



OLD MUTUAL
INVESTMENT GROUP



Results for the six
months ended 30
June 2014

OLD MUTUAL INVESTMENT GROUP ZIMBABWE (PRIVATE) LIMITED
MUTUAL GARDENS, 100 THE CHASE (WEST), EMERALD HILL, HARARE.
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Statement of comprehensive income

for the period ended 30 June 2014

	Jun-14	Jun-13
Revenue	\$	\$
Fee income	3 872 820	3 480 894
Net investment income	115 418	48 496
Other income	11 178	1 000
Total revenue	3 999 416	3 530 390
Expenses		
Operating and administration expenses	(1 619 301)	(1 669 574)
Total expenses	(1 619 301)	(1 669 574)
Profit before tax	2 380 115	1 860 816
Income tax expense	(694 286)	(474 741)
Profit for the financial year	1 685 829	1 386 075
Other comprehensive income	-	-
Total comprehensive income	1 685 829	1 386 075

Statement of financial position

at 30 June 2014

	Notes	Jun-14	Jun-13
Assets		\$	\$
Property and equipment	3	131 046	146 644
Loans and advances		103 285	115 386
Investments and securities		3 222 124	2 535 555
Trade receivables		1 208 144	1 099 791
Cash and cash equivalents		438 776	262 636
Total assets		5 103 375	4 160 012
Liabilities			
Deferred tax liability		57 124	27 558
Provisions		188 793	492 366
Other liabilities		540 100	393 793
Current tax payable		200 548	150 656
Total liabilities		986 565	1 064 373
Net assets		4 116 810	3 095 639
Shareholders' equity			
Share capital and premium		100	100
Other reserves	4	860 525	626 544
Non-distributable reserve		363 251	363 251
Retained earnings		2 892 934	2 105 744
Total equity		4 116 810	3 095 639
Total equity and liabilities		5 103 375	4 160 012

Statement of changes in equity

for the period ended 30 June 2014

2014	Share capital and premium \$	Non-distributable reserves \$	Retained earnings \$	Other reserves \$	Total \$
Shareholders' equity at beginning of year	100	363 251	1 207 106	753 711	2 324 168
Total comprehensive income	-	-	1 685 829		1 685 829
Movement for the period	-	-	-	106 813	106 813
Dividends for the year			-	-	-
Shareholders' equity at end of year	100	363 251	2 892 935	860 524	4 116 810

2013	Share capital and premium \$	Non-Distributable Reserves \$	Retained earnings \$	Other reserves \$	Total \$
Shareholders' equity at beginning of year	100	363 251	719 669	469 207	1 552 227
Total comprehensive income	-	-	1 386 075		1 386 075
Movement for the period			-	157 337	157,337
Shareholders' equity at end of year	100	363 251	2 105 744	626 544	3 095 639

Statement of cash flows

for the year ended 30 June 2014

	USD	USD
	<i>Jun-14</i>	<i>Jun-13</i>
Cash flows from operating activities		
Profit before tax	2 380 115	1 860 816
Non-cash movements and adjustments to profit before tax	9 948	186 465
Changes in working capital	(673 846)	(483 909)
Taxation paid	(125 717)	(347 524)
Net cash from/(used in) operating activities	1 590 500	1 215 848
Cash flows from investing activities		
Purchase of investments	(1 827 848)	(1 716 865)
Proceeds from disposal of investments	77 165	-
Proceeds from disposal of property and equipment	10 178	36 826
Acquisition of property and equipment	(35 534)	-
Net cash from/(used in) investing activities	(1 776 039)	(1 680 039)
Cash flows from financing activities		
Dividends paid to Company's shareholder	-	-
Net cash used financing activities	-	-
Net increase in cash and cash equivalents	(185 539)	(464 191)
Cash and cash equivalents at beginning of year	624 315	726 827
Cash and cash equivalents at end of year	438 776	262 636

Notes to the financial statements

for the year period ended 30 June 2014

1 General information

Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG), ("the Company") is a company domiciled in Zimbabwe and is a limited liability Company. The Company is a wholly owned subsidiary of Old Mutual Zimbabwe Limited. The ultimate holding Company is Old Mutual plc incorporated in the United Kingdom. The Company is primarily involved in asset management services, under the license of the Securities Exchange Commission of Zimbabwe. The Registered address of the Company is Mutual Gardens, 100 The Chase West, Emerald Hill, Harare.

2 Accounting policies

2.1 Basis of preparation

OMIG's functional and presentation currency is United States dollars (USD).

The financial statements provide information about the financial position, results of operations and changes in the financial position of the Company. They are based on the statutory records that are maintained under the historical cost convention.

2.2 Statement of compliance

The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRSs) and in accordance with the requirements of the Zimbabwe Companies Act (Chapter 24:03), the Asset Management Act (Chapter 24:26) and the Collective Investment Schemes Act (Chapter 24:19). IFRSs comprise interpretations adopted by the International Accounting Standards Board (IASB), which includes standards adopted by the International Accounting Standards Board (IASB) and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC).

Notes to the annual financial statements

for the period ended 30 June 2014

3 Property and equipment

Cost	Motor Vehicles	\$	Office	Equipment	\$	Computer	Equipment	\$	Total 2014
									\$
At 1 January 2014	277 832		22 187			81 294			381 313
Additions	35 534		-			-			35 534
Disposals	(37 301)		-			-			(37 301)
At 30 June 2014	276 065		22 187			81 294			379 546
Accumulated depreciation									
At 1 January 2014	194 588		13 384			49 099			257 071
Charge for the year	21 425		1 882			5 423			28 730
Disposals	(37 301)		-			-			(37 301)
At 30 June 2014	178 712		15 266			54 522			248 500
Carrying amount at end of year	97 353		6 921			26 772			131 046

Cost	Motor Vehicles	\$	Office	Equipment	\$	Computer	Equipment	\$	Total 2013
									\$
At 1 January 2013	401 682		18 551			67 089			487 322
Additions	22 600		2 137			12 089			36 826
Disposals	(128 951)		-			(964)			(129 915)
At 30 June 2013	295 331		20 688			78 214			394 233
Accumulated depreciation									
At 1 June 2013	259 974		9 726			40 640			310 340
Charge for the year	23 258		1 727			4 143			29 128
Disposals	(90 711)		-			(1 168)			(91 879)
At 30 June 2013	192 521		11 453			43 615			247 589
Carrying amount at end of year	102 810		9 235			34 599			146 644

4 Share capital and premium

	Jun-14	Jun-13
Authorised share capital		
20 000 ordinary shares of US\$1.00 each	20 000	20 000
Issued share capital		
100 ordinary shares of US\$1.00 each	100	100
Share premium		
	-	-
	100	100

Subject to the restrictions imposed by the Companies Act, 1973, as amended, the unissued shares are under the control of the directors, until the forthcoming annual general meeting.

Notes to the annual financial statements

for the period ended 30 June 2014

5 Funds under management

	Jun-14	Jun-13
Total funds under management	1 112 399 260	1 039 793 132
Total funds under management is represented by:		
Cash and cash equivalents	20 921 759	11 406 128
Interest bearing investments	366 736 632	276 108 857
Listed equity investments	687 944 581	701 614 086
Alternative investments	36 796 288	50 664 061
Total	1 112 399 260	1 039 793 132

Funds under management represent assets being managed on behalf of investors

6 Risk management

- 6.1 *Market risk* - The risk of adverse changes in the market value of assets and their impact on future earnings. The risk is managed through continuous research and review of investment strategies in line with market developments and client mandates.
- 6.2 *Liquidity risk* - The risk that available liquid assets will be insufficient to meet changing market and business conditions, funding asset purchases or an increase in client demands for cash. The risk is managed through daily cash flow assessments and matching maturity profile of assets and liabilities.
- 6.3 *Credit risk* - The risk that an asset against a counterparty will not be repaid at the stipulated time. Management carries out robust market research and regular reviews of counterparty trading limits.
- 6.4 *Operational risk* - The risk of losses due to failed people, processes, systems and external events. Management implements clear and documented investment processes and procedures. The business has Business Continuity Plans in place to ensure that it is able to service its clients even after the occurrence of a disaster.
- 6.5 *Legal and compliance risk* - The risk that laws and regulations will be breached resulting in penalties, fines and financial losses. The business complies with all relevant regulations through liaison with the Corporate Legal Department . The regulator is also consulted to get clarity on certain regulatory requirements.
- 6.6 *Strategic risk* - The risk that discretionary decisions made will adversely affect future earnings and sustainability of the business. The risk is managed through implementing Board approved business plans. There is also ongoing monitoring through quarterly Audit, Risk and Compliance Committee and Board meetings.