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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stanbic IBTC Nominees Limited.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Stanbic IBTC Nominees Limited (the Company), which comprise the statement of financial position as at 31 December, 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity 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 1 to 28.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2018, 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 Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and 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 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 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.

#### Other Information

The Directors are responsible for the other information which comprises the Report of the Directors, Corporate Governance Report, Statement of Directors' Responsibilities, Other National Disclosures but does not include the financial statements and our audit 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 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 Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors 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 are 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

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#### Partners:

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Ayodele A. Soyinka	Chibuzor N. Anyanechi	Ehile A. Aibangbee	Goodluck C. Obi
Ibitomi M. Adepoju	Ijeoma T. Emezie-Ezigbo	Joseph O. Tegbe	Kabir O. Okunlola
Lawrence C. Amadi	Mohammed M. Adama	Nneka C. Eluma	Oguntayo I. Ogungbenro
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Olumide O. Olayinka	Olusegun A. Sowande	Olutoyin I. Ogunlowo	Oluwafemi O. Awotoye
Oluwatoyin A. Gbagi	Termitope A. Onitiri	Tolulope A. Odukale	Victor U. Uyenkpa



accounting unless the directors either intend to liquidate the Company 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' 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 Company'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 Company 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 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.

### **Report on Other Legal and Regulatory Requirements**

*Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004*

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

*tehuboyeb*

Oluwafemi O. Awotoye, FCA  
FRC/2013/ICAN/00000001182  
For: KPMG Professional Services  
Chartered Accountants  
29 March 2019  
Lagos, Nigeria



**Statement of financial position**

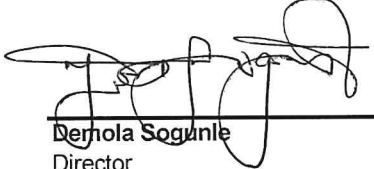
As at	Note	31 Dec 2018 N'000	31 Dec 2017 N'000
<b>Assets</b>			
Cash and cash equivalents	6	105,078	193,004
Other assets	7	2,164,364	1,114,932
Deferred tax asset	8	73,002	76,742
Property and Equipment	9	2,381	4,424
<b>Total assets</b>		<b>2,344,825</b>	<b>1,389,102</b>
<b>Liabilities</b>			
Tax payable	10(a)	450,687	362,083
Other liabilities	11	452,199	477,287
<b>Total liabilities</b>		<b>902,886</b>	<b>839,370</b>
<b>Equity</b>			
Ordinary share capital	12	100	100
Retained earnings		1,441,839	549,632
<b>Total equity</b>		<b>1,441,939</b>	<b>549,732</b>
<b>Total liabilities and equity</b>		<b>2,344,825</b>	<b>1,389,102</b>

The financial statements were approved by the Board of Directors on 28 March 2019 and signed on its behalf by:




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**Babatunde Majiyagbe**  
Executive Director  
FRC/2018/IODN/00000018497



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**Demola Sogunle**  
Director  
FRC/2013/CISN/00000001034



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**Bayo Olujobi**  
Chief Financial Officer  
FRC/2015/CAN/00000012619

The accompanying notes and significant accounting policies on pages 5-28 are an integral part of these financial statements.

**Stanbic IBTC Nominees Limited**  
**Annual report**  
**31 December 2018**

**Statement of profit or loss and other comprehensive income**  
**For the year ended**

	Note	31 Dec 2018 N'000	31 Dec 2017 N'000
Custody fee income	13	<b>2,045,235</b>	1,509,207
<b>Total income</b>		<b>2,045,235</b>	1,509,207
		<b>(706,703)</b>	<b>(677,871)</b>
Staff costs	14	<b>(377,261)</b>	<b>(481,258)</b>
Other operating expenses	15	<b>(316,681)</b>	<b>(195,865)</b>
Impairment charge/ write-back	15.1	<b>(12,761)</b>	<b>(748)</b>
<b>Profit before tax</b>		<b>1,338,532</b>	831,336
Income tax	10(b)	<b>(446,325)</b>	(283,755)
<b>Profit for the year</b>		<b>892,207</b>	547,581
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the year</b>		<b>892,207</b>	547,581

*The accompanying notes and significant accounting policies on pages 5-28 are an integral part of these financial statements.*