



## Portfolio Management

### Statutory Auditor's Report Financial Statements

Year ended December 31<sup>st</sup>, 2017

#### To the Board of Directors

In our capacity as statutory auditor, we present below our report on:

- The accompanying financial statements of NATIONAL HYDROCARBONS CORPORATION (NHC), Portfolio Management and,
- The specific procedures and disclosures prescribed by law, for the period ended December 31<sup>st</sup>, 2017.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

#### 1. Audit of financial statements

##### 1.1. Opinion

We have audited the financial statements of NATIONAL HYDROCARBONS CORPORATION (NHC) – Portfolio Management, which comprise the balance sheet, the income statement, the statement of cash flows and the annexed statement for the year ended December 31<sup>st</sup>, 2017.

In our opinion, the financial statements of NHC Portfolio management present fairly, in conformity with generally accepted accounting principles, the financial position of the company at December 31<sup>st</sup>, 2017, and the results of its operations for the year then ended.

##### 1.2. 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 Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cameroon, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### 1.3. Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 the matters.

##### 1.4. Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and the fair presentation of the financial statements in accordance with rules and provisions as specified by the OHADA Uniform Act on Organization and Harmonization of accounting systems of commercial companies in member States, and for such internal control as management determines 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

##### 1.5. Auditor's responsibilities for the audit of 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.

##### 2. Specific audit procedures and disclosures

We have carried out specific audit procedures required by law in Cameroon. We do not have any special point to raise as for the truth and fair view, or the conformity of the information provided to the Board of Directors on the financial statements with the said financial statements.

##### OHADA Accounting System

The Council of Ministries of the Organization for the Harmonization of Business Law in Africa adopted on January 26<sup>th</sup>, 2017, the Uniform Act on Accounting Law and Financial Reporting (AUDCIF or SYSCOHADA, its commonly used acronym in French language).

The new SYSCOHADA aims at ensuring proper "collection, recording, control, presentation and communication by entities, of financial information prepared under fair, comprehensive and comparable conditions". The SYSCOHADA has entered into force on 1st January 2018 for personal accounts (both physical and moral entities), and on January 1st, 2019 for the consolidated financial statements, combined accounts and financial statements prepared in accordance with IFRS.

Note that the NHC, Portfolio Management is concerned with the provisions of the SYSCOHADA, and they apply to your company as from January 1st, 2018. The predictable effect will be the change in the method of recording certain transactions and the presentation of financial statements as at December 31<sup>st</sup>, 2018.

The Statutory Auditor  
CAMEROUN AUDIT CONSEIL

Jérôme MINLEND

May 2<sup>nd</sup>, 2018