

Anglorand Growth Fund  
Annual Financial Statements  
for the year ended 31 December 2015

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Index

---

The reports and statements set out below comprise the annual financial statements presented to the unit holders.:

Index	Page
Directors' Responsibilities and Approval	2
Independent Auditor's Report	3
Statement of Financial Position	4
Statement of Comprehensive Income	5 - 6
Statement of Participatory Interest	7
Statement of Cash Flows	8
Accounting Policies	9 - 10
Notes to the Annual Financial Statements	11 - 16

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Directors' Responsibilities and Approval

---

The directors of Anglorand Management Company Limited are required by the Namibian Unit Trust Control Act, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the fund as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as described in note 1 to the annual financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as described in note 1 to the annual financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

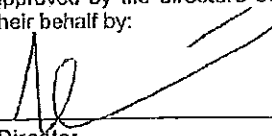
The directors of Anglorand Management Company Limited acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the directors of Anglorand Management Company Limited to meet these responsibilities, the directors of Anglorand Management Company Limited set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the fund and all employees are required to maintain the highest ethical standards in ensuring the fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the fund is on identifying, assessing, managing and monitoring all known forms of risk across the fund. While operating risk cannot be fully eliminated, the fund endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

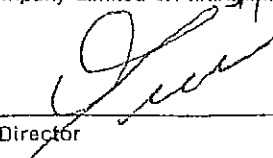
The directors of Anglorand Management Company Limited are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors of Anglorand Management Company Limited have reviewed the fund's cash flow forecast for the year to 31 December 2016 and, in the light of this review and the current financial position, they are satisfied that the fund has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the fund's annual financial statements. The annual financial statements have been examined by the fund's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 4 to 16, which have been prepared on the going concern basis, were approved by the directors of Anglorand Management Company Limited on 31/31/2016 and were signed on their behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



## Independent Auditor's Report

---

To the shareholder of Anglorand Growth Fund

We have audited the annual financial statements of Anglorand Growth Fund, as set out on pages 4 to 16, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of participatory interest and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' Responsibility for the Annual Financial Statements

The fund's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as described in note 1 to the annual financial statements and requirements of the Namibian Unit Trust Control Act, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the fund's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Anglorand Growth Fund as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting described in note 1 to the annual financial statements and the requirements of the Namibian Unit Trust Control Act.

*Mazars Namibia*

Mazars Namibia  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
Per: TAJ de Jager  
Partner

31/3/2016

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Statement of Financial Position as at 31 December 2015

	Note(s)	2015 N\$	2014 N\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Other financial assets	2	9,578,895	19,629,429
<b>Current Assets</b>			
Trade and other receivables	4	34,566	12,553
Cash and cash equivalents	5	23,334,978	17,643,784
		<b>23,369,544</b>	<b>17,656,337</b>
<b>Total Assets</b>		<b>32,948,439</b>	<b>37,285,766</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Capital value of portfolio		32,634,757	36,871,990
Retained income		180,958	180,958
		<b>32,815,715</b>	<b>37,052,948</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	132,724	232,818
<b>Total Equity and Liabilities</b>		<b>32,948,439</b>	<b>37,285,766</b>

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Statement of Comprehensive Income

	Note(s)	2015 N\$	2014 N\$
<b>Other income</b>			
Income adjustment		(3,341)	(13,284)
Dividends received	7	315,535	409,014
Interest received	7	161,786	244,187
Gains on disposal of assets		-	2,919,053
		<b>473,980</b>	<b>3,558,970</b>
<b>Expenses (Refer to page 6)</b>		<b>(437,345)</b>	<b>(510,160)</b>
<b>Profit for the year</b>		<b>36,635</b>	<b>3,048,810</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>36,635</b>	<b>3,048,810</b>

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Statement of Comprehensive Income

	Note(s)	2015 N\$	2014 N\$
<b>Operating expenses</b>			
Auditors remuneration	8	(76,500)	(75,449)
Bank charges		(12,807)	(11,748)
Depreciation, amortisation and impairments		2,141,831	-
Service charges		(354,017)	(422,963)
Profit and loss on sale of assets and liabilities		(2,135,852)	-
		<b>(437,345)</b>	<b>(510,160)</b>

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Statement of Participatory Interest

	Participatory capital N\$	Undistributed income N\$	Total equity N\$
<b>Balance at 01 January 2014</b>	<b>44,869,622</b>	<b>176,429</b>	<b>45,046,051</b>
Profit for the year	-	3,048,810	3,048,810
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>3,048,810</b>	<b>3,048,810</b>
Participatory interest created	648,073	-	648,073
Participatory interest cancelled	(5,515,660)	-	(5,515,660)
Fair value adjustments	(6,049,100)	-	(6,049,100)
Net realised profits transferred to capital	2,919,055	(2,919,055)	-
Distributions to unit holders (refer to note 11)	-	(125,226)	(125,226)
<b>Total changes</b>	<b>(7,997,632)</b>	<b>(3,044,281)</b>	<b>(11,041,913)</b>
<b>Balance at 01 January 2015</b>	<b>36,871,990</b>	<b>180,958</b>	<b>37,052,948</b>
Profit for the year	-	36,635	36,635
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>36,635</b>	<b>36,635</b>
Participatory interest created	429,632	-	429,632
Participatory interest cancelled	(6,952,874)	-	(6,952,874)
Fair value adjustments	2,280,030	-	2,280,030
Net realised profits/(losses) transferred to capital	5,979	(5,979)	-
Distributions to unit holders (refer to note 11)	-	(30,656)	(30,656)
<b>Total changes</b>	<b>(4,237,233)</b>	<b>(36,635)</b>	<b>(4,273,868)</b>
<b>Balance at 31 December 2015</b>	<b>32,634,757</b>	<b>180,958</b>	<b>32,815,715</b>



# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Statement of Cash Flows

	Note(s)	2015 N\$	2014 N\$
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	9	3,449,673	(3,568,949)
Interest income		161,786	244,187
Dividends received		315,535	409,014
<b>Net cash from operating activities</b>		<b>3,926,994</b>	<b>(2,915,748)</b>
<b>Cash flows from investing activities</b>			
Purchase of financial assets		(70,318,587)	(32,698,709)
Sale of financial assets		78,731,255	37,002,225
<b>Net cash from investing activities</b>		<b>8,412,668</b>	<b>4,303,516</b>
<b>Cash flows from financing activities</b>			
Proceeds from creation of units		429,632	648,073
Outflow from cancellation of units		(6,952,874)	(5,515,660)
Distribution paid to unit holders		(125,226)	(509,246)
<b>Net cash from financing activities</b>		<b>(6,648,468)</b>	<b>(5,376,833)</b>
<b>Total cash movement for the year</b>		<b>5,691,194</b>	<b>(3,989,065)</b>
Cash at the beginning of the year		17,643,784	21,632,849
<b>Total cash at end of the year</b>	5	<b>23,334,978</b>	<b>17,643,784</b>

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Accounting Policies

---

### 1. Presentation of annual financial statements

The Anglorand Growth Fund is a Unit Trust scheme created in terms of the Namibian Unit Trust Control Act.

The object of the fund is to provide investors with long-term capital growth through exposure to the South African equity market. The fund maintains a high equity exposure and invests in both large-capitalisation stocks and selected smaller companies that have reasonable equity.

The investment activities of the fund are managed by Anglorand Management Company Limited. First National Bank of Namibia Limited is the appointed trustee of the fund. The registered office of the fund is 13 Kasteel Street, Luxury Hill, Windhoek, Namibia.

#### 1.1 Statement of compliance

The financial statements have been prepared in accordance with the Accounting policies set out below.

#### 1.2 Basis of preparation

The financial assets are presented in Namibian Dollars. They are prepared on a fair value basis for financial assets classified as available for sale through equity. Other financial assets and liabilities are stated at amortised cost.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income 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 judgements 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both the current and future periods.

The accounting policies have been applied consistently by the fund and are consistent with those in the previous year.

#### 1.3 Financial instruments

##### Classification

All debt and equity instruments are classified as available for sale through equity.

Other financial assets include accounts receivable, accrued interest and dividends, and cash and cash equivalents.

Financial liabilities include accounts payable, accrued expenses and accrued distributions.

##### Recognition

The fund recognises financial assets and liabilities on the date it becomes party to the contractual provisions of the instrument

Purchases of financial assets are recognised using the trade date. From this date any gains or losses arising from changes in fair value of financial assets or liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed in terms of the contractual provisions of the instrument.

##### Measurement

Financial instruments are measured initially at fair value plus transaction costs that are directly attributed to the acquisition or issue of financial assets or liabilities.

Subsequent to initial recognition, all instruments classified as available for sale are measured at fair value with changes in their value recognised directly in changes in participatory interest.

Other financial assets are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities are measured at amortised cost using the effective interest rate method.

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Accounting Policies

---

### 1.3 Financial instruments (continued)

#### Fair value measurement principles

The fair value of available for sale financial instruments is based on their quoted market prices using bid prices at the balance sheet date without any deduction for estimated future selling costs.

#### Impairment

Financial assets that are stated at cost or amortised cost are viewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the income statement as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised for a financial asset carried at amortised cost decreases, and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the income statement.

#### Derecognition

The fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition.

The fund uses the weighted average to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

### 1.4 Cash and cash equivalents

Cash comprises of current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### 1.5 Income

Interest income is recognised in the income statement on a yield to maturity basis.

Dividends income is recognised in the statement of comprehensive income on the ex-dividend date.

In some cases, the fund may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the fund recognises dividend income for the amount of cash dividend alternative with the corresponding debit created as an additional investment.

### 1.6 Expenses

All expenditure in the statement of comprehensive income is recognised on an accrual basis.

### 1.7 Taxation

Under the current taxation system in Namibia, the fund is exempt from paying taxes provided that the net income, excluding realised capital gains, is distributed to unit holders.

Dividend and interest income received by the fund may be subject to withholding tax imposed in the country of origin. Investment income is recorded net of such taxes.

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
<b>2. Other financial assets</b>		
<b>At fair value</b>		
Equity instruments	9,578,895	19,629,429
<p>Many of the fund's financial instruments are carried at fair value on the statement of financial position. Usually the fair value of the financial instrument can be reliably determined within a reasonable range of estimates. For certain other financial instruments including amounts due from/to brokers, receivables from reverse repurchase agreements and payables under repurchase agreements, accounts payables and accrued expenses, the carrying amounts approximate fair value due to the immediate or short term nature of these financial instruments.</p> <p>The carrying amounts of all the fund's financial assets and financial liabilities at the balance sheet date approximated their fair values.</p> <p>Amortisation of assets</p> <p>There are no securities included in the unit portfolio at 31 December 2015 that require amortisation.</p>		
<b>Estimation of fair value</b>		
<p>At year end, the carrying amounts of equity investments that were determined directly, in full or in part, by reference to the published price quotations amounted to:</p>		
<b>Non-current assets</b>		
At fair value	9,578,895	19,629,429

### 3. Financial instruments and associated risks

The fund maintains positions in a variety of derivative and non-derivative financial instruments in accordance with its mandate. The fund's investment portfolio comprises quoted and non-quoted equity investments.

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

---

2015	2014
N\$	N\$

---

The fund's investing activities expose it to various types of risk that are associated with financial instruments and the market in which it invests. The most important types of financial risk to which the fund is exposed are market risk, credit risk and liquidity risk.

Assets allocation is determined by the fund's investment manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Fund's Investments Manager.

The nature and extent of the financial instrument outstanding at the balance sheet date and the risk management policies employed by the fund are discussed below:

### Market risk

Market risk embodies the potential for both losses and gains and included interest rate risk and price risk.

The fund's strategy on the management of market risk is driven by the fund's investments objective. The fund market risk is managed on a daily basis by the investments manager in accordance with policies and procedures in place.

### Interest rate risk

A substantial portion of the fund's financial assets are interest bearing. As a result the fund is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

### Financial instrumnets and associated risks

At 31 December 2015, the following financial assets were exposed to interest rate risk:

Cash and cash equivalents	23,334,976	17,643,782
Percentage of total assets portfolio	71	47
	<hr/>	<hr/>
	23,335,047	17,643,829

---

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
<b>3. Financial instruments and associated risks (continued)</b>		
Price risk		
Price risk is the risk that the value of the instruments will fluctuate as a result of the change in the market price, whether caused by factors specific to individual investments, its issuer or all factors affecting all instruments traded in the market.		
Price risk is mitigated by the fund's investments manager constructing a diversified portfolio of investments traded on various markets.		
At 31 December 2015, the following financial assets were exposed to price risk:		
Equity investments	9,578,896	19,629,429
Percentage of total assets portfolio	29	53
	<u>9,578,925</u>	<u>19,629,482</u>
Credit risk		
Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the fund. The fund's investments manager has a credit policy in place and the exposure to credit is monitored on an ongoing basis.		
At 31 December 2015, the following financial assets were exposed to credit risk:		
Cash and cash equivalents, account receivables, accrued interest and dividends. The total carrying amount of financial assets exposed to credit risk amounted to:		
Accounts receivables, accrued interests and dividends	34,565	12,553
Cash and cash equivalents	23,334,976	17,643,782
	<u>23,369,541</u>	<u>17,656,335</u>
Liquidity risk		
The fund's constitution provides for the creation and cancellation of units and it is therefore exposed to liquidity risk meeting unit holder redemptions at any time.		
The fund's listed securities are considered to be readily realisable as they are all listed on recognised stock exchanges.		
<b>4. Trade and other receivables</b>		
Trade receivables	34,566	12,553
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	23,334,978	17,643,784

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

---

	2015 N\$	2014 N\$
<b>6. Trade and other payables</b>		
Trade payables	74,202	75,450
Manager's service fees accrued	27,866	32,142
Distributions accrued	30,656	125,226
	<u>132,724</u>	<u>232,818</u>
<b>7. Investment revenue</b>		
<b>Dividend revenue</b>		
Equity investments	315,535	409,014
<b>Interest revenue</b>		
Cash and cash equivalents	161,786	244,187
	<u>477,321</u>	<u>653,201</u>
<b>8. Auditor's remuneration</b>		
Fees	76,500	75,449
<b>9. Cash generated from/(used in) operations</b>		
Profit before taxation	36,635	3,048,810
<b>Adjustments for:</b>		
Loss (profit) on sale of assets	2,135,852	(2,919,053)
Dividends received	(315,535)	(409,014)
Interest received	(161,786)	(244,187)
Impairment reversals	(2,141,831)	-
Foreign exchange losses	4,018,445	(2,746,027)
<b>Changes in working capital:</b>		
Trade and other receivables	(22,013)	15,304
Trade and other payables	(100,094)	(314,782)
	<u>3,449,673</u>	<u>(3,568,949)</u>

# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
<b>10. Related parties</b>		
<b>Relationships</b>		
Investment manager		Anglorand Management Company Limited
<b>Related party balances and transactions</b>		
<b>Related party balances</b>		
In terms of its licensing conditions, Anglorand Management Company Limited is required to maintain a minimum amount of N\$ 1,000,000 invested in each of the Unit Trust Funds it manages. Anglorand Management Company Limited held units in the fund at year end. The number and value of these units at year end are set out below:		
<b>Number of units held by related party</b>		
Anglorand Management Company Limited	244,539	243,776
<b>Value of units held by related party</b>		
Anglorand Management Company Limited	1,192,251	1,137,288
<b>Related party transactions</b>		
<b>Management fees paid to related party</b>		
Anglorand Management Company Limited	354,017	422,963
<b>11. Related party transactions</b>		
The fund appointed Anglorand Management Company Limited, a Unit Trust management company incorporated in Namibia, to implement an investment strategy as specified in the mandate and to provide administrative services. Under the Investment Management Agreement, the Investment Manager receives a management fee monthly in arrears at an annual rate of 1% of the market value of the portfolio.		
<b>12. Distributions paid to unit holders</b>		
<b>Distribution due to unit holders at the beginning of the year</b>		
Distribution due to unit holders at the beginning of the year	(125,226)	(509,246)
Distribution declared during the year	(30,656)	(125,266)
Distribution due to unit holders at the end of the year	30,656	125,226
	<u>(125,226)</u>	<u>(509,286)</u>
<b>13. Distribution due to unit holders</b>		
<b>Heading</b>		
Cent per unit	0.46	2.00

Any undistributed income is instated to be distributed at the next declaration date. Any over distributed income will be deducted from the next distribution.



# Anglorand Growth Fund

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

---

	2015 N\$	2014 N\$
<b>14. Creation and cancellation of units</b>		
<b>Heading</b>		
Number of units in issue at the beginning of the year	8,125,905	9,125,957
Number of units created	107,228	1,230,617
Number of units cancelled	(1,496,366)	(1,130,669)
	<b>6,736,767</b>	<b>9,225,905</b>

### 15. Quarterly review of unit price

	NAC Price Buyers (cents)	NAV Pirce Sellers (cents)
March 2015	476.83	503.63
June 2015	453.70	479.94
September 2015	474.98	500.77
December 2015	487.55	514.17