

CORAL BALANCED FUND

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

**CORAL BALANCED FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

CONTENTS	Page
Parties to the Fund	1
Trustees' report	2
Fund manager's report	4
Statement of the Fund Manager's responsibilities	5
Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting	6
Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024	8
Auditor's report	9
Statement of comprehensive income	15
Statement of financial position	16
Statement of changes in net assets attributable to unitholders	17
Statement of cash flows	18
Notes to the financial statements	19
Other national disclosures:	
- Statement of value added	35
- Five year financial summary	36

**CORAL BALANCED FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

PARTIES TO THE FUND

Trustees

United Capital Trustees
3rd, 4th & 5th Floors
Afriland Towers
97/105 Broad Street,
Lagos

Fund Manager

FSDH Asset Management Limited
8th Floor
1/5 Odunlami Street
Lagos Island
P. M. B. 12913, Lagos
Telephone: (01) 2704884-5

Registrars

United Securities Limited
10 Amodu Ojikutu Street
Victoria Island
Lagos

Custodian

Stanbic Nominees Nigeria Limited
IBTC Place
Walter Carrington Crescent
Victoria Island
Lagos

Bankers

Stanbic IBTC Bank Plc
IBTC Place
Walter Carrington Crescent
Victoria Island
Lagos

Auditors

KPMG Professional Services
KPMG Towers
Bishop Aboyade Cole Street
Victoria Island
Lagos.

CORAL BALANCED FUND

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustee present their Report on the affairs of the Coral Balanced Fund (CBF) together with the Auditors Report and the Financial Statements for the Year ended December 31, 2024.

Principal Activity and Business Review

The CBF was established on February 01, 2001 initially as a private fund, and has since been registered by the Securities & Exchange Commission as a Unit Trust Scheme in Nigeria on January 10, 2005. The CGF was initially managed by a business unit within First Securities Discount House Limited (FSDH), which was incorporated as a wholly owned subsidiary of FSDH in 2003, called FSDH Asset Management Limited (FAML). FAML has been the Manager and Administrator of the CBF since November 2003. The assets of the CBF are totally segregated from the assets of the Manager.

The Funds Operating Results:

	2024 N'000	2023 N'000
Net Income b/f Tax	887,934	886,171
Taxation	(10,212)	(8,369)
Net income (After Tax)	<u>877,722</u>	<u>877,802</u>

The Fund's Net Income after tax was fractionally reduced by ₦80,000, even though Net Income before tax increased slightly.

Responsibilities of the Trustees:

The Trustee's responsibilities to the Fund are as follows:

1. To retain in its possession or in the possession of such third parties as it may, with the consent of the Manager appoint, on a safe custody basis, all the investments and documents of title or value connected therewith.
2. At all times to act with prudence and honesty in relation to all investments and documents of title or value kept in its custody.
3. To forward to the Manager without delay all notices of meetings, reports and circulars received by it or its nominees as holders of any investment.
4. To jointly issue (with the Fund Manager) certificates evidencing ownership of units in the Fund.
5. To demand from the Manager a statement of all issues and sale of Units.

UNITED CAPITAL TRUSTEES LIMITED (RC No: 645220)

DIRECTORS:

Mr. Chika Mordli (Chairman)
 Mr. Peter Ashade
 Mr Sunny Anene
 Mr Emmanuel Nwagwu

Mr. Sunny Oshodi
 Mr. Stephen Nwagwu
 Mr. Oluwalanle Oshodi

6. To grant its consents to the appointment of the Auditor for the Fund.
7. To make the Trust Deed available for inspection by the Unit holders during normal business hours at its head office.
8. To consider and grant approval to all advertisements, circulars or other documents of that nature containing any statement with reference to the offer price of the Units or yield therefrom or containing an invitation to buy Units issued by the Manager.
9. To convene General Meetings of the Unit holders of the Fund and/or to consent to the Manager convening such meetings.
10. To nominate the Chairman for every General Meeting of the Fund.
11. To approve the form of Proxy used for the Meetings.

Asset Allocation Requirement:

Fund as at 31st December 2024, 47.58% was invested in Equity Instruments, and 52.42% was invested in FGN Fixed Income Securities/Money Market.

Auditors:

KPMG Professional Services have expressed their willingness to continue as Auditors to the Fund.

Parties to the Fund:

FSDH Asset Management Limited	-	Fund Manager
United Capital Trustees Limited	-	Trustee
KPMG Professional Services	-	Auditors
Registrars	-	United Securities Limited
Custodian	-	Stanbic Nominees Nigeria Limited

BY ORDER OF THE TRUSTEE:

United Capital Trustees Limited
3rd & 4th Floor
Afriland Towers
97/105 Broad Street
Lagos



Michael Abiodun Thomas
Managing Director

FRC/2023/PRO/DIR/003/313031

www.unitedcapitalplcgroup.com

UNITED CAPITAL TRUSTEES LIMITED (RC No: 445220)

3rd & 4th Floor, Afriland Towers, 97/105 Broad Street, Lagos, Nigeria

DIRECTORS:

Mr. Chika Mordi (Chairman)
Mr. Peter Ashade
Mr. Sunny Anene
Mr. Emmanuel Nwagwu

Mr. Sunny Ekechi
Dr. Stephen Nwankwo
Mr. Chika Mordi
Mr. Peter Ashade

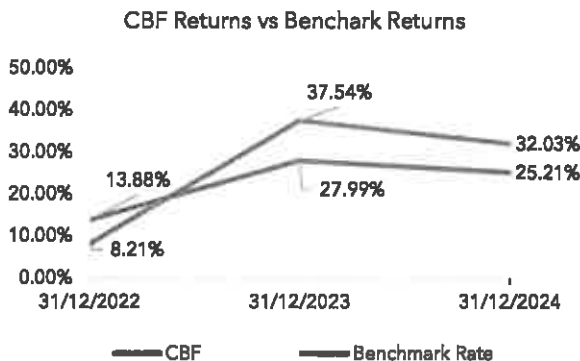
BACKGROUND INFORMATION

The Coral Balanced Fund "CBF", established in February 2001, is an actively managed open-ended unit trust scheme that invests a minimum of 40% and a maximum of 60% of its assets in equity securities quoted on the Nigerian Stock Exchange "NSE", and a minimum of 40% in investment grade fixed income investments.

INVESTMENT OBJECTIVE

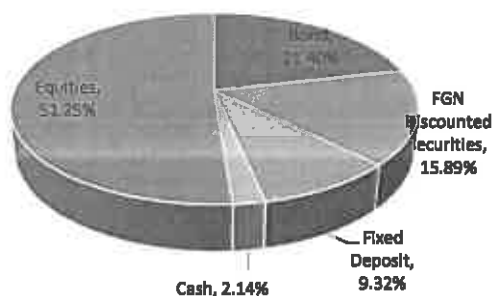
The objective of the Fund is to enable investors achieve capital growth over the long term. In particular, the CBF is designed to enable investors satisfy a broad range of financial needs as it can be used as a private pension/retirement plan, investments plan, or children's educational plan.

Fund Performance vs NGX ASI



ASSET ALLOCATION (% OF TOTAL ASSETS)

Asset Allocation



UPDATE ON THE CBF

You can now monitor your investment online by viewing your statement on our website www.fsdhaml.com.

REVIEW OF THE FUND

Inception date:	February 2001
Net Asset Value:	N 3.42 billion
Opening price:	N 5,814.24
Closing price:	N 7,841.47
Management Fee:	2.5%
Expense Ratio:	
Investment Managers Rating:	BBB Long Term / A3 Short Term (GCR)
Current Asset Allocation:	47.58% was invested in Equity Instruments, and 52.42% was invested in FGN Fixed Income Securities/Money Market
Benchmark:	50% NGX ASI and 12M Nigerian Inter-Bank Treasury Bill's True Yield
Risk Profile:	Medium
Fund Custodian:	Stanbic IBTC bank.
Fund Trustee:	United Capital Trustees
Auditors:	KPMG Professional Services
Registrars:	United Securities Limited

Fund Manager's Comment

The CBF's return for FY 2024 stood at 32.03% slightly lower than 37.54% in FY 2023. On the macro front, inflation rate was relatively high at 34.80% as at December 2024. Against this backdrop, we saw relatively high interest rate in the year as the Monetary Authority tried to rein in inflation and stabilize exchange rate. Nevertheless, equity market performance was positive at 37.65% in 2024. Hence, we purchased more shares with strong fundamental in the year amid positive financial results released on quarterly basis. Our focus was more on companies that announced payment of interim dividend and improved financial ratios. The increase in our exposure to equities boosted return on the fund in 2024. On the side of fixed-income asset, we increased our exposure to FGN Discounted Securities, particularly on the long end of the curve, to further lock-in high interest rate.

Expectation & Strategy

We expect monetary policy committee to have gotten to the peak of hawkish stance in Q1 2025 as pressure on the exchange rate and inflation rates cool amid rebasing of the Gross Domestic Products and Consumer Price Index. Hence, we expect gradual reduction of the interest rate across the yield curve. Nonetheless, the downside risks to lower interest rate include disruption to global disinflation and Trump's economic policies. On the back of lower interest rate, we expect the equity market to be slightly bullish in 2025; thus, our strategy would be to acquire more shares in Q1 2025. The ongoing recapitalization is positive for the banks in the medium to long term as they increase capacity to take on more business. We expect better performance in the real sector companies, particularly those in the industrial and oil and gas sectors.

On the fixed-income side, we will be very careful with CPs in the first half of 2025; however, we would consider only high-quality mid-tenor CPs in H2 2025 – when interest rate environment is expected to be less risky for corporates.

Increasing your investment in the Coral Balanced Fund just got easier!

- From the comfort of your space, you can increase your investment in the CBF with as little as N5,000 through any of the following:
- Automatic transfer sums from any Nigerian bank to the funds Custodian by issuing a direct debit instruction. You simply fill and execute the form while we will process on your behalf.
- Transfer the investment sum to the funds' custodian.
- Issue a cheque/ bank draft in favour of "FSDH Coral Growth Fund/UCAT"

You can also reach out to us via email at coralfunds@fsdgroup.com. Follow us on twitter and Instagram via @Fsdhcoralfunds and like our Facebook page; www.facebook.com/coralfunds.

**CORAL BALANCED FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

STATEMENT OF THE FUND MANAGER'S RESPONSIBILITIES

The Fund Manager is responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Fund at the end of the financial year and of the net income for the year then ended.

The responsibilities include ensuring that:

- i. the Fund keeps accounting records which disclose with reasonable accuracy the financial position of the Fund and which ensure that the financial statements comply with the requirements of the relevant accounting standards;
- ii. appropriate and adequate internal controls are established to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities;
- iii. the Fund prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and
- iv. it is appropriate for the financial statements to be prepared on a going concern basis.

The Fund Manager accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with:

- i. International Financial Reporting Standards
- ii. Financial reporting Council of Nigeria (Amendment) Act, 2023
- iii. Investments and Securities Act
- iv. Relevant circulars issued by the Securities and Exchange Commission.

The Fund Manager is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Fund and of its financial performance.

The Fund Manager further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Fund Manager to indicate that the Fund will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE FUND MANAGER



Folashade Laoye - Chairman
Director
FRC/2014/ICAN/00000006163
21 March 2025



Oluwatoyin Owolabi - Managing Director
Director
FRC/2021/003/00000025150
21 March 2025

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting

I, Toyin Owolabi, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of Coral Balance Fund ("the Fund")
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Fund Manager's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, to ensure that material information relating to the Fund is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - 3) have caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
 - 4) have evaluated the effectiveness of the Fund's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Fund Manager's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Fund's auditors and the audit committee of the Fund Manager:
 - 1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Fund's ability to record, process, summarize and report financial information; and
 - 2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Fund's internal control system.
- f) The Fund Manager's other certifying officer and I have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Signed on behalf of the Fund Manager by:

Name: Toyin Owolabi

Designation: Chief Executive Officer

FRC No: FRC/2021/003/00000025150

Signature 

Date: 21-03-2025

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting

I, Funmilayo Oletubo, certify that:

- a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 of Coral Balance Fund ("the Fund")
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The Fund Manager's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, to ensure that material information relating to the Fund is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - 3) have caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards;
 - 4) have evaluated the effectiveness of the Fund's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Fund Manager's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Fund's auditors and the audit committee of the Fund Manager:
 - 1) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Fund's ability to record, process, summarize and report financial information; and
 - 2) That there is no fraud, whether or not material, that involves management or other employees who have a significant role in the Fund's internal control system.
- f) The Fund Manager's other certifying officer and I have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation.

Signed on behalf of the Fund Manager by:

Name: Funmilayo Oletubo

Designation: Chief Financial Officer

FRC No: FRC/2021/PRO/ICAN/001/00000022428

Signature: 

Date: 21-03-2025

Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024

The management of FSDH Asset Management Limited ("the Fund Manager") is responsible for establishing and maintaining adequate internal control over financial reporting of Coral Balance Fund ("the Fund") as required by the Financial Reporting Council (Amendment) Act, 2023.

The management of FSDH Asset Management Limited assessed the effectiveness of the internal control over financial reporting of the Fund as of 31 December 2024 using the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

As of December 31, 2024, the management of FSDH Asset Management Limited did not identify any material weakness in its assessment of internal control over financial reporting.

As a result, management has concluded that, as of December 31, 2024, the Fund's internal control over financial reporting was effective.

The Fund's independent auditor, KPMG Professional Services, who audited the financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Fund's internal control over financial reporting as of 31 December 2024 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report is included in the Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Fund's internal control over financial reporting.



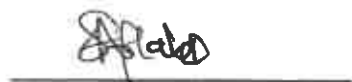
Signed on behalf of the Fund Manager by:

Toyin Owolabi

MD/CEO

FRC/2021/003/00000025150

21 March 2025



Funmilayo Oletubo

CFO

FRC/2021/PRO/ICAN/001/00000022428

21 March 2025



KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8965
234 (1) 271 8599
Internet home.kpmg/ng

Independent Auditor's Limited Assurance Report

To the Unitholders of Coral Balanced Fund

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of Coral Balanced Fund ("the Fund") as of 31 December 2024 is effective in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that Coral Balanced Fund's internal control over financial reporting as of 31 December 2024 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (*including International Independence Standards*) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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



Other matter

We have audited the financial statements of Coral Balanced Fund in accordance with the International Standards on Auditing, and our report dated 27 March 2025 expressed an unmodified opinion of those financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of FSDH Asset Management Limited, the Fund Manager, is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report on internal control over financial reporting. Our responsibility is to express a conclusion on the Fund's internal control over financial reporting based on our assurance engagement.

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Fund's internal control over financial reporting based on our assurance engagement.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting

A fund's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A fund's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the fund;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the fund are being made only in accordance with authorizations of management and directors of the fund; and



- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the fund's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Signed:

A handwritten signature in blue ink, appearing to read 'Awotoye O. Oluwafemi'.

Awotoye O. Oluwafemi
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
27 March 2025
Lagos, Nigeria



KPMG Professional Services
KPMG Tower
Bishop Abiodun Cole Street
Victoria Island
PMB 40014, Folorunso
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Coral Balanced Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Coral Balanced Fund ("the Fund"), which comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income
- the statement of changes in net assets attributable to unitholders;
- the statement of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Directors of the Fund Manager and the Directors of the Trustee (are responsible for the other information. The other information comprises Parties to the fund, Trustee's Report, Fund Manager's report, Certification pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting, Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December 2024 and Other National Disclosures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Fund Manager are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors of the Fund Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors of the Fund Manager are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Fund Manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Fund Manager.
- Conclude on the appropriateness of Directors of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Board of Directors of the Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with Board of Directors of the Fund Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Fund's internal control over financial reporting as of December 31, 2024. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 27 March 2025.

Signed:

Oluwafemi O. Awotoye

Oluwafemi O. Awotoye, FCA
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
27 March 2025
Lagos, Nigeria



**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 December 2024 N'000	31 December 2023 N'000
Interest income on assets measured at fair value through profit or loss	5	233,737	205,245
Interest income on deposit with banks		16	11
Other income	6	113,521	83,797
Net gain on financial assets measured through profit or loss	7	643,368	682,691
Net income		990,642	971,744
Operating expenses	8	(102,708)	(85,573)
Profit before tax		887,934	886,172
Tax	9	(10,212)	(8,369)
Total comprehensive income for the year		877,722	877,802
Items that may be subsequently reclassified to profit and loss			
Unrealised net gains or (loss) on financial assets at FVOCI		-	-
Total comprehensive income		877,722	877,802

The accompanying notes form an integral part of these financial statements.

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

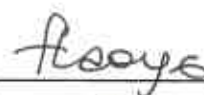
STATEMENT OF FINANCIAL POSITION AS AT

	Notes	31 December 2024 N'000	31 December 2023 N'000
Assets:			
Cash and cash equivalents	10	368,408	970,691
Financial instruments measured through profit or loss	11	2,845,678	2,176,896
Other assets	12	247,636	-
Total assets		3,461,722	3,147,587
Liabilities:			
Other liabilities	13	36,736	50,778
Total liabilities		36,736	50,778
Net assets attributable to unitholders		3,424,986	3,096,809
Represented by:			
Unitholders' contributions		1,387,922	1,327,320
Retained earnings		2,037,064	1,769,489
		3,424,986	3,096,809

The accompanying notes form an integral part of these financial statements.

SIGNED ON BEHALF OF THE FUND MANAGER ON 21 MARCH 2025

Folashade Laoye - Chairman
FRC/2014/ICAN/00000006163



Oluwatoyin Owolabi - Managing Director
FRC/2021/003/00000025150



Additional Certification:

Funmilayo Oletubo - Chief Financial Officer
FRC/2021/PRO/ICAN/001/00000022428



CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF CHANGES IN NET ASSETS

ATTRIBUTABLE TO UNITHOLDERS

	Unitholders contributions N'000	Retained earnings N'000	Net assets attributable to unitholders N'000
At 1 January 2023	1,249,174	951,082	2,200,256
Profit for the year	-	877,802	877,802
	1,249,174	1,828,884	3,078,058
Transactions with unit holders:			
Contributions from unitholders	167,825	-	167,825
Redemptions by unitholders	(149,074)	-	(149,074)
Reclassification	59,395	(59,395)	(0.00)
At 31 December 2023	1,327,320	1,769,489	3,096,809
At 1 January 2024	1,327,320	1,769,489	3,096,809
Profit for the year	-	877,722	877,722
	1,327,320	2,647,211	3,974,531
Transactions with unit holders:			
Contributions from unitholders	777,708	-	777,708
Redemptions by unitholders	(1,320,323)	-	(1,320,323)
Reclassification	603,217	(603,217)	-
Dividend Distribution	-	(6,930)	(6,930)
At 31 December 2024	1,387,922	2,037,064	3,424,986

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

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

	Notes	31 December 2024 N'000	31 December 2023 N'000
Cashflow from operating activities			
Cash used in operations	15	(376,201)	(161,098)
Interest received		221,348	205,094
Tax paid	9	(10,212)	(8,369)
Net cash flow (used in)/generated from operating activities		(165,065)	35,627
Cash flows from Investing activities			
Dividend received		112,327	83,835
Net cash generated from Investing activities		112,327	83,835
Cashflow from financing activities			
Contributions from unitholders		777,708	167,825
Redemptions by unitholders		(1,320,323)	(149,074)
Distribution paid to unit holders		(6,930)	-
Net cash flow (used in)/generated from financing activities		(549,545)	18,751
Net Increase In cash and cash equivalent for the year		(602,283)	138,213
Analysis of changes in cash and cash equivalents:			
Cash and cash equivalents at start of year		970,691	832,478
Increase in cash and cash equivalent		(602,283)	138,213
Cash and cash equivalents at end of year	16	368,408	970,691

The accompanying notes form an integral part of these financial statements.

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Coral Balanced Fund ("CBF" or "the Fund"), established in February 2001, is an actively managed open-ended equity based unit trust scheme that invests a maximum of 65% of its assets in equity securities quoted on The Nigerian Exchange (NGX) and a minimum of 35% in investment grade fixed-income securities.

The objective of the Fund is to enable investors to achieve capital growth over the long term. In particular, the CBF is designed to enable investors to satisfy a broad variety of financial needs as it can be used as a private pension/retirement plan, investments plan, or children's educational plan.

2. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1. Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Financial Reporting Council of Nigeria (Amendment) Act, 2023. Additional information required by national regulations are included where appropriate. The financial statements have been prepared in accordance with the going concern principle under the historical cost convention as modified by the measurement of certain financial assets held at fair value through profit or loss (FVTPL).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Fund Manager to exercise its judgement in the process of applying the fund's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Fund Manager believes that the underlying assumptions are appropriate and that the fund's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

a. Functional and presentation currency

The financial statements are presented in Naira, which is the Fund's functional and presentation currency. The figures shown in the financial statements are stated in thousands of Naira, unless otherwise stated.

2.2 Standards and Interpretations issued/amended but not yet effective.

A number of new IFRS Accounting Standards, Amendments to IFRS Accounting Standards, and Interpretations are effective for annual periods beginning after 1 January 2025 and have not been applied in preparing these financial statements. Those IFRS Accounting Standards, Amendments to IFRS Accounting Standards and Interpretations which may be relevant to the Company are set out below:

(i) Presentation and Disclosure in Financial Statements (IFRS 18)

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements.

The new standard introduces the following key new requirements:

(ii) It promotes a more structured income statement. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories, operating, investing, and financing, based on a company's main business activities.

(iii) All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.

(iv) Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

(v) Enhance guidance is provided on how to group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

(vi) Entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

(vii) It also requires Companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

IFRS 18 is effective from 1 January 2027 and applies retrospectively. It is available for early adoption. The Fund has not assessed the impact of IFRS 18. The IFRS Accounting Standards will be adopted in the period that they become mandatory unless otherwise indicated.

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

2.3 Financial assets and liabilities

Measurement methods

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in note 2.7, which results in an accounting loss being recognised in the income statement when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Fund recognises the difference as follows:

- (a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Fund revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- (a) Purchased or originated credit impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- (b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by

Financial assets

Classification and subsequent measurement

The Fund classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Amortised cost.

The classification requirements for debt and equity instruments are described below.

Debt instruments

Debt instruments are instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Fund's business model for managing the asset; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its financial instruments into one of the following two measurement categories:

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

a) Financial assets measured at amortised cost

These represent assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

b) Financial assets measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVTPL are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the Income statement and presented in the Income statement within 'Net gain on financial assets measured through profit or loss' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in Income.

c) Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Fund subsequently measures all equity investments at fair value through profit or loss. Dividends, when representing a return on such investments, continue to be recognised in the income statement as other income when the Fund's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Net gain on financial assets measured through profit or loss' line in the income statement.

SPPI Test

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund Manager assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Fund Manager considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Policy on derecognition of financial assets missing

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Fund tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Financial liabilities

Classification and measurement of financial liabilities missing

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost. The Fund's financial liabilities includes fees payable, payable to unit holders, accrued expenses and other payables.

Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). For instance, the accrued fees paid or payment made to unit holders. The Fund classifies non-derivative financial liabilities into the following categories: financial liabilities at amortised cost and other financial liabilities.

Classifications of financial assets and liabilities under IFRS 9

Category (as defined by IFRS 9)	Classes as determined by the Fund		Subclasses
Financial assets	Amortised cost	Cash and cash equivalents	Balances with banks
		Other assets	Receivables
	Financial Instruments measured through profit or loss (FVTPL)	Financial assets held for trading	Quoted Securities
			Treasury bills
Financial liabilities	Financial liabilities at amortised cost	Other liabilities	Federal Government of Nigeria (FGN) bonds
			Corporate bonds
			Fund manager's fee payable
			Custodian fees payable
			Accrued expenses
			Other Payable

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

2.4 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non performance risk.

A number of the Fund's accounting policies and disclosures require the measurements of fair values for both the financial and non-financial assets and liabilities.

When one is available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Fund measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Fund determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

2.5 Impairment

The Fund assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost.

The provision matrix simply involves applying the relevant loss rates to the balances outstanding across the different age bands i.e. rates applied depends on the number of days that a trade receivable is past due.

The loss rate is determined based on historical losses rate over a three-year period. The loss definition is any receivables balance that is over 365 days. The estimated historical loss rates have been appropriately adjusted to reflect the expected future changes using macroeconomic variables which serve as indicators of losses. Macro variables considered include GDP growth rate, inflation rate and exchange rate respectively.

2.6 Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Fund determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery of amounts due.

2.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The financial assets and liabilities are presented on a gross basis.

Income and expenses are presented on a net basis only when permitted by accounting standards, or for gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

2.8 Dividend income

Dividend on investments in quoted equities are recognised when such dividends are declared at the annual general meetings. Dividend is accrued on the basis of the units of shares held by the Fund as at the share register closure date and is accounted for at gross of withholding tax. The resultant tax is separately accounted for and disclosed in the statement of comprehensive income as 'tax'.

Dividend accrued but yet to be received are regarded as "receivables" in the statement of financial position.

2.9 Retained earnings

Retained earnings represent undistributed earnings of the Fund.

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

2.10 Operating Expense

a. Management fees

Management fees are charged as 2.5% of the net asset value of the Fund. They are accrued daily but paid quarterly in arrears.

b. Incentive fees

An annual incentive fee is calculated as 10% of total returns in excess of 10% of the net asset value of the Fund and is accounted for on an accrual basis or as soon as this condition is met.

All other expenses are recognised in the statement of comprehensive income on an accrual basis.

c. Taxation

The Fund is domiciled in Nigeria. Under the current laws of Nigeria, there is no income, estate, corporation, capital gains or other gains or taxes payable by the Fund. Taxation disclosed in these financial statements relate to tax attributable to franked investment income.

2.11 Dividend distribution

In line with the provisions of the Trust Deed, the income of the Fund less any sums properly chargeable thereon or deductible therefrom may either be reinvested in the Fund or distributed to the Unitholders in such form, manner and amount for such periods and at such times as the Fund Manager may, in its absolute discretion, decide in accordance with applicable law and the rules of the Exchange on which the units are listed.

Dividend proposed for the year are not accounted for but disclosed in the financial statements and appropriated from retained earnings after the approval of the unitholders at the Fund's Annual General Meeting (AGM).

2.12 Subscription and redemption

Subscription

The minimum investment one or joint unitholder(s) may make in the Fund is N5,000.00 (Five Thousand Naira). Thereafter, additional Units in the Fund shall be issued in multiples of N5,000.00 (Five Thousand Naira) and shall be subscribed for in those multiples. Subscription into the Fund shall be at the latest "offer price" computed based on total net asset value (NAV) of the Fund divided by the number of units in issue.

Redemption

Redemptions are made through the Fund Manager or any of its agents as may be appointed from time to time. The manager shall, on request, repurchase against a payment out of the Fund, units from unitholders at the bid price. Redemptions are allowed after three months of initial acquisition of units by the unitholder. However, where the redemptions are being made within 3 (three) months of acquisition of the units by a unitholder, the manager shall have the right to charge a redemption fee of 2% of the net redemption value.

2.13 Cash and cash equivalent

For the purposes of statement of cash flow, cash and cash equivalents are balances that are held for the primary purpose of meeting short term cash commitments. Hence this includes cash in hand and cash equivalents that are readily convertible to known amount of cash, are subject to insignificant risk of changes in value and whose original maturity is three months or less. This includes cash in hand, loans to banks and other short-term highly liquid investments which originally matures in three months or less (treasury bills with original maturity of less than 3 months).

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

3 Risk Management Objective and Policies

3.1 Financial risk management

The Fund generates revenues for unit holders by investing in various income generating activities which involve trading equity securities on the stock exchange and trading in government securities. These activities expose the Fund to a variety of financial risks, including credit, liquidity risk and the effects of changes in debt and equity market prices and interest rates. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the Fund Managers under direction of the investment committee and FSDH Merchant Bank Limited's Group Risk Management Department. The investment committee works within policies approved by the Fund's Trustees. Fund Managers review the market trends and information available to evaluate the potential exposures. They then arrive at strategies to mitigate against these risks. The Group Risk Department provides the Fund Managers with written guidelines for appropriate investments. These guidelines are reviewed on a regular basis and are within the Collective Investment Scheme regulations issued by the Securities and Exchange Commission (SEC).

The Funds financial instruments are categorised as follows:

31 December 2024	Financial Assets		Financial Liabilities
In thousands of Nigerian Naira	Fair value through profit or loss (FVTPL)	At amortised cost	At amortised cost
Financial assets:			
Cash and cash equivalents			
- Current account with banks in Nigeria	-	68,852	-
- Placement		299,556	
Financial assets held for trading			
- Quoted securities	1,646,321	-	-
- FGN Bonds	592,772	-	-
- Corporate Bonds	80,988	-	-
- Treasury bills	510,617	-	-
Other assets:			
Receivables	-	-	-
Financial liabilities:			
Other liabilities:			
Other accounts payable	-	-	35,234

31 December 2023	Financial Assets		Financial Liabilities
In thousands of Nigerian Naira	Fair value through profit or loss (FVTPL)	At amortised cost	At amortised cost
Financial assets:			
Cash and cash equivalents			
- Current account with banks in Nigeria	-	47,558	-
- Placement		923,133	
Financial assets held for trading			
- Quoted securities	1,440,420	-	-
- FGN Bonds	466,326	-	-
- Corporate Bonds	165,955	-	-
- Treasury bills	104,185	-	-
Other assets:			
Receivables	-	-	-
Financial liabilities:			
Other liabilities:			
Other accounts payable	-	-	48,797

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

3.2 Liquidity

The Fund is exposed to daily cash redemptions of redeemable units. It therefore invests the majority of its assets in investments that are traded at the Nigerian Exchange (NGX). The Fund's listed securities are considered readily realisable, as they are listed on the NGX.

In addition to this, the Fund Manager in managing the Fund's liquidity risks, monitors the Fund's liquidity position on a daily basis and has developed a comprehensive history of the Fund's daily and/or periodic liquidity requirements. Guided by this history, the manager maintains sufficient cash and near cash investments to meet the day to day redemption requirements.

The amounts disclosed in the table are the contractual undiscounted cash flows.
Liquidity maturity analysis

31 December 2024

Financial assets

	No contractual maturity N'000	Due within 3 months N'000	Due within 3 & 12 months N'000	Due after 1 year N'000	Total N'000	Carrying Value N'000
Cash and cash equivalents						
- Balances with banks	-	88,852	-	-	88,852	88,852
- Placements	-	164,264	146,530	-	310,795	299,566
Financial assets held-for-trading						
- Quoted equity securities	1,646,321	-	-	-	1,646,321	1,646,321
- Treasury bills	-	400,000	150,000	-	550,000	510,617
- Federal Government of Nigeria (FGN) t	-	135,295	65,775	1,385,388	1,586,459	597,772
- Corporate bonds	-	-	24,766	576,524	601,280	90,968
	1,646,321	769,412	387,062	1,961,912	4,763,707	3,214,086
Financial liabilities	-	35,234	-	-	35,234	35,234
Net financial asset	1,646,321	733,177	387,062	1,961,912	4,728,473	3,178,852

Net financial asset attributable to unitholders

3,178,852

Percentage of liquid financial assets to net financial asset attributable to unitholders

148.75%

31 December 2023

Financial assets

	No contractual maturity N'000	Due within 3 months N'000	Due within 3 & 12 months N'000	Due after 1 year N'000	Total N'000	Carrying Value N'000
Cash and cash equivalents						
- Balances with banks	-	47,558	-	-	47,558	47,558
- Placements	-	923,133	-	-	923,133	923,133
Financial assets held-for-trading						
- Quoted equity securities	1,440,420	-	-	-	1,440,420	1,440,420
- Treasury bills	-	-	120,000	-	120,000	104,195
- Federal Government of Nigeria (FGN) t	-	253,780	-	220,220	474,001	466,328
- Corporate bonds	-	-	-	180,740	180,740	165,955
- Commercial Bills	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
	1,440,420	1,224,471	120,000	400,960	3,185,851	3,147,587
Financial liabilities	-	49,797	-	-	49,797	49,797
Net financial asset	1,440,420	1,174,673	120,000	400,960	3,136,054	3,097,790

Net financial asset attributable to unitholders

3,097,790

Percentage of liquid financial assets to net financial asset attributable to unitholders

101.23%

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

3.3 Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances. All transactions in listed securities are settled/paid for upon delivery using approved brokers. Therefore the risk of default is considered minimal.

The Fund considers the credit exposure to geographical sectors as immaterial as all the credit risk exposures are domiciled in Nigeria for all periods.

The maximum exposure to credit risk is the carrying amount of the financial assets as set out below.

Sector analysis of credit risk exposure

31 December 2024

	Cash and cash equivalents	Fair value through profit or loss (FVTPL)	Receivables	Maximum Exposure
Government	-	597,772	-	597,772
Financial Institutions	368,408	-	-	368,408
Others	-	1,737,289	-	1,737,289
Treasury Bills	-	510,617	-	510,617
	368,408	2,845,678	-	3,214,086

All the financial assets are stage 1 assets

31 December 2023

	Cash and cash equivalents	Fair value through profit or loss (FVTPL)	Receivables	Maximum Exposure
Government	-	570,521	-	570,521
Financial Institutions	970,691	-	-	970,691
Others	-	165,955	-	165,955
Treasury Bills	-	104,195	-	104,195
	970,691	840,671	-	1,811,362

Debt Securities to which the Fund is exposed are mainly Federal Government of Nigeria (FGN) bonds. The credit risk associated with these sovereign debt A rating grid which shows the ratings of debt securities is illustrated below

Fund's Internal Rating	Group Score	Description of the Grade	Agusto Score	External Rating: Agusto Equivalent
AAA	90 - 100	Investment Grade	89 - 100	AAA
AA	80 - 89.9	Investment Grade	80 - 89	AA(+/-)
A(+/-)	70 - 79.9	Investment Grade	70 - 79	A(+/-)
BBB(+/-)	65 - 69.9	Investment Grade	60 - 69	BBB
BB(+/-)	60 - 64.9	Speculative Grade	50 - 59	BBB
B(+/-)	40 - 49.9	Speculative Grade	40 - 49	B
C	< 40	Junk Grade	< 40	CCC
D		In Default		D

An investment grade rating on an asset means that the asset is financially viable and not likely to default on its obligations. However, some assets may be more financially viable than others.

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

A Speculative grade rating on an asset means that the asset is vulnerable. Its capacity to meet obligations could be impaired by the slightest adverse business, financial or economic condition.

A Junk grade rating on an asset means that the asset is highly vulnerable. It largely depends on favourable conditions to meet its obligations. Also, start-ups who have no financial history but want to be extended credit are assigned a default rating of C.

An asset in default is an asset which has failed to meet one or more of its financial obligations when due.

Credit rating of financial asset is shown below.

	31 December 2024	31 December 2023
	N'000	N'000
Aaa to Aa-	618,293	632,281
Bbb+ to Bb-	70,447	-
Unrated	-	-
	<u>688,740</u>	<u>632,281</u>

The maximum exposure to credit risk before any credit enhancements at 31 December is the carrying amount of the financial assets as measured in the financial statements. None of these assets are impaired nor past due but not impaired.

3.4 Market risk

(a) Price risk

The Fund's exposure to the capital market makes it susceptible to price movements of quoted equity securities in its portfolio. All the Fund's equity investments are quoted on the Nigerian Exchange (NGX). In managing the risk arising from this class of investments, the Fund ensures diversification of its portfolio to include different sectors of the economy. Diversification of the portfolio is done in accordance with limits set by the Fund's Trust Deed which provides for investments subject to a maximum of 5% of the value of the Fund in any particular equity security. Likewise, the Trust Deed also provides for minimum investment of 30% and maximum of 65% in the equity market under normal market conditions.

The Fund invests in securities as permitted under the Trustees Investment Act, Cap 449, LFN 1990 and approved by the Securities and Exchange Commission. All quoted equities held by the Fund are traded on the NGX.

Classification of quoted equity securities per sector:

	31 December 2024	31 December 2023
	N'000	N'000
Financial services	731,302	789,530
Food products	359,902	222,229
Conglomerates	78,033	88,934
Construction/Real Estate	153,572	88,298
Oil and Gas	235,595	195,502
Telco	87,912	94,824
Agriculture	-	-
Health and care	4	2
Telecommunication	-	1
	<u>1,648,321</u>	<u>1,440,420</u>

The impact on the Fund's net asset attributable to Unitholders if quoted prices of equity securities held had increased or decreased by 10% with all other variables held constant

	164,832	144,042
--	---------	---------

(b) Cashflow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cashflows. The Fund's exposure to cashflow interest rate risk which is the risk that the future cashflows of a financial asset will fluctuate because of changes in market interest rates is minimal as it does not hold financial assets with variable interest. The fund also has no interest bearing financial liabilities.

The Fund also holds fixed interest securities which expose the Fund to fair value interest rate risk. The Fund's fixed interest rate financial assets are government securities (bonds and treasury bills), corporate bonds, commercial bills and deposits with financial institutions (See analysis in note 11).

However, the Fund may be indirectly affected by the impact of interest rate changes on the earnings of certain Fund in which the Fund invests. The sensitivity of this on the Fund's net assets attributable to unitholders can not be fully determined.

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

(c) Foreign currency risk

As at 31 December 2024 (2023: Nil), the Fund did not have investments denominated in foreign currency and as a result was not exposed to foreign currency risk.

3.6 Fair value estimation

Financial assets not measured at fair value

	31 December 2024		31 December 2023	
	Carrying Value	Fair value	Carrying Value	Fair value
	N'000	N'000	N'000	N'000
Financial assets				
Cash and cash equivalents	368,408	368,408	970,691	970,691
Receivables	-	-	-	-
	<u>368,408</u>	<u>368,408</u>	<u>970,691</u>	<u>970,691</u>
Financial Liabilities				
Other liabilities	35,234	35,234	49,797	49,797
	<u>35,234</u>	<u>35,234</u>	<u>49,797</u>	<u>49,797</u>

The carrying value of the following financial assets and liabilities for the Fund approximate their fair values: - balances with banks, receivables and other liabilities.

Fair value hierarchy of financial assets measured at fair value is shown below

At 31 December 2024 (N'000)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held for trading				
- Quoted securities	1,848,321	-	-	1,848,321
- Federal Government of Nigeria (FGN) bonds	597,772	-	-	597,772
- Corporate bonds	20,521	70,447	-	90,968
- Treasury bills	510,617	-	-	510,617
	<u>2,775,231</u>	<u>70,447</u>	<u>-</u>	<u>2,845,678</u>

At 31 December 2023 (N'000)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets held for trading				
- Quoted securities	1,440,420	-	-	1,440,420
- Federal Government of Nigeria (FGN) bonds	570,521	-	-	570,521
- Corporate bonds	-	165,955	-	165,955
- Treasury bills	104,195	-	-	104,195
	<u>2,115,136</u>	<u>165,955</u>	<u>-</u>	<u>2,281,091</u>

Fair valuation estimates and techniques

(i) Cash and cash equivalents

Cash and bank balances represent cash held with other banks of the various jurisdictions in which the Fund operates. The fair value of these balances is their carrying amounts.

(ii) Treasury bills and bonds

Treasury bills represent short term instruments issued by the Central Bank of Nigeria. Bonds are debt instruments or contracts issued for an agreed period of time. The investor lends an amount of money to the issuer and earns interest on the investment until the maturity of the bond when the principal will be repaid. The fair value of actively traded treasury bills and bonds are determined with reference to quoted prices (unadjusted) in an active market for identical assets.

(iii) Equity securities

The fair value of quoted equity securities are determined by reference to quoted prices (unadjusted) in active markets for identical instruments. The Fund is not permitted at any time to hold unquoted equity instruments.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs) This hierarchy requires the use of observable market data when available.

The Funds considers relevant and observable market prices in its valuations where possible.

NOTES TO THE FINANCIAL STATEMENTS

There are no transfer within fair value hierarchies during the period.

(iv) Receivables

Receivables represent dividend receivables from Fund in which the Fund has equity investments. The fair value is the carrying amount.

(v) Other liabilities

This represents accrued expenses and other payables by the Fund. The fair value is the carrying amount.

3.6 Capital management

The capital of the Fund is represented by unit holder contributions. The amount of unit holder liabilities can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders.

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders.

4 Critical accounting estimates and judgements

The Funds' financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the financial statements.

The Fund Manager makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS Accounting Standards are best estimates undertaken in accordance with the applicable standards. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

The Fund Manager's judgements for certain items are especially critical for the Fund's results and financial situation due to their materiality.

4.1 Subscriptions (capital)

a. Equity attributable to unitholders

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund's units in issue are financial instruments issued by the Fund. On liquidation of the Fund, the unitholders are entitled to the residual net assets. They rank pari passu in all material respects and have identical terms and conditions. The units provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each daily redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all the of the following conditions:

- (i) It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- (ii) It is in the class of instruments that is subordinate to all other classes of assets of instruments;
- (iii) All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- (iv) Apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other feature that would require classification as a liability; and
- (v) The total expected cash flows attributable to the instruments over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's units meet these conditions and are classified as equity. Incremental costs directly attributable to the issue or redemption of units are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

b. Repurchase of units

When units recognised as equity are redeemed, the par value of the units is presented as a deduction from capital. Any premium or discount to par value is recognised as an adjustment to retained earnings.

4.2 Classification of financial assets

Financial instruments at fair value through profit or loss are initially recognised at fair value while transaction costs, which are directly attributable to the acquisition or issue of the financial instruments, are recognised immediately through profit or loss. Financial instruments that are not carried at fair value through profit or loss are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments. Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification.

The determination of fair value for financial assets and liabilities for which there is no observable market prices requires the use of valuation techniques as described in valuation methods and assumptions as disclosed in Note 3.6 above. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024 N'000	31 December 2023 N'000
5 Interest income on assets measured at fair value through profit or loss		
Held for trading assets:		
Bonds	45,409	71,978
Treasury bills	81,207	2,701
Placements	107,121	130,588
	233,737	205,245
6 Other income		
Dividend income	112,327	83,687
Others	1,194	110
	113,521	83,797
	31 December 2024 N'000	31 December 2023 N'000
7 Net trading gain on financial assets held-for-trading		
Net trading income on quoted equities	438,587	148,967
Net trading loss on treasury bills and bonds	(108)	-
Unrealised gain on quoted equities	206,887	533,724
	643,368	682,691
	31 December 2024 N'000	31 December 2023 N'000
8 Operating expenses		
Operating expenses comprise:		
Audit fees	4,945	4,300
Fund manager's fee	88,342	70,442
Registrar's fees	539	1,115
Trustees' fees	849	847
Professional fees	602	1,292
Custodian fees	2,418	805
SEC supervisory fees	6,425	6,857
Charges & other operating expenses	588	115
	102,708	85,573
There were no non audit services provided by KPMG Professional Services during the year and no non audit fees were paid.		
9 Tax		
Charge for the period		
Tax attributable to franked investment income	10,212	8,369
Tax expense	10,212	8,369

CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024 N'000	31 December 2023 N'000
10 Cash and cash equivalents		
Balances held with other banks:		
- Balances with banks in Nigeria	68,852	47,558
* - Placements	299,558	923,133
	368,408	970,691
Current	368,408	970,691
	368,408	970,691
11 Financial instruments measured through profit or loss		
Quoted equity securities	1,648,321	1,440,420
Treasury bills	510,617	104,195
Federal Government of Nigeria (FGN) bonds	597,772	466,326
Corporate bonds	90,988	165,955
	2,845,678	2,176,896
Current	610,617	104,195
Non-Current	2,335,061	2,072,701
	2,845,678	2,176,896
12 Other assets		
Financial assets:		
Dividend receivable	-	-
Sundry receivables	247,636	-
	247,636	-
Current	247,636	-
	247,636	-
13 Other liabilities		
Financial liabilities:		
Fund manager's fee payable	21,426	19,236
Custodian fees payable	2,405	1,907
SEC supervisory fees	2,912	2,749
Accrued expenses	7,763	7,241
Other payables	726	18,662
	35,234	49,797

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

Non financial Liabilities:		
Withholding tax payable	1,502	981
Current	36,736	50,778
14 Unitholders' contribution	31 December 2024	31 December 2023
The movement in unitholders' units during the year is analysed below:		
	Units	Units
As at 1 January	000	000
Additions during the year	536	532
Redemptions during the year	115	32
	(204)	(28)
	447	536
NAV per unit	7,654	5,778
15 Cash generated from operations	31 December 2024 N'000	31 December 2023 N'000
Reconciliation of income before tax to cash generated from operations:		
Profit before tax	887,934	886,171
– Unrealised fair value (losses)/gains on financial instruments		
Adjustments for:		
– Fair value loss on financial assets held for trading	208,887	533,724
– Interest income	(233,737)	(205,245)
– Interest income on deposit with banks	(18)	(11)
– Dividend income	(112,327)	(83,687)
Changes in working capital:		
– Financial instruments held for trading (i)	(863,284)	(1,315,884)
– Other assets	(247,836)	-
– Other liabilities	(14,042)	23,614
	(376,201)	(161,098)
(i) Movement in financial instruments held for trading	31 December 2024 N'000	31 December 2023 N'000
Opening balance	2,178,896	1,394,794
Fair value loss on financial assets held for trading	(208,887)	(533,724)
Interest income	233,753	205,256
Interest received	(221,348)	(205,094)
Closing balance	(2,845,878)	(2,176,898)
Movement	(863,284)	(1,315,884)

**CORAL BALANCED FUND
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024 N'000	31 December 2023 N'000
16 Cash and cash equivalents		
For purposes of the cash flow statement, cash and cash equivalents comprises:		
- Current account with banks in Nigeria (Note 10)	68,852	47,558
- Placements	299,556	923,133
	368,408	970,691
17 Related party transactions		
Coral Balanced Fund is managed by FSDH Asset Management Limited (FSDH AM). FSDH AM is a subsidiary of FSDH Holding Company Limited which owns 99.7% of the Company's share capital. FSDH AM is a co-subsidary with FSDH Capital Limited.		
During the year, the following related party activities occurred:		
a. FSDH Capital Limited provides stock broking activities for the Coral Balanced Fund and earned total income of N3.13m in brokerage fees on the transactions during the year 2024 (2023: N2.33m).		
b. FSDH Asset Management Limited earns management fees at the rate of 2.5% of the Net Asset Value (NAV) accrued on daily basis but paid quarterly in arrears. Total sum of N86.34m was earned as management fees for the year (2023: N70.44m). No incentive fee during the year (2024: Nil).		
c. United Capital Trustees Limited earned trustee fees of N0.80m (2023: N0.80m) during the period in line with the Trust Deed of		
d. Key management staff has been defined as members of executive management committee of the Fund Manager and its other related companies.		
	31 December 2024 Units	31 December 2023 Units
Units held by related parties to the Fund are listed below:		
Direct	35,853	35,853
Indirect	-	-
18 Distributions	31 December 2024 N'000	31 December 2023 N'000
Proposed dividend at N410.37 kobo per unit	182,974	-

Other Information

**CORAL BALANCED FUND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

STATEMENT OF VALUE ADDED

	Dec 24 N'000	%	Dec 2023 N'000	%
Gross Income	990,642	102	971,744	102
Bought-in-materials and services (local)	(16,366)	(2)	(15,131)	(2)
Value added	974,276	100	956,613	100
Distribution of value added:				
To Government:				
Tax	10,212	1	8,369	1
To Fund Manager:				
Management fee	86,342	9	70,442	7
Retained in the fund:				
Retained earnings	877,722	90	877,802	92
	974,276	100	956,613	100

**CORAL BALANCED FUND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

FIVE YEAR FINANCIAL SUMMARY

	Dec 2024 N'000	Dec 2023 N'000	Dec 2022 N'000	Dec 2021 N'000	Dec 2020 N'000
ASSETS					
Balances with banks	368,408	970,891	832,478	453,557	509,812
Financial instruments measured through profit or loss	2,845,878	2,176,896	1,394,794	1,730,775	1,657,434
Other assets	247,636	-	149	-	827
TOTAL ASSETS	3,461,722	3,147,587	2,227,421	2,184,332	2,168,072
LIABILITIES					
Other liabilities	36,736	50,778	27,185	59,797	43,216
Net assets attributable to unitholders	3,424,986	3,096,809	2,200,256	2,124,535	2,124,856
Represented by:					
Unitholders' funds	3,424,986	3,096,809	2,200,256	2,124,535	2,124,856
	3,424,986	3,096,809	2,200,256	2,124,535	2,124,856
Interest income on assets measured at fair value through profit or loss	233,737	205,245	143,187	101,993	90,886
Interest Income on deposit with banks	16	11	-	9	786
Other income	113,521	83,797	81,312	62,017	57,817
Net gain/(losses) on Investments at fair value through profit and loss	643,368	682,891	(2,664)	(17,351)	299,633
Operating expenses	(102,708)	(85,573)	(74,959)	(67,980)	(60,520)
	887,934	886,171	146,876	76,688	388,402
Tax	(10,212)	(8,369)	(8,134)	(6,164)	(4,154)
Total comprehensive income for the year	877,722	877,802	138,742	72,524	384,248