

PROFIT AND LOSS ACCOUNT.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2008

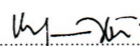
		N'000
Income		
Fixed Interest Income	2	236,106
Less: Total Expenses	3	(82,879)
		<hr/>
Net Income before tax		153,227
Taxation	4	(38,587)
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Net Income after tax		114,640
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Net income per unit (Naira)		5.73
Proposed distribution	6	93,000
Proposed distribution per unit (Naira)		4.65

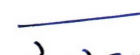
BALANCE SHEET.

For The Year Ended 31st December 2008.

**BALANCE SHEET
AS AT 31ST DECEMBER 2008**

		N'000
ASSETS		
Bank Balance	7	12
Fixed Deposit	8	1,445,843
Deferred Expenses		59,405
Investment Properties		1,212,000
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Total Assets		2,717,260
LIABILITIES		
	9	
Payables & Accruals		(122,845)
		<hr/>
NET ASSETS		2,594,415
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Represented By:		
Unitholders' Equity	10	2,000,000
Revenue Reserve	11	114,640
		<hr/>
Revaluation Reserves	12	479,775
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UNITHOLDERS' FUNDS		2,594,415
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Director


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Director

STATEMENT OF CASH FLOWS.

For The Year Ended 31st December 2008.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2008

	N'000
CASH FLOW FROM OPERATING ACTIVITIES:	
Net Income before tax	153,227
Increase in Deferred Asset	(59,405)
Increase in Creditors & Accruals	84,258
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Cash generated from operation	178,080
CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Investment Properties	(732,225)
CASH FLOW FROM FINANCING ACTIVITIES:	
Cash received from creation of units	2,000,000
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Net increase in cash and cash equivalent	1,445,855
Cash & Cash equivalents at the beginning of the year	-
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Cash & Cash equivalents at the end of the year	1,445,855
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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.

For The Year Ended 31st December 2008.

A BASIS OF ACCOUNTING

The financial statements are prepared in compliance with Nigerian Statement of Accounting Standards (SAS). The financial statements are presented in the Naira, rounded up to the nearest thousand, and prepared under the historical cost convention as modified by the revaluation of investment in property.

B INCOME RECOGNITION

Income on Investment Property

Income on real estate property is recognised when the property is either rented out or sold.

Interest Income

Interest income on money market investment is recognised on an accrual basis.

C INVESTMENT IN PROPERTIES

Investment properties are stated at cost and/or revalued amount. Any surplus arising from the revaluation of investment properties is credited to the revaluation reserve account. Decreases that offset previous increases of the same assets are charged against revaluation reserve and all other decreases are charged to the income statement. Revaluation of disposed assets are written back to income in line with the provisions of SAS 13.

D MANAGEMENT AND INCENTIVE FEES

The Fund Manager's fee for the year is calculated as 1.5% of the Fund's net asset value as at the balance sheet date. The Fund Manager is also entitled to an annual incentive fee calculated as 3% of the amount by which the annual return on the Fund exceeds 10% of the Fund's net asset value.

NOTES TO THE FINANCIAL STATEMENTS.

For the year ended 31st December 2008.

NOTES TO THE ACCOUNTS 31ST DECEMBER 2008

1 THE SKYESHELTER FUND

The Skye Shelter Fund is a close-ended Real Estate Investment Trust Scheme (REITS), which is authorised and registered in Nigeria. It is governed by a Trust Deed approved by the Securities and Exchange Commission. Twenty million units were allotted at a par value of ₦100 each and was listed on the floor of the Nigerian Stock Exchange on 28th of February, 2008. Skye Bank Plc is the Fund Manager and PHB Capital & Trust Limited are the Trustees to the Fund.

2	INCOME	N'000
	Interest Earned	236,106
		<hr/>
		236,106
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3	EXPENSES	
	Offer Expenses (Note 7)	14,851
	Manager's Fees (Note 5)	39,673
	Manager's Incentive (Note 5)	10,786
	AGM & Other Expenses	15,312
	Auditors Fee	1,000
	Others	1,257
		<hr/>
		82,879
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	TAX	
4	Balance Sheet & Profit and Loss	38,587
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A provision is made for tax pending the time the Fund is able to obtain the necessary tax waivers.

5 MANAGEMENT AND INCENTIVE FEES

The Fund Manager's fee for the year was calculated as 1.5% of the Fund's Net Assets Value as at the balance sheet date which amounted to ₦39.7 million. The fee for the year is equivalent to 16.8% of the Fund's gross income for the year.

The Fund Manager is also entitled to an annual incentive fees calculated as 3% of the amount by which the annual return on the Fund exceeded 10% of the Fund's Net Asset Value. This amounts to ₦10.8million.

6 PROPOSED DISTRIBUTION

As at 31st December, 2008, the Fund Manager has proposed a distribution of ₦4.65 per unit subject for the total units of the Fund as at that date. This amounted to ₦93,000,000. This is subject to the approval of the unit holders at the Annual General Meeting and has not been included as liabilities in these financial statements. Distribution to unit holders is now accounted for on the date of declaration as they do not meet the criteria of present obligation in Statement of Accounting Standard (SAS) 23.

7 DEFERRED EXPENSES

The total Offer Expenses of ₦74.3 million is to be amortised over five years. ₦14.9 million was charged to the Profit and Loss account and the balance of ₦59.4 million is being treated as deferred expenses.

8 INVESTMENT PROPERTIES

This comprised of the following:

	Cost N'000	Surplus on revaluation N'000	Value N'000
Properties in Ikoyi	254,605	385,395	640,000
Properties in Lekki	365,400	66,600	432,000
Properties in Abuja	112,220	27,780	140,000
	732,225	479,775	1,212,000

The properties were revalued on an open market basis by the firm of Ubosi Eleh & Co Estate Surveyors & Estate Valuers in October, 2008. The surplus on revaluation was transferred to Revaluation Reserve.

9 LIABILITIES

N'000

Payables	67,946
Accruals	16,312
Income Tax (Note 4)	38,587

122,845

10 UNITHOLDERS' EQUITY

N'000

This comprised of: 20 million units of N100 each	2,000,000
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11 RETAINED EARNINGS

Profit Before Tax	153,227
Tax for the year	(38,587)

	Profit After Tax	<u>114,640</u>
	Balance carried forward	114,640
12	REVALUATION RESERVE	<u><u>479,775</u></u>
	Surplus on revaluation	

This represents the surplus on revaluation of investment in properties.
See Note 8.

13 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund holds all its Fixed Deposit Accounts with Skye Bank Plc, the Fund Manager.

Skye Bank Plc held five million units of the fund.

STATEMENT OF NET ASSET VALUE.

For The Year Ended 31st December 2008.

STATEMENT OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED 31st DECEMBER 2008

	N'000
Assets Value, Beginning of Year	1,985,149
Add: Net Income before Distribution	140,278
Surplus on revaluation	479,775
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Net Assets Value (before deducting Fund Manager's Incentive)	2,605,201
Fund Manager's Incentive	10,786
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Net Assets Value, End of Year	2,594,415
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