b>	<b>103,249,573</b>

	Group 31 March 2016	Group 31 December 2015	Authority 31 March 2016	Authority 31 December 2015
	N '000	N '000	N '000	N '000
<b>Movement in available for sale investments</b>				
Balance, beginning of period	113,479,673	97,315,725	103,249,573	88,040,883
<b>Additions/(disposals):</b>				
US treasury bills	5,740,773	69,146	5,740,773	69,146
Equities	-	2,453,991	-	414,612
Hedge funds, long only and other securities	(18,891,991)	986,575	(19,269,472)	986,575
<b>Fair value (losses)/gains:</b>				
Net (losses)/gains transfer to OCI	18,641	(4,194,541)	(48,588)	(3,110,420)
<b>Foreign currency translation:</b>				
Net exchange gains	-	16,848,777	-	16,848,777
<b>Balance, end of period</b>	<b>100,347,096</b>	<b>113,479,673</b>	<b>89,672,286</b>	<b>103,249,573</b>

14 Financial asset at fair value through profit or loss

	Group 31 March 2016	Group 31 December 2015	Authority 31 March 2016	Authority 31 December 2015
	N '000	N '000	N '000	N '000
Unrealised gain on currency swap transaction	4,097,828	-	4,097,828	-
	<b>4,097,828</b>	<b>-</b>	<b>4,097,828</b>	<b>-</b>

The unrealised fair value gain on financial asset at fair value through profit or loss (FVTPL) includes the impact of fair valuation of foreign exchange swaps contracts due to movement in the exchange rate. Nigeria Sovereign Investment Authority entered into a cross currency swaps contracts to sell fixed amounts of foreign currencies at fixed exchange rates against the Naira at future dates using the additional Government contribution. The swap agreements resulted in derivative asset position at the reporting date.

15 Other assets

	Group 31 March 2016	Group 31 December 2015	Authority 31 March 2016	Authority 31 December 2015
	N '000	N '000	N '000	N '000
Trade receivables	3,185,575	930,118	3,234,540	1,559,198
Prepaid expenses	550,911	537,634	550,609	537,591
Deposit for shares	-	-	2,363,612	1,743,058
	<b>3,736,486</b>	<b>1,467,752</b>	<b>6,148,761</b>	<b>3,839,847</b>
Maturity Analysis:				
Current	3,736,486	1,467,752	6,148,761	3,839,847
	<b>3,736,486</b>	<b>1,467,752</b>	<b>6,148,761</b>	<b>3,839,847</b>

16 Investment in subsidiaries

The amounts recognised in the statement of financial position are as follows:

	Authority 31 March 2016	Authority 31 December 2015
	N '000	N '000
<b>Subsidiaries</b>		
At beginning of period	7,066,155	11,994,482
Additions	-	2,000
Disposals	-	(4,930,327)
At end of period	<b>7,066,155</b>	<b>7,066,155</b>
Maturity Analysis:		
Non-Current	7,066,155	7,066,155
	<b>7,066,155</b>	<b>7,066,155</b>

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**16.1 Investment in subsidiaries**

The group had the following subsidiaries at 31 March 2016

Name of entity	Place of business/country of incorporation	Nature of the relationship	% of ownership interest	Authority
				31 March 2016
				N '000
NSIA Motorways Investment Corporation (NMIC)	Nigeria	Investment holding	100	1,000
KG Acquisition I LLC	United States of America	Investment holding	100	0
KG Brussels LP	United States of America	Investment holding	99.97	7,063,155
FGF Private Equity Co. Ltd	Nigeria	Investment holding	100	1,000
FGF Investments Ltd	Nigeria	Investment holding	100	1,000
				7,066,155

The carrying value of the investment represents the cost of shares of NMIC and/or the cash value of investment in the limited partnership (KG Brussels LP)/(KG Acquisition I LLC). KG Brussels LP is a Partnership that holds a portfolio of investments in private equity funds. The General Partner of the Partnership is KG Acquisition I LLC, which is owned by NSIA. NSIA is a limited partner in KG Brussels LP.

**16.2 Associate**

	Group 31 March 2016	Group 31 December 2015	Authority 31 March 2016	Authority 31 December 2015
	N '000	N '000	N '000	N '000
At beginning of period	2,129,600	1,616,364	1,600,000	1,600,000
Share of profit / (loss)	23,847	124,914	-	-
Share of fair value reserves	7,488	388,322	-	-
At end of period	2,160,935	2,129,600	1,600,000	1,600,000
Maturity Analysis:				
Non-Current	2,160,935	2,129,600	1,600,000	1,600,000
	2,160,935	2,129,600	1,600,000	1,600,000

The amounts recognised in the income statement are as follows:

	Group 31 March 2016	Group 31 December 2015
Associates	544,571	529,600
	544,571	529,600

**16.3 Investment in associate**

Set out below is the associate of the Group as at 31 March 2016.

Name of entity	Place of business	% of ownership interest	Nature of the relationship	Measurement method
Nigeria Mortgage Refinancing Company (NMRC)	Nigeria	22.7	Associate	Equity

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**16.3a** NMRC is a government business entity and there is no quoted market price for its shares. Below are its summarised financial information

	<b>31 March 2016</b>	<b>31 December 2015</b>
	<b>N '000</b>	<b>N '000</b>
Summarised statement of financial position		
<b>Assets</b>		
Cash and cash equivalents	15,465,533	21,526,554
AFS Bonds	11,911,509	16,825,209
Fixed Deposits	9,752,081	-
Prepayments	127,419	92,776
Other assets	41,126	86,433
Intangible asset	51,347	1,870,564
Property and equipment	216,360	149,029
Mortgage Refinance loan	2,595,629	-
Total assets	<u>40,161,004</u>	<u>40,550,565</u>
<b>Liabilities</b>		
Accounts payable	25,820	198,592
Sundry creditors	79,374	-
Withholding Tax Payable	-	-
Term loan	-	23,303,888
<b>Current Liabilities</b>	<u>105,194</u>	<u>23,502,480</u>
NMRC Fixed Rate Bonds	7,699,103	7,730,039
Long-term Borrowings	23,552,459	-
<b>Non-current Liabilities</b>	<u>31,251,562</u>	<u>7,730,039</u>
<b>Capital and reserves</b>		
Share capital	1,762,500	6,944,290
Share premium	5,181,790	-
Retained earnings	728,846	497,590
Statutory reserve	242,580	165,121
Available for sale reserves	888,532	1,711,045
Total equity	<u>8,804,248</u>	<u>9,318,046</u>
Total liabilities and equity	<u>40,161,004</u>	<u>40,550,565</u>
Summarised statement of comprehensive income		
	<b>31 March 2016</b>	<b>31 December 2015</b>
	<b>N '000</b>	<b>N '000</b>
Interest income	393,553	3,163,592
Interest expense	(174,142)	(1,074,663)
Other income	-	-
Depreciation and amortisation	(6,130)	(47,230)
Personnel expenses	(55,230)	(592,499)
Operating expenses	(52,997)	(898,797)
<b>Profit / (loss) for the period</b>	<u>105,054</u>	<u>550,403</u>

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Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate.

Summarised financial information	Group	Group	Authority	Authority
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	N '000	N '000	N '000	N '000
<b>Opening net assets</b>	9,383,550	6,954,393	7,050,000	7,050,000
Capital on start-up/Additional capital	-	55,401	-	-
Profit for the period	105,053	2,373,756	-	-
<b>Closing net assets</b>	<b>9,488,603</b>	<b>9,383,550</b>	<b>7,050,000</b>	<b>7,050,000</b>
<b>Adjusted for:</b>				
Equity raising fees	-	-	-	-
<b>Adjusted net assets</b>	<b>9,488,602</b>	<b>9,383,550</b>	<b>7,050,000</b>	<b>7,050,000</b>
Carrying values (22.7%)	2,153,438	2,129,600	1,600,000	1,600,000

17 Property and equipment

Group	Motor vehicles N '000	Computer equipment N '000	Office equipment N '000	Furniture and fittings N '000	Assets under construction N '000	Total N '000
<b>Cost</b>						
<b>Balance at 1 January 2015</b>	<b>140,812</b>	<b>89,625</b>	<b>1,191</b>	<b>75,044</b>	<b>3,587,495</b>	<b>3,894,167</b>
Additions/(Disposals)	(12,181)	4,775	(120)	984	4,003,526	3,996,984
<b>Balance at 31 December 2015</b>	<b>128,631</b>	<b>94,400</b>	<b>1,071</b>	<b>76,028</b>	<b>7,591,021</b>	<b>7,891,151</b>
Additions/(Disposals)	10,000	2,885	705	-	-	13,590
<b>Balance at 31 March 2016</b>	<b>138,631</b>	<b>97,285</b>	<b>1,776</b>	<b>76,028</b>	<b>7,591,021</b>	<b>7,904,741</b>
<b>Accumulated depreciation</b>						
<b>Balance at 1 January 2015</b>	<b>53,079</b>	<b>43,570</b>	<b>422</b>	<b>24,223</b>	-	<b>121,294</b>
Charge for the year	22,938	30,775	206	15,078	-	68,997
<b>Balance at 31 December 2015</b>	<b>76,017</b>	<b>74,345</b>	<b>628</b>	<b>39,301</b>	-	<b>190,291</b>
Charge for the period	8,571	8,095	89	3,791	-	20,546
<b>Balance at 31 March 2016</b>	<b>84,588</b>	<b>82,440</b>	<b>717</b>	<b>43,092</b>	-	<b>210,837</b>
<b>Net book values</b>						
<b>At 31 March 2016</b>	<b>54,043</b>	<b>14,845</b>	<b>1,059</b>	<b>32,936</b>	<b>7,591,021</b>	<b>7,693,904</b>
<b>At 31 December 2015</b>	<b>52,614</b>	<b>20,055</b>	<b>443</b>	<b>36,727</b>	<b>7,591,021</b>	<b>7,700,860</b>
<b>Authority</b>						
<b>Cost</b>						
<b>Balance at 1 January 2015</b>	<b>140,812</b>	<b>89,625</b>	<b>1,191</b>	<b>75,044</b>		<b>306,672</b>
Additions/(Disposals)	(19,073)	4,775	(120)	984		(13,434)
<b>Balance at 31 December 2015</b>	<b>121,739</b>	<b>94,400</b>	<b>1,071</b>	<b>76,028</b>		<b>293,238</b>
Additions/(Disposals)	10,000	2,885	705	-		13,590
<b>Balance at 31 March 2016</b>	<b>131,739</b>	<b>97,285</b>	<b>1,776</b>	<b>76,028</b>		<b>306,828</b>
<b>Accumulated depreciation</b>						
<b>Balance at 1 January 2015</b>	<b>53,079</b>	<b>43,570</b>	<b>422</b>	<b>24,223</b>		<b>121,294</b>
Charge for the year	21,282	30,775	206	15,078		67,341
<b>Balance at 31 December 2015</b>	<b>74,361</b>	<b>74,345</b>	<b>628</b>	<b>39,301</b>		<b>188,635</b>
Charge for the year	8,146	8,095	89	3,791		20,121
<b>Balance at 31 March 2016</b>	<b>82,507</b>	<b>82,440</b>	<b>717</b>	<b>43,092</b>		<b>208,756</b>
<b>Net book values</b>						
<b>At 31 March 2016</b>	<b>49,232</b>	<b>14,845</b>	<b>1,059</b>	<b>32,936</b>		<b>98,072</b>
<b>At 31 December 2015</b>	<b>47,378</b>	<b>20,055</b>	<b>443</b>	<b>36,727</b>		<b>104,603</b>



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18 Intangible assets

	Software N '000	Total N '000
<b>Group &amp; Authority Cost</b>		
<b>Balance at 1 January 2015</b>	<b>22,828</b>	<b>22,828</b>
Additions	1,675	1,675
<b>Balance at 31 December 2015</b>	<b>24,503</b>	<b>24,503</b>
Additions	-	-
<b>Balance at 31 March 2016</b>	<b>24,503</b>	<b>24,503</b>
<b>Amortisation</b>		
<b>Balance at 1 January 2015</b>	<b>10,660</b>	<b>10,660</b>
Charge for the year	8,104	8,104
<b>Balance at 31 December 2015</b>	<b>18,764</b>	<b>18,764</b>
Charge for the period	2,036	2,036
<b>Balance at 31 March 2016</b>	<b>20,800</b>	<b>20,800</b>
<b>Net book value</b>		
<b>At 31 March 2016</b>	<b>3,703</b>	<b>3,703</b>
<b>At 31 December 2015</b>	<b>5,739</b>	<b>5,739</b>

19 Trade and other payables

	Group 31 March 2016 N '000	Group 31 December 2015 N '000	Authority 31 March 2016 N '000	Authority 31 December 2015 N '000
Trade payables	126,205	921,099	126,205	921,099
Accruals	800,389	295,757	48,992	290,008
Other payables	3,125,563	3,010,787	3,003,335	2,891,234
Payables to related parties (Note 22)	10,773,937	11,560,866	-	-
	<b>14,826,094</b>	<b>15,788,509</b>	<b>3,178,532</b>	<b>4,102,341</b>

All items that make up Trade and other payables are current.

20 Equity and reserves

	Group 31 March 2016 N '000	Group 31 December 2015 N '000	Authority 31 March 2016 N '000	Authority 31 December 2015 N '000
Contribution by Government	204,375,000	155,250,000	204,375,000	155,250,000
Retained earnings (Note 20.1)	21,900,921	17,466,251	22,047,773	17,738,425
Fair value reserves (Note 20.2)	24,112,481	23,513,074	23,191,258	22,596,249
Currency translation reserves (Note 20.3)	1,677,608	1,653,739	-	-
Non-controlling interest (Note 20.4)	3,679	3,213	-	-
	<b>252,069,689</b>	<b>197,886,277</b>	<b>249,614,031</b>	<b>195,584,674</b>

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**20.1 Retained earnings**

	<b>Group</b> <b>31 March 2016</b>	<b>Group</b> <b>31 December</b> <b>2015</b>	<b>Authority</b> <b>31 March 2016</b>	<b>Authority</b> <b>31 December</b> <b>2015</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Opening balance	17,466,251	5,691,084	17,738,425	5,532,544
Profit for the period	4,434,670	11,775,728	4,309,348	12,205,881
Contribution to NCI	-	(561)	-	-
<b>Closing balance</b>	<b>21,900,921</b>	<b>17,466,251</b>	<b>22,047,773</b>	<b>17,738,425</b>

**20.2 Fair value reserve**

The fair value reserve includes the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired. The amount presented within other comprehensive income are the gross amounts as the Authority is exempted from income taxes.

	<b>Group</b> <b>31 March 2016</b>	<b>Group</b> <b>31 December</b> <b>2015</b>	<b>Authority</b> <b>31 March 2016</b>	<b>Authority</b> <b>31 December</b> <b>2015</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Items that may subsequently be reclassified to profit or loss				
Opening balance	23,513,074	10,470,202	22,596,249	8,857,892
Change in value of available- for- sale financial assets	592,262	12,654,863	595,009	13,738,357
Share of change in value of available-for-sale financial assets -(Associate)	7,488	388,322	-	-
Non-controlling interest	(343)	(313)	-	-
Closing balance	24,112,481	23,513,074	23,191,258	22,596,249

**20.3 Currency translation reserve**

	<b>Group</b> <b>31 March 2016</b>	<b>Group</b> <b>31 December</b> <b>2015</b>
	<b>N '000</b>	<b>N '000</b>
Opening balance	1,653,739	116,981
Net changes in foreign currency	23,861	1,536,758
Non-controlling interest	8	-
Closing balance	1,677,608	1,653,739

**20.4 Non-controlling interest**

This is the non-controlling interest in KG Brussels, L.P.

	<b>Group</b> <b>31 March 2016</b>	<b>Group</b> <b>31 December</b> <b>2015</b>
	<b>N '000</b>	<b>N '000</b>
<b>Beginning of period</b>	3,213	
Share capital	-	3,000
Retained earnings	131	411
Other comprehensive income	343	(313)
Currency translation reserves	(8)	461
Reduction in capital	-	(346)
<b>End of period</b>	<b>3,679</b>	<b>3,213</b>

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**21 Capital management**

Management monitors capital using a ratio of adjusted net debt to adjusted equity. For this purpose, adjusted net debt is defined as total liabilities, less cash and cash equivalent. Adjusted equity comprises all components of equity.

The adjusted net debt to equity ratio at 31 March 2016 was as follows:

	<b>Group</b> <b>31 March 2016</b>	<b>Group</b> <b>31 December</b> <b>2015</b>	<b>Authority</b> <b>31 March 2016</b>	<b>Authority</b> <b>31 December</b> <b>2015</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Total liabilities	14,826,094	15,788,509	3,178,532	4,102,341
Less: cash and cash equivalents	104,741,557	37,983,532	99,991,484	32,913,468
Net debt	<b>(89,915,463)</b>	<b>(22,195,023)</b>	<b>(96,812,952)</b>	<b>(28,811,127)</b>
Total equity	252,069,689	197,883,064	249,614,031	195,584,674
Adjusted equity	<b>252,069,689</b>	<b>197,883,064</b>	<b>249,614,031</b>	<b>195,584,674</b>
<b>Net debt to adjusted equity ratio</b>	<b>-36%</b>	<b>-11%</b>	<b>-39%</b>	<b>-15%</b>

**22 Related parties**

Nigerian Sovereign Investment Authority (NSIA) is the ultimate parent/controlling party of the Group.

**(a) Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Or one other party controls both. The definition includes subsidiaries, associates, joint ventures as well as key management personnel.

**(b) Subsidiaries**

As disclosed in note 16.1 above, NMIC, KG Acquisitions 1 LLC ,KG Brussels LP and FGF Private Equity Co.Ltd are subsidiaries of the Authority and are therefore related parties. NMRC is an associate of the Authority and is also a related party.

The following are the transactions with related parties during the period:

**(i) Payables to related parties**

	<b>Group</b> <b>31 March 2016</b>	<b>Group</b> <b>31 December</b> <b>2015</b>	<b>Authority</b> <b>31 March 2016</b>	<b>Authority</b> <b>31 December</b> <b>2015</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
Second Niger Bridge Company Ltd	10,773,937	11,560,866	-	-
	<b>10,773,937</b>	<b>11,560,866</b>	<b>-</b>	<b>-</b>

**22.1 Compensation of key management personnel**

The Authority's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control.

The key management personnel have been identified as the executive and non-executive directors of the Authority.

The compensation paid or payable to key management for employee services is shown below:

Directors' remuneration and expenses	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>N '000</b>	<b>N '000</b>
Short-term employee benefits	-	122,418
Fees as directors	-	12,500
Other allowances	230	2,350
Defined contribution plan	-	7,767
<b>Total</b>	<b>230</b>	<b>145,035</b>

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**23 Other contracts**

The investment activities of the three separate funds established by the Authority were managed by various investment managers engaged during the period.

**23.1 Stabilisation Fund**

The Authority engaged one investment manager through their global custodian JP Morgan for the management of the Stabilisation Fund.

**23.1.1 UBS Global Asset Management (UK) LTD**

*Engagement and Service*

The Authority engaged UBS Global Asset Management Company as its agent and delegate to manage the investment and reinvestment of certain monies and assets, deposited from time to time by the Authority and held by JP Morgan.

*Reports on Investments*

UBS Global Asset Management Company provides the Authority with reports containing the transactions, valuations and portfolio performance of the account on a monthly, quarterly and annual basis.

**23.2 Future Generations Fund**

**23.2.1 Hedge fund**

The Hedge fund managers in which the Future Generations Fund is invested as at period end are stated below:

- 1 JHL Capital Group LLP
- 2 Blue Mountain Capital Management
- 3 Arbitr Offshore Ltd
- 4 AQR Capital Management

**23.2.2 Commodity managers**

The Commodity manager in which the Future Generations Fund is invested as at period end is:

- 1 The Jamison Capital Partners

**23.2.3 Long only equity managers**

The Long only equity managers in which the Future Generations Fund is invested as at period end are stated below:

- 1 Cevian Capital UK Limited
- 2 Edgbaston Investment Partners
- 3 Somerset Capital Management LLP
- 4 Marathon Asset Management LLP
- 5 Capital Group
- 6 Prince street Institutional Ltd
- 7 Prince street Opportunities Ltd
- 8 Chieftain Capital

**23.2.4 Private equity partners**

The Private equity fund in which the Future Generations Fund is invested as at 3 period end are stated below:

- 1 Z Capital Partners
- 2 Healthcare Royalty Partners
- 3 Xenon Private Equity
- 4 Helios Investment partners
- 5 Africa Capital Alliance
- 6 Actis Capital

**23.2.5 Income opportunity fund**

The income opportunity fund managers in which the Future Generations Fund is invested as at period end are stated below:

- 1 Goldman Sachs Asset Management
- 2 JP Morgan Asset Management
- 3 Legg Mason Global Asset Management

**23.3 Nigeria Infrastructure Fund**

**23.3.1 Private equity Partners**

The Private equity fund in which the Infrastructure Fund invested as at period end are stated below:

- 1 Fund for Agricultural Finance in Nigeria

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**23.3.2 Income opportunity fund**

The income opportunity fund managers in which the Infrastructure Fund is invested as at period end are stated below:

- 1 Goldman Sachs Asset Manager International
- 2 JP Morgan Asset Management
- 3 Legg Mason Global Asset Management

**23.4 Nigerian equities**

A portion of the Infrastructure Fund was invested in the following Nigerian equities:

MTN Nigeria Communications Limited  
Nigeria Mortgage Refinance Company Plc.

**23.5 Custodians**

**Custodians** JP Morgan  
Stanbic IBTC

*Engagement and Service*

The Authority engaged these firms to provide custody services, as well as accounting, performance and compliance services to capital managed by the Authority.

*Reports on Investments*

The custodians provide reports to the Authority on the performance of the capital custodied by said firms on a monthly basis.

**24 Commitments**

**(a) Capital commitments:**

The Authority's unfunded commitments with private equity fund managers are as follows:

	<b>Authority 31 March 2016</b>	<b>Authority 31 December 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital commitments - USD:		
HealthCare Royalty Partners (HCRP)	14,777	14,777
Z Capital Partners	9,476	9,476
Fund for Agricultural Finance in Nigeria (FAFIN)	3,970	4,007
Helios Investors	5,681	5,902
Africa Capital Alliance	6,486	8,799
Actis Africa Real Estate	9,296	9,296
<b>Total</b>	<b>49,686</b>	<b>52,257</b>
	<b>Authority 31 March 2016</b>	<b>Authority 31 December 2015</b>
	<b>Euro '000</b>	<b>Euro '000</b>
Capital commitments - Euro:		
Xenon Private Equity	3,482	3,482

As disclosed above, the Authority has committed to provide capital to various collective investment vehicles. The total of these commitments at the statement of financial position date is USD 49.6 million and Euro 3.5 million (2015: USD 52.3 million, Euro 3.4 million).

**(b) Operating lease commitments - group company as lessee:**

The Group leases its head office under noncancellable operating lease agreements. The lease terms are between 2 and 5 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<b>Group 31 March 2016</b>	<b>Group 31 December 2015</b>	<b>Authority 31 March 2016</b>	<b>Authority 31 December 2015</b>
	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>	<b>N '000</b>
No later than 1 year	18,000	-	18,000	-
<b>Total</b>	<b>18,000</b>	<b>-</b>	<b>18,000</b>	<b>-</b>

**Nigeria Sovereign Investment Authority**  
**Interim financial statements**  
**For the 3 months period ended 31 March 2016**

**Notes to the financial statements**

**25 Other fiduciary activities**

The sums of USD\$200 million and USD\$350 million ("the Funds") were received from the Debt Management Office ("DMO") and Nigerian Bulk Electricity Company Plc. ("NBET") respectively under an Investment Management Agreement ("the Agreement"). NSIA acts as a manager of the Fund. The agreement provides for the Authority to invest the Funds in gas, power and other related projects. Consideration will be paid to the Authority after certain milestones have been met and the customers' share of return has been paid. A total of USD\$100 million was moved out of the DMO fund in order to fund the Second Niger Bridge project on the authority of the Federal Government. The total fair value of the NBET Fund as at 31 March 2016 was USD\$358.36 million (2015:\$525 million) while Nil income (2015:N57 million) has been accrued by the Authority from the fiduciary agreement as of 31 March 2016.

A sum of N5.35 billion was also received from the Federal Government Stabilization Account via the Office of the Accountant General of the Federation ("OAGF"). NSIA is to act as a manager to the fund with a mandate to invest the funds in line with the investment policies of the Stabilisation Funds of the Authority. The fair value of the Fund as at 31 March 2016 was N5.45 billion.

The assets and liabilities of the Funds have been excluded from these financial statements as they are not assets and liabilities of the Authority. The fees and commissions which relates mainly to these investment management agreement have been recognised in the income statement.

**Nigeria Sovereign Investment Authority**  
**Value added statement**  
**For the year ended 31 March 2016**

	<b>Group</b> <b>31 March 2016</b>		<b>Group</b> <b>31 March 2015</b>		<b>Authority</b> <b>31 March 2016</b>		<b>Authority</b> <b>31 March 2015</b>	
	<b>N '000</b>	<b>%</b>	<b>N '000</b>	<b>%</b>	<b>N '000</b>	<b>%</b>	<b>N '000</b>	<b>%</b>
Revenue	4,908,760		1,372,175		4,802,428		1,294,516	
Administrative expenses	(423,656)		(571,657)		(416,204)		(571,657)	
Other non-operating income	(76,662)		10,646,998		(76,662)		10,646,998	
<b>Value added</b>	<b>4,408,442</b>	<b>100%</b>	<b>11,447,516</b>	<b>100%</b>	<b>4,309,561</b>	<b>100%</b>	<b>11,369,857</b>	<b>100%</b>
<b>Applied as follows:</b>								
<b>To pay employees</b>								
Salaries and wages	279,879	7%	251,277	2%	279,879	6%	251,277	2%
<b>Maintenance of assets</b>								
Depreciation	20,546	0%	78,507	1%	20,121	0%	78,507	1%
<b>To pay government</b>								
Taxation	(2,511)	0%	32,025	0%	214	0%	26,336	0%
<b>Retained for growth and expansion</b>								
Profit / (loss) for the year	4,110,528	93%	11,085,707	97%	4,009,347	94%	11,013,737	97%
	<b>4,408,442</b>	<b>100%</b>	<b>11,447,516</b>	<b>100%</b>	<b>4,309,561</b>	<b>100%</b>	<b>11,369,857</b>	<b>100%</b>

Value added is the wealth created by the efforts of the Authority and its employees and its allocation between employees, shareholders, government and re-investment for the future creation of further wealth.

Nigeria Sovereign Investment Authority  
Three year financial summary  
For the 3month period ended 31 March 2016

Statement of financial position	Group	Group	Authority	Authority	Authority
	3 month period ended 31 March 2016 N '000	12 months ended 31 December 2015 N '000	3 month period ended 31 March 2016 N '000	12 months ended 31 December 2015 N '000	12 months ended 31 December 2014 N '000
Cash and cash equivalents	104,741,557	37,983,532	99,991,484	32,913,468	43,098,473
Advances	7,651	4,756	7,651	4,756	16,800
Investment securities	144,453,719	164,382,547	133,778,909	154,152,447	108,471,837
Financial asset at fair value through profit or loss	4,097,828	-	4,097,828	-	-
Other assets	3,736,486	1,467,752	6,148,761	3,839,847	4,769,621
Investment in subsidiary	-	-	7,066,155	7,066,155	11,994,482.00
Investment in associate	2,160,935	2,129,600	1,600,000	1,600,000	1,600,000.00
Property and equipment	7,693,904	7,700,860	98,072	104,603	185,378
Intangible assets	3,703	5,739	3,703	5,739	12,168
<b>Total assets</b>	<b>266,895,783</b>	<b>213,674,786</b>	<b>252,792,563</b>	<b>199,687,015</b>	<b>170,148,759</b>
<b>Liabilities</b>					
Trade and other payables	14,826,094	15,788,509	3,178,532	4,102,341	508,323
Borrowings	-	-	-	-	1,400,000
<b>Total liabilities</b>	<b>14,826,094</b>	<b>15,788,509</b>	<b>3,178,532</b>	<b>4,102,341</b>	<b>1,908,323</b>
<b>Equity and reserves</b>					
Contribution by Government	204,375,000	155,250,000	204,375,000	155,250,000	155,250,000
Retained earnings	21,900,921	17,466,251	22,047,773	17,738,425	5,532,544
Fair value reserves	24,112,481	23,513,074	23,191,258	22,596,249	8,857,892
Currency translation reserves	1,677,608	1,653,739	-	-	-
<b>Total equity and amount attributable to equity contributors (Government)</b>	<b>252,066,010</b>	<b>197,883,064</b>	<b>249,614,031</b>	<b>195,584,674</b>	<b>169,640,436</b>
Non-controlling interests	3,679	3,213	-	-	-
<b>Total equity</b>	<b>252,069,689</b>	<b>197,886,277</b>	<b>249,614,031</b>	<b>195,584,674</b>	<b>169,640,436</b>
<b>Total equity and liabilities</b>	<b>266,895,783</b>	<b>213,674,786</b>	<b>252,792,563</b>	<b>199,687,015</b>	<b>171,548,759</b>

Nigeria Sovereign Investment Authority commenced operations in October 2012.

Statement of comprehensive Income	Group	Group	Authority	Authority	Authority
	3 month period ended 31 March 2016 N '000	12 months ended 31 December 2015 N '000	3 month period ended 31 March 2016 N '000	12 months ended 31 December 2015 N '000	12 months ended 31 December 2014 N '000
Investment income	4,961,086	5,673,284	4,854,753	5,700,019	3,774,168
Interest income	-	148,461	-	111,598	17,232
<b>Total operating income</b>	<b>4,961,086</b>	<b>5,821,745</b>	<b>4,854,753</b>	<b>5,811,617</b>	<b>3,791,400</b>
Investment management fees	28,825	492,781	28,825	492,781	293,762
Local custodian fees	2,525	12,251	2,525	12,251	16,988
Global custodian fees	20,975	91,627	20,975	91,627	33,581
<b>Total investment management &amp; custodian fees</b>	<b>52,326</b>	<b>596,659</b>	<b>52,326</b>	<b>596,659</b>	<b>344,331</b>
	<b>4,908,760</b>	<b>5,225,086</b>	<b>4,802,428</b>	<b>5,214,958</b>	<b>3,447,069</b>
Net foreign exchange gain and other fee income	0	8,774,693	0	8,770,524	3,239,795
<b>Total other income</b>	<b>0</b>	<b>8,774,693</b>	<b>0</b>	<b>8,770,524</b>	<b>3,239,795</b>
	<b>423,656</b>	<b>2,333,619</b>	<b>416,204</b>	<b>1,770,993</b>	<b>1,644,388</b>
<b>Total operating and administrative expenses</b>	<b>423,656</b>	<b>2,333,619</b>	<b>416,204</b>	<b>1,770,993</b>	<b>1,644,388</b>
Share of profit / (loss) of investments in associates	23,847	124,914	-	-	-
<b>Profit before tax</b>	<b>4,508,952</b>	<b>11,791,074</b>	<b>4,386,224</b>	<b>12,214,489</b>	<b>5,042,476</b>
Taxation	(2,511)	15,496.00	214	8,608.00	35,090.00
	<b>4,511,462</b>	<b>11,775,579</b>	<b>4,386,010</b>	<b>12,205,881</b>	<b>5,007,386</b>
<b>Other comprehensive income:</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
Fair value gains on available for sale investments	592,262	12,654,237	595,009	13,738,357	8,877,356.00
Net change in fair value	23,861	1,537,219	-	-	-
Currency translation differences	-	-	-	-	-
Share of other comprehensive income of investments in associates	7,488	388,322	-	-	-
<b>Other comprehensive income for the period</b>	<b>623,611</b>	<b>14,579,778</b>	<b>595,009</b>	<b>13,738,357</b>	<b>8,877,356.00</b>
<b>Total comprehensive income for the period</b>	<b>5,135,073</b>	<b>26,355,357</b>	<b>4,981,018</b>	<b>25,944,238</b>	<b>13,884,742</b>