

# CFA SOCIETY NIGERIA

RC 27736

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY, 2016



*SIAO - Accomplish More*

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# CFA SOCIETY NIGERIA

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY, 2016

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# CFA SOCIETY NIGERIA

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY, 2016

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### SOCIETY INFORMATION

Folasade Odunaiya, CFA  
Okey Umeano, CFA  
Oyebanji Fehintola, CFA  
Akinyemi Osinubi, CFA  
Ibukunoluwa Oyedeji, CFA

President  
Vice President  
Treasurer  
General Secretary  
Assistant General Secretary

### Board of Governors

### Registered Office

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

### Auditors

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

### Bankers

Guaranty Trust Bank Plc

## CFA SOCIETY NIGERIA

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY, 2016

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#### BOARD OF GOVERNORS' REPORT

The Board of Governors has the pleasure of presenting the audited financial statements for the period ended 31<sup>st</sup> July, 2016.

#### 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.

#### Operating Results

Highlights of the Society's operating results for the period under review are as follows:

Income	2016	2015
	₦	₦
Program Income - Membership Subscriptions	4,662,000	3,616,800
CFA Institute Funding	8,591,625	2,451,340
Other Income	460,000	4,230,000
	<u>13,713,625</u>	<u>10,298,140</u>
<b>Expenditure</b>	<u>(8,615,527)</u>	<u>(7,543,728)</u>
Surplus Transferred To Accumulated Fund	<u>5,098,098</u>	<u>2,754,412</u>

The results for the period are set out in the Income and Expenditure account on page 9. The CFA Society Nigeria (Association) was approved by the CFA institute in August 2012 and was registered under Part C of the CAMA on the 18th February 2013. This report covers the Society's result from 1<sup>st</sup> August 2015 up to 31<sup>st</sup> July 2016.

## CFA SOCIETY NIGERIA

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY, 2016

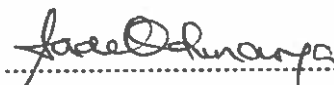
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#### STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

The Companies and Allied Matters Act, CAP C20 LFN 2004 requires the Board of Governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Society and of the surplus or deficit for that year. In preparing those accounts, the Board of Governors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Society will continue in the foreseeable future.

The Board of Governors is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Society and enable them to ensure that the accounts comply with part C of the Companies and Allied Matters Acts, CAP C20 LFN 2004. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

  
.....  
President

  
.....  
Treasurer

**REPORT OF INDEPENDENT AUDITORS TO THE MEMBERS OF CFA SOCIETY NIGERIA****Report on the financial statements**

We have audited the accompanying financial statements of **CFA SOCIETY NIGERIA** as at July 31, 2016, set out on pages 8 to 13 which have been prepared on the basis of the significant accounting policies on pages 6 to 7 and other explanatory notes on pages 11 to 12.

**Board of Governors' responsibilities for the financial statements**

Board of Governors' is responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004 and Financial Reporting Council Act, 2011. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable 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 Nigerian Standards on Auditing issued by the Institute of Chartered Accountants of Nigeria and International Standards on Auditing issued by the International Federation of Accountants. These standards require that we comply with ethical requirements, plan, and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditors' judgment, 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 controls 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 made by the Board of Governors, 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 Society has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act, CAP C20, LFN 2004. The financial statements give a true and fair view of the financial position of **CFA SOCIETY NIGERIA** as at 31st July, 2016, and of its financial performance and its cash flows for the period ended in accordance with the Statement of Accounting Standards issued by the Financial Reporting Council of Nigeria.



Abiodun Ariyibi, FCA  
FRC/2013/ICAN/0000001548  
For: SIAO (Chartered Accountants)  
Lagos, Nigeria

Date: 15th April 2018



# CFA SOCIETY NIGERIA

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY, 2016

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### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

**1. Basis of Preparation**

The financial statements have been prepared under the historical cost convention and comply with the relevant Statements of Accounting Standards issued by the Nigerian Accounting Standards Board. The financial statements are presented in the functional currency of the Society - Nigeria Naira.

**2. Property, Plant and Equipment**

Property, Plant and Equipment are stated at the cost, less depreciation on a straight-line basis over the estimated useful life of the assets, taking into consideration any residual value, excluding the costs of day-to-day servicing.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

**3. Depreciation on Property, Plant and Equipment**

Depreciation is provided to write off the cost of property, plant and equipment during their expected useful lives on a straight-line basis as follows:

	%
Office Equipment	33.3

Depreciation is not provided on property, plant and equipment until they are brought into use.

**4. Debtors**

Debtors are stated after deduction of specific provisions for any debt considered doubtful of recovery. Debts considered bad and irrecoverable are written off.

**5. Repair and Renewals**

Normal repairs and renewals are written off as incurred but those that are capital in nature are capitalised.

**CFA SOCIETY NIGERIA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY, 2016**

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**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**6. Income Recognition**

1. Subscriptions and sponsorships are accounted for on cash basis.
2. Interest income is accounted for on accrual basis.

**7. Provisions**

Provisions are recognised when the Society has present obligations whether legal or constructive as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations in accordance with the Statement of Accounting Standard (SAS 23).

**8. Cash and Cash Equivalents**

For the purpose of reporting cash flows, cash and cash equivalent include cash in hand, cash balances with banks, and short term deposits with banks.

**9. Taxation**

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.



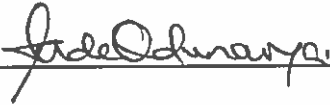
CFA SOCIETY NIGERIA

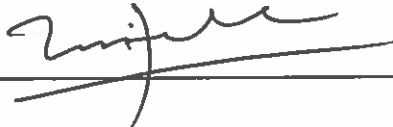
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2016

BALANCE SHEET

	Note	2016 N	2015 N
<b>ASSETS</b>			
Cash at Bank	2	20,652,585	14,766,229
Property, Plant & Equipment	3		
<b>TOTAL ASSETS</b>		<u>20,652,585</u>	<u>14,766,229</u>
<b>LIABILITIES</b>			
Other Payables	4	886,028	97,770
		<u>886,028</u>	<u>97,770</u>
<b>NET ASSETS</b>		<u>19,766,557</u>	<u>14,668,459</u>
<b>FINANCED BY:</b>			
Accumulated Fund	5	<u>19,766,557</u>	<u>14,668,459</u>

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 6 to 7 and the notes on pages 11 to 12 form an integral part of these financial statements.

**CFA SOCIETY NIGERIA****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2016****INCOME AND EXPENDITURE ACCOUNT**

	Note	2016 N	2015 N
<b>INCOME</b>			
Program Income - Membership Subscriptions	6	4,662,000	3,616,800
CFA Institute Funding	6a	8,591,625	2,451,340
Other Income	7	460,000	4,230,000
		<u>13,713,625</u>	<u>10,298,140</u>
<b>EXPENDITURE</b>			
Entertainment		-	128,000
Bank Service Charge		61,031	20,286
Printing and Reproduction		302,500	689,900
Events and Programs (Conferences and Meetings)		5,621,250	3,491,250
Depreciation		-	103,125
Other Office Expenses		124,931	237,442
Travel Expenses		308,447	489,900
Donation		1,000,000	-
Advertising and Promotion		-	1,021,200
Legal fees		600,000	-
Professional Fees		547,368	1,202,626
Photography Processing and Supplies		50,000	160,000
		<u>8,615,527</u>	<u>7,543,728</u>
<b>SURPLUS TRANSFERRED TO ACCUMULATED FUND</b>		<u>5,098,098</u>	<u>2,754,412</u>

The accounting policies on pages 6 to 7 and the notes on pages 11 to 12 form an integral part of these financial statements

**CFA SOCIETY NIGERIA****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2016****CASHFLOW STATEMENT**

	2016 N	2015 N
<b>Cash Flow from Operating Activities</b>		
Program Income- Membership Dues	4,662,000	3,616,800
Direct Public Support - Corporate Contributions	8,591,625	4,200,000
Direct Public Support - Individual Contributions	220,000	2,451,340
Interest - Fixed Deposit	240,000	30,000
Expenditures Financing	(8,615,527)	(7,543,728)
Operating Surplus before Changes in Operating Assets/Liabilities	<u>5,098,098</u>	<u>2,754,412</u>
Add Depreciation	0	103,125
<b>Changes in Operating Assets/Liabilities</b>		
Increase in Payables	788,258	60,131
<b>Net Cash Flow from Operating Activities</b>	<u>5,886,356</u>	<u>2,917,668</u>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment		0
<b>Net Cash Flow from Investing Activities</b>	<u>5,886,356</u>	<u>2,917,668</u>
<b>Cash Flow from Financing Activities</b>		
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	5,886,356	2,917,668
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<u>14,766,229</u>	<u>11,848,561</u>
<b>Cash and Cash Equivalents at the End of the Year</b>	<u>20,652,585</u>	<u>14,766,229</u>
<b>Comprises of:</b>		
Cash and Cash Equivalents at Bank	<u>20,652,585</u>	<u>14,766,229</u>

The accounting policies on pages 6 to 7 and the accompanying notes on pages 11 to 12 form an integral part of these financial statements.

**CFA SOCIETY NIGERIA****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2016**

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**NOTES TO THE FINANCIAL STATEMENTS****1 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.

**2 Cash at Bank**

	N	N
Guaranty Trust Bank (Naira Account)	2,876,766	1,871,115
Guaranty Trust Bank (Domiciliary Account)	17,775,819	12,895,114
	<u>20,652,585</u>	<u>14,766,229</u>

**3 Property Plant & Equipment**

	OFFICE EQUIPMENT
	N
<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>	
At 31 July 2015	-
	-

**CFA SOCIETY NIGERIA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2016**

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

	2016 N	2015 N
<b>4 Other Payables</b>		
Due to Related Company	760,890	-
Tax Payables	125,138	97,770
	<u>886,028</u>	<u>97,770</u>
<b>5 Accumulated Fund</b>		
As at 1 August 2015	14,668,459	11,914,048
Surplus for the Year	5,098,098	2,754,412
As at 31 July 2016	<u>19,766,557</u>	<u>14,668,459</u>
<b>6 Members' Subscriptions</b>		
Program Income - Membership Dues Received	<u>4,662,000</u>	<u>3,616,800</u>
<b>6a CFA Institute Funding</b>		
Operational Funding	<u>8,591,625</u>	<u>2,451,340</u>
<b>7 Other Income</b>		
Direct Public Support - Contributions	220,000	4,200,000
Income from event and training	240,000	30,000
	<u>460,000</u>	<u>4,230,000</u>

**8 Capital Commitments**

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

**9 Post Balance Sheet Events**

No events or transactions have occurred since the balance sheet date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or result of operations at the balance sheet date.

**10 Contingent Liability**

No contingent liabilities in respect of the year under review.

**11 Approval of Financial Statements**

The Financial Statements were approved by the Board of Governors on..... *15- APRIL-2018*

## STATEMENT OF VALUE ADDED

	2016		2015	
	N	%	N	%
<b>GROSS INCOME- Members Subscription</b>	<b>13,253,625</b>	<b>0</b>	<b>6,068,140</b>	
Less: Cost of Goods and Services				
Local	<u>(8,615,527)</u>		<u>(7,440,603)</u>	
Value Added from Operations	<b>4,638,098</b>		<b>(1,372,463)</b>	
Other Income-	<b>460,000</b>		<b>4,230,000</b>	
<b>Value Added</b>	<b><u>5,098,098</u></b>	<b><u>100</u></b>	<b><u>2,857,537</u></b>	<b><u>100</u></b>
Distributed as follows:				
<b>Employees</b>				
Salaries	-		-	-
<b>Provided for Asset Replacement</b>				
Depreciation	-		103,125	4
Surplus	<u>5,098,098</u>	<u>100</u>	<u>2,754,412</u>	<u>96</u>
Value Added	<b><u>5,098,098</u></b>	<b><u>100</u></b>	<b><u>2,857,537</u></b>	<b><u>100</u></b>

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

**CFA SOCIETY NIGERIA****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2016****FOUR YEAR FINANCIAL SUMMARY****STATEMENT OF FINANCIAL POSITION**

	12 months 2016 N	12 months 2015 N	18 months 2014 N
<b>ASSETS</b>			
Cash and Cash Equivalent	20,652,585	14,766,229	11,848,561
Property, Plant & Equipment	-	-	103,125
<b>TOTAL ASSETS</b>	<b>20,652,585</b>	<b>14,766,229</b>	<b>11,951,686</b>
<b>CURRENT LIABILITY</b>			
Other Payables	(886,028)	(97,770)	(37,638)
	<b>19,766,557</b>	<b>14,668,459</b>	<b>11,914,048</b>
<b>FUND AND LIABILITY:</b>			
Accumulated Fund	19,766,557	14,668,459	11,914,048
	<b>19,766,557</b>	<b>14,668,459</b>	<b>11,914,048</b>

**STATEMENT OF COMPREHENSIVE INCOME**

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