

STANBIC IBTC ETF 40 2019 Financial Statements



Statement of financial position as at 31 December 2019

	31-Dec-19	31-Dec-18
Assets	N'000	N'000
Cash and cash equivalents	16,115	24,930
Financial assets at fair value through profit or loss	675,885	857,072
Accounts receivables	834	3,330
Total assets	692,834	885,332
Liabilities		
Accounts payable	(8,013)	(8,367)
Net assets attributable to unitholders	684,821	876,965
Unitholders' funds represented by:		
Unitholder's equity at par	724,458	725,218
Unit Premium and Retained earnings	(39,637)	151,747
Total	684,821	876,965

These financial statements were prepared by the Fund Manager and approved by the Trustees of the Fund on 22 May 2020 and signed on behalf of the Fund Manager by the directors listed below:

Shuaibu Audu
(FRC/2014/IODN/0000008295)
Director
Stanbic IBTC Asset Management Limited

Oladele Sotubo
(FRC/2013/CISN/0000001702)
Chief Executive
Stanbic IBTC Asset Management Limited

Additionally certified by:

Ayebatonye Gbadebo
(FRC/2018/ICAN/00000017752)
Chief Financial Officer
Stanbic IBTC Asset Management Limited

Statement of comprehensive income for the year ended 31 December 2019

	2019	2018
Revenue	N'000	N'000
Investment income	1,599	1,945
Dividend income	43,083	51,551
Trading loss on financial assets at fair value through profit or loss	(185,187)	(227,739)
Total Revenue	(140,505)	(174,243)
Management fees	3,740	5,127
Registrar fees	500	374
Custodian fees	374	503
SEC fees	147	-
Trustee's fees	280	384
Other operating expenses	8,078	7,591
Total expenses	13,119	13,979
Loss before tax	(153,625)	(188,222)
Withholding tax	(3,000)	(4,909)
Loss for the year	(156,625)	(193,131)



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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of SIAML Pension ETF 40

Opinion

We have audited the financial statements of SIAML Pension ETF 40 (the Fund), which comprise the statement of financial position as at 31 December, 2019, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 10 to 23.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Financial Reporting Council of Nigeria Act, 2011.

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 Fund 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 Nigeria and we have fulfilled our other ethical responsibilities in accordance with those 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 those matters.

Valuation and existence of financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss which comprise quoted equity instruments account for a significant portion of the Fund's total assets. The returns earned and changes in the fair value of these financial assets have a significant impact on the Fund's financial position and the financial performance for the year. We have therefore identified the valuation and existence of these financial assets as a key audit matter.

Procedures

Our procedures included amongst others the following:

- We evaluated the design, implementation and operating effectiveness of key controls over recording of purchases and sales of the investments in quoted equity instruments.
- We evaluated the design, implementation and operating effectiveness of key controls over the determination and recording of the fair value of the investments in quoted equity instruments.
- We assessed the existence of the investments in quoted equity instruments as at year-end by comparing the investments to the confirmation received from the custodian.
- We recalculated the fair value of the investments in quoted equity instruments as at year-end using available market data and compared our calculation to the amount recorded.

The Fund's accounting policy on financial assets at fair value through profit or loss and related disclosures and risks are shown in notes 4a, 5, and 12 respectively.

Other Information

The Board of Directors of the Fund Manager are responsible for the other information. The other information comprises the information included in the annual report such as: Fund Information, Fund Manager's Report, Statement of Fund Manager's Responsibilities in relation to the financial statements, Certification by the Fund Manager 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 of the Fund Manager 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 IFRSs and in the manner required by the Financial Reporting Council of Nigeria Act, 2011, 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 to 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.

We also provide Board of Directors of the Fund Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

Oluwalemi O. Awotoye, FCA
FRC/2013/ICAN/0000001182
For: KPMG Professional Services
Chartered Accountants
27 May 2020
Lagos, Nigeria

