

# Standard Lesotho Bank Income Fund

for the year ended  
31 December 2015

Focused Investing

 **STANLIB**

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You say future  
potential.

We say  
**STANLIB.**

# Standard Lesotho Bank Income Fund

## **Registered address**

MGC Office Park  
Ground Floor  
Cnr Pope John Paul II and Mpilo Boulevard  
Maseru

## **Postal address**

PO Box 115  
Maseru, 100  
Lesotho

## **Trustees**

AON Lesotho

## **Auditors**

Sheeran & Associates

## **Bankers**

Standard Lesotho Bank

# Standard Lesotho Bank Income Fund

## Independent Auditors' Report to the Members of Standard Lesotho Bank Income Fund

### **SHEERAN & ASSOCIATES**

Chartered accountants (Lesotho)

No 1 Link House  
Opposite American  
Embassy  
Kingsway Road  
Maseru Lesotho

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We have audited the financial statements of Standard Lesotho Bank Income Fund, which comprise the balance sheet as at 31 December 2015, and the income statement, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, the trustees' report, as set out on pages 5 to eight.

### ***Trustees' responsibility for the financial statements***

The fund's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as described in Note 1 of the financial statements, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from materials misstatements, whether due to fraud or error. The responsibility includes determining that the basis of accounting described in Note 1 to the financial statement is an acceptable basis for preparing and presenting financial statements in the circumstances.

### ***Auditors' responsibility***

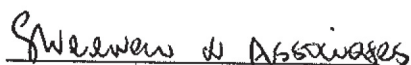
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of Standard Lesotho Bank Income Fund as at 31 December 2015 and its financial performance for the year then ended in accordance with the basis of accounting as described in Note 1 of the financial statements.



**SHEERAN & ASSOCIATES**

Chartered Accountants (Lesotho)

Date: 24 March 2016

# Standard Lesotho Bank Income Fund

Report of the Trustee of the Standard Lesotho Bank Income Fund to the Registrar of the Collective Investment Scheme



*Aon Lesotho (Pty) Ltd  
Risk Consultants & Insurance Brokers*

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Aon House, 4 Bowker Road  
Maseru, Lesotho  
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29 February 2016

The Registrar of the Collective Investment Scheme  
The Central Bank of Lesotho  
P O Box 1184  
Maseru  
Lesotho

Dear Sir/Madam

## REPORT OF THE TRUSTEE OF THE STANDARD LESOTHO BANK INCOME FUND TO THE REGISTRAR OF THE COLLECTIVE INVESTMENT SCHEME

We have reviewed the books and records of the Standard Lesotho Bank Income Fund for the twelve months ended 31st December 2015 with the objective of reporting on the compliance by the Management of the Trust with Section 38(1) of the Collective Investment Scheme Regulations of 2001.

In terms of Section 38(1) (f) of the same regulations, we have enquired into the administration of the scheme by the management of the Trust in terms of observing the limitations imposed on the investment and borrowing powers.

It is therefore our opinion that based on the information received STANLIB Lesotho Management Company conducted the investment scheme in accordance with the requirement of the section 38(1) of the Collective Investment Scheme Regulations of 2001.

Aon Lesotho (Pty) Ltd  
Trustees of Standard Lesotho Bank Income Fund

A handwritten signature in black ink, appearing to read 'Retseilsitsoe Leboela', is written over a horizontal line.

Retseilsitsoe Leboela  
Chief Operating Officer & Chief Financial Officer

Cc The General Manager - STANLIB Lesotho

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Aon Lesotho (Pty) Ltd (Registration Number 69191)  
Directors: J. Onsando (Chairperson)\*, J. Mawere (CEO)\*\*, L.I. Mohapeloa (Mrs), R. Leboela, M. Rupapa, R. Kooijman  
\*Kenya, \*\*Zimbabwe

# Standard Lesotho Bank Income Fund

## Income Statement

### Non Statutory Financial Statements for the year ended 31 December 2015

	2015 M	2014 M
<b>INCOME</b>	<b>54 336 061</b>	<b>41 774 816</b>
Interest Received	53 657 663	40 687 280
Dividends Received	-	-
Sundry income	-	47 153
Income adjustments on creations and cancellations of units	678 398	1 040 383
<b>EXPENDITURE</b>	<b>7 702 009</b>	<b>6 316 700</b>
Auditor's remuneration	65 047	37 106
Service charges	7 101 850	5 718 378
Bank charges	58 812	45 373
Sundry expenses	-	-
Trustee/custody fees	400 000	506 242
Withholding tax	76 300	9 601
<b>NET INCOME FOR THE YEAR</b>	<b>46 634 052</b>	<b>35 458 116</b>

# Standard Lesotho Bank Income Fund

## Balance Statement

### Non Statutory Financial Statements for the year ended 31 December 2015

	2015 M	2014 M
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>	<b>695 019 957</b>	<b>593 306 192</b>
Investments at market value	695 019 957	593 306 192
<b>CURRENT ASSETS</b>	<b>34 188 943</b>	<b>22 010 334</b>
Accrued income and accounts receivable	8 862 788	10 028 237
Cash and cash equivalents	25 326 155	11 982 097
<b>TOTAL ASSETS</b>	<b>729 208 899</b>	<b>615 316 526</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>	<b>714 261 445</b>	<b>601 552 890</b>
Capital value of unit portfolio	714 180 015	601 544 960
2015: 761 892 Units (2014: 636 007 units)	-	-
Undistributed income (current year)	81 431	7 930
<b>CURRENT LIABILITIES</b>	<b>14 947 454</b>	<b>13 763 635</b>
Accounts payable	14 947 454	13 763 635
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>729 208 899</b>	<b>615 316 526</b>



# Standard Lesotho Bank Income Fund

## Statement of Changes in Funds

### Non Statutory Financial Statements for the year ended 31 December 2015

	2015 M	2014 M
<b>DISTRIBUTABLE INCOME</b>		
<b>Balance at the beginning of the year</b>	<b>7 930</b>	<b>10 440</b>
Net income for the year	46 634 052	35 458 116
Income available for distribution	46 641 982	35 468 557
Income Distributions:	46 560 551	35 460 627
March 2015: 3.18 per unit (2014: 1.55 per unit)	10 455 611	6 895 562
June 2015: 2.97 per unit (2014: 2.84 per unit)	10 889 213	8 340 540
September 2015: 3.34 per unit (2014: 1.66 per unit)	12 390 733	10 240 559
December 2015: 5.79 per unit (2014: 1.56 per unit)	12 824 994	9 983 965
<b>Balance at the end of the year</b>	<b>81 431</b>	<b>7 930</b>
<b>Capital value of unit portfolio - investors</b>		
<b>Balance at the beginning of the year</b>	<b>601 544 960</b>	<b>435 285 656</b>
Creation of Units	228 155 856	671 713 433
Cancellation of Units	(109 117 212)	(502 665 847)
Capital (loss)/profit reinvested in the fund	(6 403 589)	(2 788 281)
<b>Balance at the end of the year</b>	<b>714 180 015</b>	<b>601 544 960</b>
<b>Total capital value &amp; reserves at the beginning of the year</b>	<b>601 552 890</b>	<b>435 296 096</b>
<b>Total capital value &amp; reserves at the end of the year</b>	<b>714 261 445</b>	<b>601 552 890</b>

# Standard Lesotho Bank Income Fund

## Notes to the Financial Statements

### Non Statutory Financial Statements for the year ended 31 December 2015

#### 1. Accounting policies

The following are the principle accounting policies, which are consistent with the prior year.

##### 1.1 Basis of preparation

The annual financial statements have been compiled on the historical cost basis, except for investments comprising the unit portfolio, which are reflected at fair value.

##### 1.2 Revenue recognition

- Revenue is recognised on the accrual basis, when the right to such revenue is established.
- Dividends are recognised when the right to receive payment is established.
- Interest is recognised on the accrual basis on a time proportionate basis.

##### 1.3 Service charges

Service charges represent the fee paid to the manager for the management and administration of the portfolios and unit holder transactions.

##### 1.4 Financial instruments

Financial instruments are initially measured at cost and subsequently at fair value. Fair value is determined as follows:

- Listed instruments are valued at the closing price as published by the relevant exchanger;
- Unlisted instruments are valued by discounting of nominal cash flows using current interest rates;
- Money market instruments are valued at accrued value.
- Realised and unrealised profits or losses on investments are accounted for in the capital value of the portfolio.

##### 1.5 Foreign currencies

Foreign currency income and expenses are converted at the rate of exchange on the transaction date. Foreign investments are converted at the year-end closing rate of exchange.

##### 1.6 Accounts receivable

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, balances with banks and funds at call or short notice.

##### 1.8 Accounts payable

Liabilities are recognised when the fund has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

#### 2. Accounting policies

	REPURCHASE PRICE (LISENTE)					
	2015 Minimum	2015 Maximum	2015 Last price	2014 Minimum	2014 Maximum	2014 Last price
Class - A	100.34	102.17	101.43	101.09	102.82	102.37
Class - B1	93.20	94.96	94.27	-	-	95.15

#### 3. Creation and Cancellation of units

	MALOTI MOVEMENT		UNIT MOVEMENT		UNITS IN ISSUE	
	2015 M 000's	2014 M 000's	2015 000's	2014 000's	2015 000's	2014 000's
Class - A	22 960	950 609	22 871	-329 703	126 627	103 756
Class - B1	96 079	474 676	103 014	532 251	635 265	532 251