

**CFA SOCIETY NIGERIA**  
**RC 27736**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY, 2017**



*SIAO - Accomplish More*

**(Chartered Accountants)**

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**SOCIETY INFORMATION**

**Board of Governors Members**

Oyebanji Fehintola, CFA	President
Ibukunoluwa Oyedeji, CFA	Vice President
Folasade Odunaiya, CFA	Ex- Officio Member
Omolola Apampa, CFA	Treasurer
Chuka Maduabum, CFA	General Secretary
Farouk Mujtaba, CFA	Assistant General Secretary

**Registered Office**

Penthouse Suite  
25, Adeyemo Alakija Street,  
Victoria Island.  
Lagos.

**Auditor**

SIAO  
18B, Olu Holloway Road,  
Ikoyi.  
Lagos.

**Banker**

Guaranty Trust Bank Plc

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**FINANCIAL HIGHLIGHTS**

Description	2017	2016	Absolute Change	%
	N	N	N	
<b>MAJOR STATEMENT OF FINANCIAL POSITION ITEMS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalent	33,167,222	20,652,585	12,514,637	61
Property, Plant & Equipment	394,070	-	394,070	
<b>TOTAL ASSETS</b>	<b>33,561,292</b>	<b>20,652,585</b>		
<b>FUND AND LIABILITY</b>				
Accumulated Fund	27,575,493	19,766,557	7,808,935	40
<b>CURRENT LIABILITY</b>				
Other Payables	5,985,799	886,028	5,099,771	576
	<b>33,561,291</b>	<b>20,652,585</b>		
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
Program Income - Membership Subscriptions	7,164,675	4,662,000	2,502,675	54
CFA Institute Funding	22,215,375	8,591,625	13,623,750	159
Other Income	10,150,000	460,000	9,690,000	2,107
Expenditure	31,721,115	8,615,527	23,105,588	268

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**REPORT OF THE GOVERNORS**

The Governors have pleasure in submitting to the members of CFA Society Nigeria the audited financial statements for the year ended 31 July 2017.

**PRINCIPAL ACTIVITIES**

The principal activity of the Society is to encourage the professional development of its members and provide an engagement platform for Nigerian investment professionals.

**STATE OF AFFAIRS**

In the opinion of the Governors, the state of the Society's affairs was satisfactory, and no events have occurred since the statement of financial position date, which would affect the financial statements as presented.

**RESULT FOR THE YEAR**

Program Income - Membership Subscriptions	7,164,675	4,662,000
CFA Institute Funding	22,215,375	8,591,625
Other Income	10,150,000	460,000
	<u>39,530,050</u>	<u>13,713,625</u>
Expenditure	<u>31,721,115</u>	<u>8,615,527</u>
	<u>7,808,935</u>	<u>5,098,098</u>

**EMPLOYMENT OF PHYSICALLY CHALLENGED**

The Society operates a non-discriminating policy in consideration of applications for employment, including those received from disabled persons. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Society continues and that appropriate training is arranged. It is the policy of the Society that the training, career development and promotion of disabled persons should, as far as possible, be identical with those of other employees. As at 31 July 2017, the Society had no disabled persons in its employment.

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**REPORT OF THE GOVERNORS (Cont'd)**

**EMPLOYEE INVOLVEMENT AND TRAINING**

The Society places considerable value on the involvement of its employees in major policy matters and has continued its previous practices of keeping them informed on matters affecting them as employees and various factors affecting the performance of the Society. This is achieved through regular meetings between management and staff.

**DONATIONS AND GIFTS**

The Society did not make donations during the year under review.

**HEALTH, SAFETY AND WELFARE AT WORK OF EMPLOYEES**

Employees are adequately insured against occupational hazards. In addition, medical facilities at specified limits are provided to employees and their immediate families at the Society's expense.

**FORMAT OF FINANCIAL STATEMENTS**

The financial statements are presented in accordance with the reporting and presentation requirements of the International Financial Reporting Standards (IFRS). The Governors consider that the format adopted is the most suitable for the Society.

**INDEPENDENT AUDITORS**

Messrs. SIAO (Chartered Accountants) has shown willingness to continue as auditors in accordance with Section 357 (2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, a resolution will be proposed at the Annual General Meeting to authorize the Governors to determine their remuneration.

**BY ORDER OF THE BOARD**

  
.....  
Society Secretary

Date 15-APRIL-2017

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**STATEMENT OF GOVERNORS' RESPONSIBILITY**


The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Governors to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the Society at the end of the period and of its statement of comprehensive income. The responsibilities include ensuring that the Society:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Society and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Governors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

The Governors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Society and of its loss. The Governors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Governors to indicate that the Society will not remain a going concern for at least twelve months from the date of this statement.

  
.....  
PRESIDENT  
.....  
TREASURER

## **INDEPENDENT AUDITORS' OPINION TO THE MEMBERS OF CFA SOCIETY NIGERIA**

**To the Members of CFA SOCIETY NIGERIA**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of **CFA SOCIETY NIGERIA**, which comprise the statement of financial position as at 31 December, 2017, and the statement of other comprehensive income, statement of changes in members' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the Society financial statements present fairly, in all material respects, the financial position of the Society as at 31 December, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### **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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with 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**

Management is responsible for the other information. The other information comprises the Governors' Report. 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 Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 Society'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 Society or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.



## 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 misstatements, 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Society'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 Society 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.
- Obtain sufficient appropriate audit evidence regarding the financial information or business activities of the Society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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

In accordance with the Financial Reporting Council of Nigeria Act 2011 and the Companies and Allied Matters Act, Cap C20, laws of the Federation of Nigeria 2004, we confirm:

- I. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of the audit.
- II. The Society has kept proper books of account, so far as appears from our examination of those books.
- III. The Society's statement of financial position and the statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

A handwritten signature in blue ink, appearing to read 'A. Ariyibi', is written over a dotted line.

Abiodun Ariyibi, FCA  
FRC/2013/ICAN/0000001548

SIAO  
Chartered Accountants  
Lagos, Nigeria

Date: 15th April 2018




CFA SOCIETY NIGERIA

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STATEMENT OF FINANCIAL POSITION

	Note	2017 N	2016 N	2015 N
<b>ASSETS</b>				
Cash and Cash Equivalent	7	33,167,222	20,652,585	14,766,229
Property, Plant & Equipment	8	394,070	-	-
<b>TOTAL ASSETS</b>		<b>33,561,292</b>	<b>20,652,585</b>	<b>14,766,229</b>
<b>FUND AND LIABILITY:</b>				
Accumulated Fund	10	27,575,493	19,766,557	14,668,459
<b>CURRENT LIABILITY</b>				
Other Payables	9	5,985,799	886,028	97,770
		<b>33,561,292</b>	<b>20,652,585</b>	<b>14,766,229</b>

These financial statements were approved by the Board of Governors on 15-APRIL-2018  
and signed on its behalf by :

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Treasurer

The accounting policies on pages 15 to 28 and the notes on pages 29 to 37 form integral parts of these financial statements.

**CFA SOCIETY NIGERIA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2017**

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**STATEMENT OF COMPREHENSIVE INCOME**

	Note	2017 N	2016 N
<b>INCOME</b>			
Program Income - Membership Subscriptions	11	7,164,675	4,662,000
CFA Institute Funding	11a	22,215,375	8,591,625
Other Income	12	10,150,000	460,000
		<u>39,530,050</u>	<u>13,713,625</u>
Expenditure	13	31,721,115	8,615,527
<b>SURPLUS TRANSFERRED TO ACCUMULATED FUND</b>		<u>7,808,935</u>	<u>5,098,098</u>

The accounting policies on pages 15 to 28 and the notes on pages 29 to 37 form integral parts of these financial statements.

## CFA SOCIETY NIGERIA

### STATEMENT OF CHANGES IN MEMBERS' FUND FOR THE YEAR ENDED 31 JULY 2017

	Accumulated Fund	Total
	N	N
At 1st August 2015	14,668,459	14,668,459
Surplus for the year	5,098,098	5,098,098
At 31st July 2016	<u>19,766,557</u>	<u>19,766,557</u>
At 1st August 2016	19,766,557	19,766,557
Surplus for the year	7,808,935	7,808,935
At 31st July 2017	<u>27,575,493</u>	<u>27,575,493</u>

The accounting policies on pages 15 to 28 and the notes on pages 29 to 37 form integral parts of these financial statements.

## CASHFLOW STATEMENT

	2017	2016
	N	N
<b>Cash Flow from Operating Activities</b>		
Program Income- Membership Dues	7,164,675	4,662,000
Direct Public Support - Corporate Contributions	9,361,800	8,591,625
Direct Public Support - Individual Contributions	10,000,000	220,000
Interest - Fixed Deposit	150,000	240,000
Project Funding	12,853,575	-
Expenditures Financing	(31,721,115)	(8,615,527)
Operating Surplus before Changes in Operating Assets/Liabilities	<u>7,808,935</u>	<u>5,098,098</u>
Add Depreciation	26,931	0
<b>Changes in Operating Assets/Liabilities</b>		
Increase in Payables	5,099,771	788,258
<b>Net Cash Flow from Operating Activities</b>	<u>12,935,637</u>	<u>5,886,356</u>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment	(421,000)	-
<b>Net Cash Flow from Investing Activities</b>	<u>(421,000)</u>	<u>-</u>
<b>Cash Flow from Financing Activities</b>		
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	12,514,637	5,886,356
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<u>20,652,585</u>	<u>14,766,229</u>
<b>Cash and Cash Equivalents at the End of the Year</b>	<u>33,167,222</u>	<u>20,652,585</u>
<b>Comprises of:</b>		
Cash and Cash Equivalents at Bank	<u>33,167,222</u>	<u>20,652,585</u>

The accounting policies on pages 15 to 28 and the notes on pages 29 to 37 form integral parts of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

**1 General information**

The CFA Society Nigeria is registered as an incorporated trustee under Part C of the Company and Allied Matters Act, CAP C20 LFN 2004 on 18th February 2013 as a not-for-profit and non-political organization. The objective of the Society is to promote the highest standards of investment practice in Nigeria and provide a vibrant community for its members to interact and grow.

**1.2 Principal Activities**

The principal activity of the Society is to encourage the professional development of its members and provide an engagement platform for Nigerian investment professionals

**2 Summary of significant accounting policies**

**2.1 Introduction to summary of accounting policies**

The principal accounting policies adopted in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented except otherwise stated.

**2.2 Basis of preparation**

The financial statements of CFA Society Nigeria have been prepared in accordance with International Financial Reporting Standards (IFRS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

**Use of Judgement and Estimates**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Society's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The financial statements are presented in Naira, which is the Society's presentational currency. The disclosures on risks from financial instruments are presented in the financial risk management report contained in Note 4.

**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

**2.3 Functional currency and translation of foreign currencies**

**(i) Functional and presentation currency**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Naira (NGN), which is the Society's functional and presentation currency.

**(ii) Transactions and balances in the Society**

Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions or the date of valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**2.4 Revenue recognition**

The Society recognizes revenue when the amount of revenue can be reliably measured, it is probable that future benefits will flow to the entity and when specific criteria have been met for each of the Society's activities as described below:

**Revenue**

Income from members are accounted for currently on cash basis and not in the period to which they relate as the Society does not carry Subscription Receivables in the accounts.

**Interest income**

This is accounted for on accrual basis.



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**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

**2.5 Property, plant and equipment**

All categories of property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to write down their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Office Equipment	33.3

Where the cost of a part of an item of property, plant and equipment is significant when compared to the total cost, that part is depreciated separately based on the pattern which reflects how economic benefits are consumed.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance reporting date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the profit or loss.

**De-recognition:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognised in the statement of comprehensive income under "other gains and losses."

**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

**2.6 Impairment of non-financial assets**

All assets are reviewed whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is the higher of fair value less cost of disposal and value in use, the latter being determined as the amount of estimated risk-adjusted discounted future cash flows. For this purpose, assets are grouped into cash generating units based on separately identifiable and largely independent cash inflows.

**2.7 Financial assets**

**2.7.1 Recognition and measurement**

Purchases and sales of financial assets are recognized on the trade date, which is the date on which the Society commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.

**2.7.2 Classification**

The Society classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition. The Society does not have any financial assets classified as (i) fair value through profit or loss, (2) available for sale and (3) held to maturity as at the reporting date.

**- Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Society provides money, goods or services directly to a receivable with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Society's loans and receivables comprise of "trade and other receivables" and "cash and cash equivalents" in the statements of financial position.

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**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

**- Trade and other receivables**

Trade receivables are amounts due from members for yearly subscription. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Society does not have any Trade and other receivables during the year under review.

**- Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

**2.7.3 Impairment of Financial assets**

The Society assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Evidence of impairment may include indications that the receivables or a group of receivables is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the receivable's credit rating), the reversal of the previously recognised impairment loss is recognized in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

**2.7.4 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**2.7.5 Financial liabilities**

The Society's holding in financial liabilities is in financial liabilities at amortised cost. Financial liabilities are derecognised when extinguished.

**- Liabilities measured at amortised cost**

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are Trade and other payables.<sup>1</sup>

**- Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The Society does not have Trade Payables.

**2.8 Employee benefits**

***Defined contribution scheme***

A defined contribution plan is a pension plan under which the Society pays fixed contributions into a separate entity. The Society operates defined contribution retirement benefit schemes for its employees in line with the Pension Reform Act 2014. The Society and employees contribute 10% and 8% respectively each of employees' current salaries and designated allowances. The Society has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Society's contributions to the defined contribution schemes are charged to the profit or loss in the year to which they relate.

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**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

**2.9 Current and deferred income tax**

Income tax expense is the aggregate of the charge to the income statement in respect of current and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. Education tax is provided at 2% of assessable profits of companies operating within Nigeria.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss, it is not accounted for. Current and deferred income tax is determined using tax rates and laws enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The Society is a non-profit making organization which qualifies it for income tax exemption under section 23 (1) (i) of CITA CAP C21 LFN 2004.

**2.10 Statement of Cash flows**

The Statement of Cash Flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items, have been eliminated for the purpose of preparing the statement.

**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

**3.0 New Standards and Interpretations**

**3.1 Standards and Interpretations effective and adopted in current year**

For the preparation of these financial statements, the following new or amended standards are mandatory for the first time for the financial year beginning 1 January 2016 (the list does not include information about new or amended requirements that affect interim financial reporting or first-time adopters of IFRS – e.g IFRS 14 Regulatory Deferral Accounts (issued in January 2014) - since they are not relevant to IFRS Statements Limited).

- **Amendments to IAS 1 titled Disclosure Initiative (issued in December 2014)** – The amendments, applicable to annual periods beginning on or after 1 January 2016, clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financials statements and the disclosure of accounting policies. The amendments had no material effect on the Society's financial statements.
- **Amendments to IAS 16 and IAS 38 titled Clarification of Acceptable Methods of Depreciation and Amortisation (issued in May 2014)** – The amendments, prospectively effective for annual periods beginning on or after 1 January 2016, add guidance and clarify that (i) the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset, and (ii) revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset; however, this presumption can be rebutted in certain limited circumstances. The amendments had no effect on the Society's financial statements.
- **Amendments to IAS 16 and IAS 41 titled Agriculture: Bearer Plants (issued in June 2014)** – The amendments, applicable to annual periods beginning on or after 1 January 2016, define bearer plants – ie living plants which are used solely to grow produce over several periods and usually scrapped at the end of their productive lives - and include them within IAS 16's scope while the produce growing on bearer plants remains within the scope of IAS 41. As the Society does not undertake agricultural activity, this amendment had no effect on the Society's financial statements.
- **Amendment to IAS 19 (Annual Improvements to IFRSs 2012–2014 Cycle, issued in September 2014)** - The amendment, applicable to annual periods beginning on or after 1 January 2016, clarifies that, in determining the discount rate for postemployment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. Thus, the assessment of whether there is a deep market in high quality corporate bonds is based on corporate bonds in that currency (not corporate bonds in a particular country), and in the absence of a deep market in high quality corporate bonds in that currency, government bonds in the relevant currency should be used. This amendment had no effect on the Society's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

- **Amendments to IAS 27 titled Equity Method in Separate Financial Statements (issued in August 2014)** – The amendments, applicable to annual periods beginning on or after 1 January 2016, reinstate the equity method option allowing entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. This amendment has no effect on the financial statements.
- **Amendment to IFRS 5 (Annual Improvements to IFRSs 2012–2014 Cycle, issued in September 2014)** - The amendment, applicable prospectively to annual periods beginning on or after 1 January 2016, adds specific guidance when an entity reclassifies an asset (or a disposal Society) from held for sale to held for distribution to owners, or vice versa, and for cases where held-for-distribution accounting is discontinued. This amendment had no effect on the Society's financial statements.
- **Amendment to IFRS 7 (Annual Improvements to IFRSs 2012–2014 Cycle, issued in September 2014)** - The amendment, applicable to annual periods beginning on or after 1 January 2016, adds guidance to clarify whether a servicing contract is continuing involvement in a transferred asset. The amendment had no effect on the Society's financial statements.
- **Amendments to IFRS 10, IFRS 12 and IAS 28 titled Investment Entities: Applying the Consolidation Exception (issued in December 2014)** – The amendments, applicable to annual periods beginning on or after 1 January 2016, clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments had no effect on the Society's financial statements.
- **Amendments to IFRS 11 titled Accounting for Acquisitions of Interests in Joint Operations (issued in May 2014)** – The amendments, applicable prospectively to annual periods beginning on or after 1 January 2016, require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3) to apply all of the business combinations accounting principles and disclosure in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11. The amendments apply both to the initial acquisition of an interest in a joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured). This amendment had no effect on the Society's financial statements.

**New and amended standards in issue but not yet effective**

The Society has not applied the following new or amended standards that have been issued by the IASB but are not yet effective for the financial year beginning 1 January 2016 (the list does not include information about new or amended requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to IFRS Statements Limited). The Governors anticipate that the new standards and amendments will be adopted in the Society's financial statements when they become effective.

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**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

The Society has assessed, where practicable, the potential effect of all these new standards and amendments that will be effective in future periods.

- **Amendments to IAS 7 titled Disclosure Initiative (issued in January 2016)** – The amendments, applicable to annual periods beginning on or after 1 January 2017, require entities to provide information that enable users of financial statements to evaluate changes in liabilities arising from their financing activities. This is not expected to have a material effect on the Society's financial statements.
- **Amendments to IAS 12 titled Recognition of Deferred Tax Assets for Unrealised Losses (issued in January 2016)** – The amendments, applicable to annual periods beginning on or after 1 January 2017, clarify the accounting for deferred tax assets related to unrealised losses on debt instruments measured at fair value, to address diversity in practice. This is not expected to have an effect on the Society's financial statements.
- **Amendments to IFRS 2 titled Classification and Measurement of Share-based Payment Transactions (issued in June 2016)** - The amendments, applicable to annual periods beginning on or after 1 January 2018, clarify the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments (SBP), the accounting for SBP transactions with a net settlement feature for withholding tax obligations, and the effect of a modification to the terms and conditions of a SBP that changes the classification of the transaction from cash-settled to equity-settled. The amendments are not expected to have a material effect on the Society's financial statements.
- **Amendments to IFRS 4 titled Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (issued in September 2016)** - The amendments give all entities that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before implementing the replacement insurance contracts Standard for IFRS 4 that is under drafting by the Board. Also, entities whose activities are predominantly connected with insurance are given an optional temporary exemption from applying IFRS 9 (until 2021), thus continuing to apply IAS 39 instead. As the Society has not issued insurance contracts, the amendments are not expected to have an effect on it's the financial statements.

IFRS 9 Financial Instruments (issued in July 2014) – This standard will replace IAS 39 (and all the previous versions of IFRS 9) effective for annual periods beginning on or after 1 January 2018. It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition.

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**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

IFRS 9 requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.

For financial liabilities, the most significant effect of IFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

For the impairment of financial assets, IFRS 9 introduces an "expected credit loss" model based on the concept of providing for expected losses at inception of a contract; it will no longer be necessary for there to be objective evidence of impairment before a credit loss is recognised.

-For hedge accounting, IFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures.

-The derecognition provisions are carried over almost unchanged from IAS 39.

-The Governors anticipate that IFRS 9 will be adopted in the Society's financial statements when it becomes mandatory and that the application of the new standard might have a significant effect on amounts reported in respect of the Society's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

□ **Amendments to IFRS 10 and IAS 28 titled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)** – The amendments address a current conflict between the two standards and clarify that gain or loss should be recognised fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after 1 January 2016, is now deferred indefinitely but earlier application is still permitted. This is not expected to have an effect on the Society's financial statements.

□ **IFRS 15 Revenue from Contracts with Customers (issued in May 2014 and amended for clarifications in April 2016)** -The new standard, effective for annual periods beginning on or after 1 January 2018, replaces IAS 11, IAS 18 and their interpretations. It establishes a single and comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract, etc.).

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**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

The Governors anticipate that IFRS 15 will be adopted in the Society's financial statements when it becomes mandatory and that the application of the new standard might have a significant effect on amounts reported in respect of the Society's revenue. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

□ **IFRS 15 Revenue from Contracts with Customers (issued in May 2014 and amended for clarifications in April 2016)** - The new standard, effective for annual periods beginning on or after 1 January 2018, replaces IAS 11, IAS 18 and their interpretations. It establishes a single and comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract, etc.). The Governors anticipate that IFRS 15 will be adopted in the Society's financial statements when it becomes mandatory and that the application of the new standard might have a significant effect on amounts reported in respect of the Society's revenue. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

□ **IFRS 16 Leases (issued in January 2016)** - The new standard, effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 and its interpretations. The biggest change introduced is that almost all leases will be brought onto lessees' balance sheets under a single model (except leases of less than 12 months and leases of low value assets), eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. The Governors anticipate that IFRS 16 will be adopted in the Society's financial statements when it becomes mandatory and that the application of the new standard will have a significant effect on amounts reported in respect of the Society's leases. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

**4.0. Financial risk management**

**4.1 Financial risk factors**

The Society's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk). The Society's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on its financial and operational performance. Risk management is carried out by the board of Governors.

The Society's foreign exchange, and interest rate risks are continuously monitored. The Board approves written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, and interest-rate risk.

**(a) Market risk**

Market risk is the potential for adverse changes in the value of a trading or an investment portfolio due to changes in market risk variables such as interest rates, and foreign exchange rates.

**(i) Foreign exchange risk**

Foreign exchange risk arises when future commercial transactions and recorded assets and liabilities are denominated in a currency that is not the entity's functional currency e.g. foreign denominated loans, purchases and sales transactions etc. The Society manages its foreign exchange risk by revising cost estimates of orders based on exchange rate fluctuations and forward contracts transacted with commercial banks. As at 31 July 2017, the Society had balance denominated in foreign currency.

**(ii) Interest rate risk**

The Society holds short term, highly liquid bank deposits at fixed and variable interest rates. The Society does not have any investments in quoted corporate bonds that are of a fixed rate and carried at fair value through profit or loss. Therefore the Society is not exposed to fair value interest rate risk.

**CFA SOCIETY NIGERIA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**NOTES TO THE FINANCIAL STATEMENTS CONT'D**

**5 Critical accounting estimate and judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

**5.1 Critical accounting estimate and assumption**

**(a) Useful life and residual value of PPE**

The residual value, depreciation method and useful life of property, plant and equipment are reviewed for reasonableness at least on annually. The review is based on cost. The review of useful lives did not significantly impact depreciation.

**CFA SOCIETY NIGERIA**

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**NOTES TO THE FINANCIAL STATEMENTS**

**6 The Association**

The CFA Society Nigeria is registered as an incorporated trustee under Part C of the Company and Allied Matters Act, CAP C20 LFN 2004 on 18th February 2013 as a not-for-profit and non-political organisation. The objective of the Society is to promote the highest standards of investment practice in Nigeria and provide a vibrant community for its members to interact and grow.

	2017	2016	2015
	N	N	N
<b>7 Cash and Cash Equivalent</b>			
Guaranty Trust Bank (Naira Account)	4,187,442	2,876,766	1,871,115
Guaranty Trust Bank (Domiciliary Account)	28,979,780	17,775,819	12,895,114
	<u>33,167,222</u>	<u>20,652,585</u>	<u>14,766,229</u>

**8 Property Plant & Equipment**

	OFFICE EQUIPMENT
	N
<b>COST</b>	
At 1 August 2016	112,500
Additions	421,000
	.
<b>At 31 July 2017</b>	<u>533,500</u>
<b>DEPRECIATION</b>	
At 1 August 2016	112,500
Charge for the YEAR	26,930
	.
<b>At 31 July 2016</b>	<u>139,430</u>
<b>Net Book Value</b>	<u>394,070</u>
At 31 July 2015	<u>.</u>
<b>COST</b>	
At 1 August 2015	.
Additions	112,500
	.
<b>At 31 July 2016</b>	<u>112,500</u>
<b>DEPRECIATION</b>	
At 1 August 2015	112,500
Charge for the YEAR	.
	.
<b>At 31 July 2016</b>	<u>112,500</u>
<b>Net Book Value</b>	<u>.</u>
At 31 July 2015	<u>.</u>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

	2017 N	2016 N	2015 N
<b>9 Other Payables</b>			
Due to Related Company	4,651,785	760,890	
Other Accrual	1,172,034	-	-
Tax Payables	161,980	125,138	97,770
	<u>5,985,799</u>	<u>886,028</u>	<u>97,770</u>
<b>10 Accumulated Fund</b>			
As at 1 August 2016	19,766,557	14,668,459	11,914,048
Surplus for the year	7,808,935	5,098,098	2,754,412
As at 31 July 2017	<u>27,575,493</u>	<u>19,766,557</u>	<u>14,668,459</u>
<b>11 Members' Subscriptions</b>			
Program Income - Membership Dues Received	<u>7,164,675</u>	<u>4,662,000</u>	
<b>11a CFA Institute Funding</b>			
Operation Funding	9,361,800	8,591,625	
Project Funding	12,853,575	-	
	<u>22,215,375</u>	<u>8,591,625</u>	
<b>12 Other Income</b>			
Direct Public Support - Contributions	10,000,000	220,000	
Income from Event and Training	150,000	240,000	
	<u>10,150,000</u>	<u>460,000</u>	
<b>13 EXPENDITURE</b>			
Entertainment	53,000	-	
Bank Service Charge	130,654	61,031	
Printing and Reproduction	297,000	302,500	
Events and Programs (Conferences and Meetings)	22,186,088	5,621,250	
Depreciation	26,931	-	
Other Office Expenses	193,995	124,931	
Travel Expenses	2,419,387	308,447	
Statutory Charge	534,534	-	
Donation	50,000	1,000,000	
Advertising and Promotion	1,072,263	-	
Travel Expenses	736,842	1,147,368	
Salaries & Wages	1,110,605	-	
PAYE	437,500	-	
Pension	200,000	-	
Photography Processing and Supplies	40,000	50,000	
University Competitions	2,226,009	-	
Other Taxes	6,308	-	
	<u>31,721,115</u>	<u>8,615,527</u>	

# CFA SOCIETY NIGERIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

14 INFORMATION REGARDING BOARD OF GOVERNORS AND KEY MANAGEMENT STAFF	31 July 2017 N	31 July 2016 N
(i) Short-term benefits:		
Governors (fees only)	-	-
Governors (excluding fees)	-	-
Management team (excluding Governors)	-	-
	<u>-</u>	<u>-</u>
(ii) Post-employment benefits:		
Governors (excluding fees)	-	-
Management team (excluding Governors)	-	-
	<u>-</u>	<u>-</u>
(iii) The emoluments (excluding pension contributions) of the President of the Board of Governors	-	-
(iv) The emoluments of the highest paid Governor	-	-
<b>15 STAFF COSTS</b>		
Salary and wages	1,110,605	-
Leave allowance	-	-
Employer's pension contribution	200,000	-
Other employee benefits	-	-
	<u>1,310,605</u>	<u>-</u>

Other employee benefits include leave allowance, medical allowances, incentive and other benefits which are consistent with industry practice.

The table below shows the numbers of direct employees of CFA Society excluding Governors, other than employees who discharged their duties wholly or mainly outside Nigeria, who earned over N250,000 in the year and which fell within the bands stated:

N	N	31 July 2017 [Number]	31 July 2016 [Number]
300,001	- 1,000,000	-	-
1,000,001	- 2,000,000	1	-
2,000,001	- 3,000,000	-	-
4,000,001	- 5,000,000	1	-
		<u>2</u>	<u>-</u>

# CFA SOCIETY NIGERIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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### 16 TRANSITION TO IFRSs

#### 16.1 Explanation of transition to IFRS

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 July 2017, the comparative information presented in these financial statements for the year ended 31 July 2016 and in the preparation of an opening IFRS Statement of financial position at 1 August 2015 (the Society's date of transition).

In preparing these financial statements in accordance with IFRS 1, the Society has applied both mandatory and optional exceptions from full retrospective application of IFRS. These exemptions selected by the Society are summarised below:

#### 16.2 IFRS mandatory exceptions

Exceptions from full retrospective application - followed by the Society.

CFA Society Nigeria applied the following mandatory exceptions from retrospective application:

(i) **Estimates**

This exception requires a first time adopter that its estimates in accordance with IFRS at the date of transition to IFRS shall be consistent with estimates made for the same date in accordance with NGAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

(ii) **Hedge accounting exception**

This exception requires the Society to apply hedge accounting only if the hedge relationship meets all the hedge accounting criteria under IAS 39. The Society has not applied hedge accounting under IFRS.

#### 16.3 IFRS optional exceptions

The Society applied the following optional exemptions from retrospective application:

(i) **Exemption for cumulative translation differences**

IFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from all cumulative translation gains and losses to zero in opening retained earnings at its transition date.

(ii) **Employee benefits**

IFRS 1 provides retrospective relief from applying IAS 19, 'Employee benefits', for the recognition of actuarial gains and losses. In line with the exemption, the Society elected to recognise all cumulative actuarial gains and losses that existed at its transition date in opening retained earnings for all its employee benefit plans.

The following optional exemptions were not relevant to the Society:

- Insurance contracts (IFRS 4), as this is not relevant to the Society's operations.
- Compound financial instruments, because the Society does not have these types of financial instruments at the date of transition to IFRS
- Leases as the Society has no contracts that are in substance leases.
- Fair value of financial instruments at initial recognition as this is not relevant to the Society
- Transfers of Assets from customers is not relevant to the Society's operations.
- The Society did not previously extinguish any debts with equity.



**CFA SOCIETY NIGERIA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JULY 2017**

**17 RECONCILIATION OF NIGERIAN GAAP STATEMENTS TO IFRSs**

IFRS 1 requires an entity to reconcile equity, income statement and cash flows for prior years. The following tables represent the reconciliations from Nigerian GAAP to IFRS for the respective years noted for equity, earnings and Statement of comprehensive income.

**17.1 Statement of Financial Position**

ASSETS	Notes	NGAAP 31st July 2016	Adjustments and Reclassification	IFRS 31st July 2016	NGAAP 31st July 2015	Adjustments and Reclassification	IFRS 1st August 2015
		N	N	N	N	N	N
<b>Non-current assets</b>							
Property, Plant and Equipment							
<b>Current assets</b>							
Cash and Bank	b	20,652,585	(20,625,585)	20,625,585	14,766,229	(14,766,229)	14,766,229
Cash and Cash Equivalents	b		20,625,585	20,625,585		14,766,229	14,766,229
<b>TOTAL ASSETS</b>		<b>20,652,585</b>	<b>-</b>	<b>20,625,585</b>	<b>14,766,229</b>	<b>-</b>	<b>14,766,229</b>
<b>EQUITY AND LIABILITIES</b>							
Equity							
Accumulated Fund		19,766,557		19,766,557	14,668,459		14,668,459
Capital and reserves							
		19,766,557		19,766,557	14,668,459		14,668,459
Current Liabilities							
Other Creditor		886,028	(886,028)	886,028	97,770	(97,770)	97,770
Other Payable			886,028	886,028		97,770	97,770
<b>TOTAL LIABILITIES</b>		<b>886,028</b>	<b>-</b>	<b>886,028</b>	<b>97,770</b>	<b>-</b>	<b>97,770</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,652,585</b>	<b>-</b>	<b>20,652,585</b>	<b>14,766,229</b>	<b>-</b>	<b>14,766,229</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JULY 2017**

**17.2 RECONCILIATION OF NIGERIAN GAAP STATEMENTS TO IFRSs (continued)**

**INCOME AND EXPENDITURE ACCOUNT**

	<b>NGAAP 31st July 2016</b>	<b>Adjustments and Reclassification</b>	<b>IFRS 31st Jly 2016</b>
<b>INCOME</b>			
Program Income -			
Membership Subscriptions	4,662,000	-	4,662,000
Other Income	460,000	-	460,000
	<u>5,122,000</u>	-	<u>5,122,000</u>
<b>EXPENDITURE</b>			
Entertainment	.	-	.
Bank Service Charge	61,031	-	61,031
Printing and Reproduction	302,500	-	302,500
Events and Programs (Conferences and Meetings)	5,621,250	-	5,621,250
Depreciation	.	-	.
Miscellaneous Expense	124,931	-	124,931
Travel Expenses	308,447	-	308,447
Donation	1,000,000	-	1,000,000
Advertising and Promotion	.	-	.
Legal and Professional Fees	1,147,368	-	1,147,368
Salaries & Wages	.	-	.
Photography Processing and Supplies	50,000	-	50,000
University Competitions	.	-	.
Other Taxes	.	-	.
	<u>8,615,527</u>	-	<u>8,615,527</u>
<b>SURPLUS TRANSFERRED TO ACCUMULATED FUND</b>	<u><u>(3,493,527)</u></u>		<u><u>(3,493,527)</u></u>

## CASHFLOW STATEMENT

	NGAAP 31st July 2016 N	Adjustments and Reclassification N	IFRS 31st July 2016 N
<b>Cash Flow from Operating Activities</b>			
Program Income- Membership Dues	4,662,000	.	4,662,000
Direct Public Support - Corporate Contributions	8,591,625	.	8,591,625
Direct Public Support - Individual Contributions	220,000	.	220,000
Interest - Fixed Deposit	240,000	.	240,000
Project Funding	.	.	.
Expenditures Financing	(8,615,527)	.	(8,615,527)
Operating Surplus before Changes in Operating Assets/Liabilities	<u>5,098,098</u>	-	<u>5,098,098</u>
Add Depreciation	.		.
<b>Changes in Operating Assets/Liabilities</b>			
Increase in Payables	788,258	.	788,258
<b>Net Cash Flow from Operating Activities</b>	<u>5,886,356</u>		<u>5,098,098</u>
<b>Cash Flow from Investing Activities</b>			
Purchase of Property, Plant & Equipment	.		.
<b>Net Cash Flow from Investing Activities</b>	<u>.</u>		<u>.</u>
<b>Cash Flow from Financing Activities</b>			
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>5,886,356</b>		<b>5,886,356</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<u>14,766,229</u>		<u>14,766,229</u>
<b>Cash and Cash Equivalents at the end of the year</b>	<u>20,652,585</u>		<u>20,652,585</u>
<b>Comprises of:</b>			
Cash and Cash Equivalents	<u>20,652,585</u>		<u>20,652,585</u>

# CFA SOCIETY NIGERIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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### 18 NARRATION OF THE TRANSITION ADJUSTMENTS

- a Under NGAAP, Cash and Bank balances were separately as a line item on the balance sheet. Under IFRSs, Cash and Bank balances were reclassified to Cash and Cash Equivalent and separately disclosed as a line item on the Statement of Financial Position.
- b Under NGAAP, other Creditor balances were separately disclosed as a line item in the Statement of Financial Position. Under IFRSs, Other Creditors were reclassified to Other Payables separately disclosed as a line item on the Statement of Financial Position.

# CFA SOCIETY NIGERIA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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**19 Capital Commitments**

There are no material commitments for capital expenditure not provided for in these financial

**20 Events After Reporting Date**

No events or transactions have occurred since after the reporting date, which would have a material

**21 Contingent Liability**

No contingent liabilities in respect of the year under review.

**22 Approval of Financial Statements**

The Financial Statements were approved by the Board of Governors on 15-APR-2018

## STATEMENT OF VALUE ADDED

	2017		2016	
<b>GROSS INCOME- Members Subscription</b>	<b>29,380,050</b>		<b>13,253,625</b>	
Less: Cost of Goods and Services				
Local	(30,583,579)		(8,615,527)	
Value Added from Operations	<u>(1,203,529)</u>		<u>4,638,098</u>	
Other Income	10,150,000		460,000	
<b>Value Added</b>	<b><u>8,946,471</u></b>	<b><u>100</u></b>	<b><u>5,098,098</u></b>	<b><u>100</u></b>
Distributed as follows:				
<b>Employees</b>				
Salaries	1,110,605	13	-	
<b>Provided for Asset Replacement</b>				
Depreciation	26,931	-	-	
Surplus	7,808,935	87	5,098,098	100
Value Added	<u>8,946,471</u>	<u>100</u>	<u>5,098,098</u>	<u>100</u>

Value added represents the additional wealth the Society has been able to create by its own and direct public support. This statement shows the allocation of the wealth between employees shareholders, government and that retained for the future creation of more wealth.

## FOUR YEAR FINANCIAL SUMMARY

## STATEMENT OF FINANCIAL POSITION

	12 months IFRS 2017 N	12 months IFRS 2016 N	12 months IFRS 2015 N	18 months NGAAP 2014 N
<b>ASSETS</b>				
Cash and Cash Equivalent	33,167,222	20,652,585	14,766,229	11,848,561
Property, Plant & Equipment	394,070	-	-	103,125
<b>TOTAL ASSETS</b>	<b>33,561,292</b>	<b>20,652,585</b>	<b>14,766,229</b>	<b>11,951,686</b>
<b>FUND AND LIABILITY:</b>				
Accumulated Fund	27,575,493	19,766,557	14,668,459	11,914,048
<b>CURRENT LIABILITY</b>				
Other Payables	5,985,799	886,028	97,770	37,638
	<b>33,561,292</b>	<b>20,652,585</b>	<b>14,766,229</b>	<b>11,951,686</b>

## STATEMENT OF COMPREHENSIVE INCOME

Income	39,530,050	13,713,625	10,298,140	21,392,916
Expenditure	31,721,115	8,615,527	7,543,728	9,478,869
Surplus	<b>7,808,935</b>	<b>5,098,098</b>	<b>2,754,412</b>	<b>11,914,048</b>