

CFA SOCIETY NIGERIA
RC 27736
ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
30 JUNE, 2020



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**CFA SOCIETY NIGERIA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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**CFA SOCIETY NIGERIA
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SOCIETY INFORMATION

Board of Governors Members

Oyebanji Fehintola, CFA
Ibukunoluwa Oyedeji, CFA
Folasade Odunaiya, CFA
Folake Bankole, CFA
Chuka Maduabum, CFA
Farouk Mujtaba, CFA

President
Vice President
Ex- Officio Member
Treasurer
General Secretary
Assistant General
Secretary

Registered Office

Plot 17, Block 122
Adewale Kolawole
Crescent Lekki
Residential Scheme 1
Oniru, Lekki,
Lagos

Auditor

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

Bankers

Guaranty Trust Bank Plc
Zenith Bank Plc
Access Bank Plc
Ecobank Ltd
First Bank of Nigeria Ltd

**CFA SOCIETY NIGERIA
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FINANCIAL HIGHLIGHTS

Description	12 months	12 months	Absolute Change N	%
	2020 N	2019 N		
MAJOR STATEMENT OF FINANCIAL POSITION ITEMS				
ASSETS				
Cash and Cash Equivalents	131,008,952	81,499,079	49,509,872	61%
Prepayments & Other Receivables	12,900,122	7,693,526	5,206,596	68%
Property, Plant & Equipment	4,472,080	11,229,961	(6,757,881)	-60%
Right of Use Asset	9,186,297	-	9,186,297	
TOTAL ASSETS	<u>157,567,728</u>	<u>100,422,567</u>		
FUND AND LIABILITY				
Accumulated Fund	145,110,206	99,984,363	45,125,843	45%
NON-CURRENT LIABILITY				
Lease Liability	-	-	-	
CURRENT LIABILITY				
Other Payables	3,154,432	438,204	2,716,228	620%
Lease Liability	9,303,090	-	9,303,090	
	<u>157,567,728</u>	<u>100,422,566</u>		
STATEMENT OF INCOME AND EXPENDITURE				
Program Income - Membership Subscriptions	17,288,312	6,739,050	10,549,262	157%
CFA Institute Funding	86,491,800	75,277,800	11,214,000	15%
Sponsorship	45,070,600	67,477,201	(22,406,601)	-33%
Other Income	15,083,358	16,257,676	(1,174,318)	-7%
	<u>163,934,070</u>	<u>165,751,726</u>		
Finance Cost	1,090,240	-	1,090,240	
Expenditure	117,717,986	155,248,818	(37,530,832)	-24%
	<u>45,125,843</u>	<u>10,502,908</u>	<u>34,622,935</u>	330%

**CFA SOCIETY NIGERIA
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REPORT OF THE GOVERNORS

The Governors have the pleasure in submitting to the members of CFA Society Nigeria the audited financial statements for the year ended 30 June, 2020.

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	Year ended 2020 N	Year ended 2019 N
Program Income -		
Membership Subscriptions	17,288,312	6,739,050
CFA Institute Funding	86,491,800	75,277,800
Sponsorship	45,070,600	67,477,201
Other Income	15,083,358	16,257,676
	<u>163,934,070</u>	<u>165,751,726</u>
Finance Cost	1,090,240	.
Expenditure	117,717,986	155,248,818
Surplus Over Expenditure	<u>45,125,843</u>	<u>10,502,908</u>

EMPLOYMENT OF PHYSICALLY CHALLENGED

The Society operates a non-discriminating policy in consideration of applications for employment, including those received from physically challenged persons. In the event of members of staff becoming physically challenged, 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 physically challenged persons should, as far as possible, be identical with those of other employees. As at 30 June, 2020, the Society had no physically challenged 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

During the financial Year under review, the Society made donations to the following bodies:

University of Lagos (Sponsorship of Investment)	100,000
Students Finance Club Sponsorship	100,000

HEALTH, SAFETY AND WELFARE AT WORK OF EMPLOYEES

Employees are adequately insured against occupational hazards. In addition, medical insurance 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) have 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,
Chuka Maduabum, CFA

Date.....

**CFA SOCIETY NIGERIA
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STATEMENT OF GOVERNORS' RESPONSIBILITIES

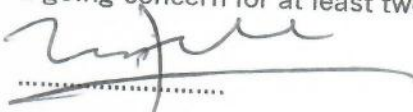
The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Governors to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the Society at the end of the period and of its statement of income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


.....
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 30 June, 2020, and the statement of income and expenditure, 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's financial statements present fairly, in all material respects, the financial position of the Society as at 30 June, 2020, 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

The Board of Governors 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 The Board of Governors and Those Charged with Governance for the Financial Statements

The Board of Governors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as The Governors 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, the Board of Governors 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 the Board of Governors 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.

Auditors' 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 the Board of Governors.
- Conclude on the appropriateness of The Governors' 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 income and expenditure and other comprehensive income are in agreement with the books of account and returns.



Abiodun Ariyibi, FCA
FRC/2013/ICAN/00000001548

SIAO
Chartered Accountants
Lagos, Nigeria

Date: 17th March 2021



CFA SOCIETY NIGERIA

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF INCOME AND EXPENDITURE

	Note	<u>2020</u> N	<u>2019</u> N
INCOME			
Program Income - Membership Subscriptions	12	17,288,312	6,739,050
CFA Institute Funding	13	86,491,800	75,277,800
Sponsorship	14	45,070,600	67,477,201
Other Income	15	15,083,358	16,257,676
		<u>163,934,070</u>	<u>165,751,726</u>
Finance Cost	16	(1,090,240)	-
Expenditure	17	(117,717,986)	(155,248,818)
SURPLUS TRANSFERRED TO ACCUMULATED FUND			
		<u>45,125,843</u>	<u>10,502,908</u>

The accounting policies on pages 15 to 27 and the notes on pages 28 to 34 form integral parts of these financial statements.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

STATEMENT OF FINANCIAL POSITION

	Note	2020 N	2019 N
ASSETS			
Cash and Cash Equivalents			
Prepayments & Other Receivables	6	131,008,952	81,499,079
Property, Plant & Equipment	7	12,900,122	7,693,526
Right of Use Asset	8	4,472,358	11,229,961
TOTAL ASSETS	9	<u>9,186,297</u>	<u>-</u>
		<u>157,567,728</u>	<u>100,422,566</u>
FUND AND LIABILITY:			
Accumulated Fund	11	145,110,206	99,984,363
NON-CURRENT LIABILITY			
Lease Liability	9	-	-
CURRENT LIABILITY			
Other Payables	10	3,154,432	438,204
Lease Liability	9	9,303,090	-
		<u>157,567,728</u>	<u>100,422,566</u>

These financial statements were approved by the Board of Governors on 17th March 2021 and signed on its behalf by :



President



Treasurer

The accounting policies on pages 15 to 27 and the notes on pages 28 to 34 form integral parts of these financial statements.

CFA SOCIETY NIGERIA

STATEMENT OF CHANGES IN MEMBERS' FUND FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Fund	Total
	N	N
At 1 July 2018		
Surplus for the year	89,481,454	89,481,454
	10,502,908	10,502,908
At 30th June 2019	<u>99,984,363</u>	<u>99,984,363</u>
At 1 July 2019		
Surplus for the year	99,984,363	99,984,363
	45,125,843	45,125,843
At 30th June 2020	<u>145,110,206</u>	<u>145,110,206</u>

The accounting policies on pages 15 to 27 and the notes on pages 28 to 34 form integral parts of these financial statements.

STATEMENT OF CASHFLOWS

	2020 N	2019 N
Cash Flow from Operating Activities		
Program Income- Membership Dues	17,288,312	6,739,050
Operation Funding	55,900,800	28,846,800
Corporate Sponsorship	44,370,600	59,586,201
Income from Training and Event	4,704,655	13,189,240
Project Funding	30,591,000	46,431,000
Corporate Endowment Sponsorship	-	7,191,000
Individual Endowment Sponsorship	-	-
Individual Sponsorship	700,000	700,000
WIM Investment Income	5,021,461	2,828,461
Foreign Exchange Gain	5,357,242	239,975
Finance Cost	(1,090,240)	-
Expenditures Financing	(117,717,986)	(155,248,818)
Operating Surplus before Changes in Operating Assets/Liabilities	45,125,843	10,502,908
Add Depreciation	9,760,156	7,005,226
Reversal in PPE	(116,793)	-
Changes in Operating Assets/Liabilities		
Increase/(Decrease) in Payables	2,716,228	(6,323,196)
Transfer to Right of Use Asset	(3,800,000)	-
(Increase)/Decrease in Accounts Receivable	(5,206,596)	578,359
Net Cash Flow from Operating Activities	48,478,839	11,763,298
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	(268,500)	(72,375)
Sales proceed for Laptop Disposed	92,500	-
Increase in Lease Asset	(9,186,297)	-
Net Cash Flow from Investing Activities	(9,362,297)	(72,375)
Cash Flow from Financing Activities		
Interest expense	1,090,240	-
Increase/(Decrease) in Lease Liability	9,303,090	-
Net Cash Flow from Financing Activities	10,393,331	-
Net Increase/Decrease in Cash and Cash Equivalents	49,509,873	11,690,923
Cash and Cash Equivalents at the Beginning of the Year	81,499,079	69,808,156
Cash and Cash Equivalents at the End of the Year	131,008,952	81,499,079
Comprises of:		
Cash and Cash Equivalents at Bank	131,008,952	81,499,079

The accounting policies on pages 15 to 27 and the notes on pages 28 to 34 form integral parts of these financial statements.

**CFA SOCIETY NIGERIA
ANNUAL REPORT AND FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

1 General information

CFA Society Nigeria is registered as an incorporated trustee under Part C of the Society 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 the Board of Governors 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 The Governors' 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 presentation currency. The disclosures on risks from financial instruments are presented in the financial risk management report contained in Note 4.

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.

**CFA SOCIETY NIGERIA
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NOTES TO THE FINANCIAL STATEMENTS CONT'D

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 is 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.

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 is 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
Plant and Machinery	25
Furniture & Fittings	33.3
Computer & Electronics	33.3
Telephone	50

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.

**CFA SOCIETY NIGERIA
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NOTES TO THE FINANCIAL STATEMENTS CONT'D

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.

2.6 Leases

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

1. The fulfillment of the arrangement is dependent on the use of a specific asset or assets; and the arrangement contains a right to use the asset(s).
2. At inception or on reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

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NOTES TO THE FINANCIAL STATEMENTS CONT'D

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the company is a lessee are presented in note 9 Leases (company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 19).

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NOTES TO THE FINANCIAL STATEMENTS CONT'D

Right-of-use assets

Assets held by the Company under leases which transfer to the Company substantially the control of usage and all of the risks and rewards of ownership are classified as Right-of-use assets.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs;
- restoration costs; and
- less any lease incentives received.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation starts at the commencement date of a lease. The Company leased the building it uses for its business and the building is depreciated over the lease term.

The depreciation charge for each year is recognised in profit or loss.

2.7 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.

2.8 Financial instruments

Financial instruments held by the society are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the society, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

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Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial instruments

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Financial instruments and risk management presents the financial instruments held by the society based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the society are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the society's business model is to collect the contractual cash flows on trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Recognition and measurement

Trade and other receivables are recognised when the society becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other payables

Classification

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

Trade and other payables excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the society becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the society to liquidity risk and possibly to interest rate risk. Refer to note for details of risk exposure and management thereof.

Cash and cash equivalents

Cash comprises cash on hand and deposits with banks. Cash equivalents comprise highly liquid investments (including money market funds- short term deposits), that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less, being used by the Society in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

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2.9 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 statement of comprehensive income in the year to which they relate.

2.10 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.

2.11 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.

2.12 Changes in accounting policy

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

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Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 1 January 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the company's financial statements is described below.

The company has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 January 2019.

Leases where company is lessee

Leases previously classified as operating leases

The company undertook the following at the date of initial application for leases which were previously recognised as operating leases:

□ recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the company's incremental borrowing rate at the date of initial application.

□ recognised right-of-use assets measured on a lease by lease basis, at either the carrying amount (as if IFRS 16 applied from commencement date but discounted at the incremental borrowing rate at the date of initial application) or at an amount equal to the lease liability adjusted for accruals or prepayments relating to that lease prior to the date of initial application.

The company applied IAS 36 to consider if these right-of-use assets are impaired as at the date of initial application.

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The company applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the company applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 1 January 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a straight-line basis or another systematic basis which is more representative of the pattern of benefits consumed;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
- hindsight was applied where appropriate. This was specifically the case for determining the lease term for leases which contained extension or termination options.

On transition to IFRS 16, the company recognised an additional ₦9,186,297 of right-of-use assets and ₦9,303,090 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 12.53%.

Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16

3.0 AMENDMENTS TO EXISTING STANDARDS

New Standards and Interpretations

Standards and interpretation effective and adopted in current year

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Statement of Financial Position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Society is the lessor. The Society adopted IFRS 16 using the full retrospective method of adoption, with the date of initial application of 1 January 2019. The Society elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2019. The standard does not have any impact on the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS CONT'D

Amendments to IFRS 9: Prepayment Features with Negative Compensation. Under IFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Society.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement. The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the financial statements of the Society it did not have any plan amendments, curtailments, or settlements during the period.

Amendments to IAS 28: Long-term interests in associates and joint ventures. The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. These amendments had no impact on the financial statements as the Society does not have long term interests in its associate and joint venture.

Annual Improvements 2015-2017 Cycle • IFRS 3 Business Combinations. The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring value previously held interests in the assets and liabilities of the joint operation at fair. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments had no impact on the financial statements of the Society as there is no transaction where joint control is obtained.

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NOTES TO THE FINANCIAL STATEMENTS CONT'D

• **IFRS 11 Joint Arrangements.** An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments had no impact on the financial statements of the Society as there is no transaction where a joint control is obtained.

• **IAS 12 Income Taxes.** The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. These had no impact on the financial statements of the Society.

• **IAS 23 Borrowing Costs.** The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

These had no impact on the financial statements of the Society.

Standards and Interpretations Issued but not yet Effective

IFRS 17 Insurance Contracts

The standard that replaces IFRS 4 – effective for annual periods beginning on or after 1 January 2021 (earlier application permitted only if IFRS 9 and IFRS 15 also applied) – requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts, giving basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued.

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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.

Market risk

Market risk is the potential for adverse changes in the value of a trading or 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 30 June, 2020, the Society had bank balances denominated in foreign currencies.

(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 all that exposed to fair value interest rate risk.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
	N	N
6 Cash and Cash Equivalents		
Cash at hand	111,100	186,580
Guaranty Trust Bank (Naira Account)	507,325	132,735
Guaranty Trust Bank (Domiciliary Account)	74,375,165	37,195,168
Zenith Bank Collection Account	4,147,707	655,293
Zenith Bank GBP Account	122	122
Zenith Bank Operational Account	6,667,091	5,512,282
Zenith Bank-Endowment Account	7,057	7,065
Access Bank	2,545,172	-
Eco Bank	415,955	-
First Bank	1,376,254	-
Short Term Investments-WIM	40,856,005	37,809,837
	<u>131,008,952</u>	<u>81,499,079</u>
	2020	2019
	N	N
7 Prepayments & Other Receivables		
At 1 July	4,827,926	8,038,586
Additions	11,133,188	3,965,276
Amortisation	(1,049,206)	(7,175,936)
Transfer to Right of Use Asset	(3,800,000)	
At 30 June	<u>11,111,908</u>	<u>4,827,926</u>
Current assets	<u>10,856,140</u>	<u>1,427,926</u>
Non-current assets	<u>255,769</u>	<u>3,400,000</u>
Accounts Receivable	1,788,214	2,865,600
	<u>12,900,122</u>	<u>7,693,526</u>

Non-current and current prepayments mainly represent lease rental, service contract, deposit for venue - investment conference, prepaid society office short term lease and insurance prepaid by the Society and yet to be amortised as at year end.

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NOTES TO THE FINANCIAL STATEMENTS

8 Property, Plant & Equipment	FURNITURE FITTINGS		PLANT MACHINERY		COMPUTER ELECTRONICS		OFFICE EQUIPMENT		TOTAL
	2020	2020	2020	2020	2020	2020	2020	2020	
COST									
At 1 July	10,377,160	3,516,393	3,968,765.00	4,105,069	21,967,386				
Additions	-	-	268,500	0	268,500				
Disposal	-	-	(370,000)	-	(370,000)				
At 30 June 2020	10,377,160	3,516,393	3,867,265	4,105,069	21,865,886				
DEPRECIATION									
At 1 July	5,138,334	1,379,405	2,083,423.00	2,136,263	10,737,425				
Charge for the year	3,459,053	879,098	1,227,096	1,368,356	6,933,604				
Disposal	-	-	(277,500)	-	(277,500)				
At 30 June 2020	8,597,387	2,258,503	3,033,019	3,504,619	17,393,529				
Net Book Value	1,779,773	1,257,889	834,246	600,450	4,472,358				
At 31 July 2019	5,238,826	2,136,987	1,885,342	1,968,806	11,229,961				

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS

9. **Leases (company as lessee)**

The company leases the buildings used for its office space business. The society has a lease term of 1.25 yrs left. The company has the option to renew the lease on completion of the lease term for a further 3 years.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings
Cost

	Building N'000	Total N'000
At 1 July 2019	-	-
Right of use asset recognised At 30 June 2020	12,012,850	12,012,850
Accumulated Depreciation		
At 1 July 2019	-	-
Depreciation charged	2,826,553	2,826,553
Impairment loss	-	0
At 30 June 2020	2,826,553	2,826,553
Carrying Amount		
At 30 June 2020	9,186,297	49,091
At 30 June 2019	-	-
Other disclosures		
Interest expense on lease liabilities	1,090,240	1,090,240
Lease liabilities		
The maturity analysis of lease liabilities is as follows:		
Within one year	9,303,090	9,303,090
Current liabilities	9,303,090	9,303,090

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS

	2020 N	2019 N
10 Other Payables		
Due to Related Company (GIPS Country Sponsor)		-
Accrued Liabilities	206,388	-
Other Accruals	265,137	74,850
Tax Payables	2,682,907	363,354
	<u>3,154,432</u>	<u>438,204</u>
11 Accumulated Fund		
As at 1 July 2019	99,984,363	89,481,454
Prior Year Exchange Gain	-	-
Restated balance brought forward	<u>99,984,363</u>	<u>89,481,454</u>
Surplus for the year	45,125,843	10,502,908
As at 30th June 2020	<u>145,110,206</u>	<u>99,984,363</u>
12 Members' Subscriptions		
Program Income - Membership Dues Received	<u>17,288,312</u>	<u>6,739,050</u>
13 CFA Institute Funding		
Operation Funding	55,900,800	28,846,800
Project Funding	30,591,000	46,431,000
	<u>86,491,800</u>	<u>75,277,800</u>
14 Sponsorship		
Corporate Sponsorship	44,370,600	59,586,201
Endowment Sponsorship (Corporate)	-	7,191,000
Endowment Sponsorship (Individual)	-	-
Individual Sponsorship	700,000	700,000
	<u>45,070,600</u>	<u>67,477,201</u>
15 Other Income		
Income from Event and Training	4,704,655	13,189,240
WIM Investment Income	5,021,461	2,828,461
Foreign Exchange Gain	5,357,242	239,975
	<u>15,083,358</u>	<u>16,257,676</u>

CFA SOCIETY NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS	2020 N	2019 N
16 Finance costs	1,090,240	-
12.53% weighted average cost of funds was used to discount the lease payments.		
17 Expenditure		
Entertainment	-	17,700
Bank Service Charge	622,172	656,619
Printing and Reproduction	939,425	579,000
Events and Programs (Conferences and Meetings)	31,365,313	101,145,299
Depreciation	9,760,156	7,005,226
Other Office Expenses	1,081,295	192,162
Travel Expenses	-	312,876
Scholarships	342,000	-
Donation	200,000	200,000
Advertising and Promotion	27,614,500	387,720
Professional Fees	4,195,066	7,840,064
Salaries & Wages	10,494,464	7,862,098
PAYE	1,529,415	1,066,190
Pension	1,235,393	898,200
ITF & NSITF	224,731	165,779
Employee Medical Allowance	55,769	441,537
Photography Processing and Supplies		
Education Outreach Programs	20,875,262	17,260,098
Other Taxes	-	3,220
Agency Fees		
Dues and subscriptions	401,942	584,977
Insurance - General	106,138	94,231
Legal fees		
Cleaning Services	80,000	-
Diesel Supply	931,500	1,205,750
Telephone & Internet Expenses	658,850	796,300
Website Design	40,000	-
Office Repairs and Maintenance	671,375	216,250
Office Set up Costs		
Petty Cash Expenses	1,317,920	1,163,025
Rent or lease payments	1,000,000	4,200,000
Expenses-WIM ENDOWMENT	1,975,301	954,498
	<u>117,717,986</u>	<u>155,248,818</u>

CFA SOCIETY NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18 INFORMATION REGARDING BOARD OF GOVERNORS AND KEY MANAGEMENT STAFF

	30 June 2020 N	30 June 2019 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		-
(iv) The emoluments of the highest paid Governor		-

19 STAFF COSTS

Salary and wages	10,494,464	7,862,098
Leave allowance	-	-
Employer's pension contribution	686,329	499,000
Other employee benefits	55,769	441,537
	<u>11,236,562</u>	<u>8,802,635</u>

Other employee benefits include leave allowance, medical insurance, performance incentives and other benefits which are

The table below shows the numbers of direct employees of CFA Society Nigeria excluding Governors, other than employees

	N	N	30 June 2020 [Number]	30 June 2019 [Number]
300,001	-	1,000,000	-	-
1,000,001	-	2,000,000	-	-
2,000,001	-	3,000,000	2	2
3,000,001	-	4,000,000	-	-
4,000,001	-	5,000,000	1	1
5,000,001	-	above	-	-
			<u>3</u>	<u>3</u>

CFA SOCIETY NIGERIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

20 Capital Commitments

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

21 Events After Reporting Date

In Q4 2019, the world witnessed the outbreak of the Coronavirus (COVID-19) in Wuhan, China. By Q1 2020, COVID-19 became a global pandemic and had a devastating effect on the global economy.

The outbreak was declared a global pandemic by the World Health Organisation (WHO) in March 2020. As at the date of this report, several cases had been confirmed in Nigeria by the Nigerian Centre for Disease Control (NCDC).

The disease has caused a significant reduction in social interaction, with an extended period of economic shutdown. Measures taken to contain the virus have negatively affected economic activity.

In the light of these recent developments, the Board of CFA Society Nigeria approved a 50% discount on 2020/2021 membership dues for candidate members, to help mitigate the adverse effects of the novel COVID-19 pandemic on society members.

This decision was reached in response to the fact that many individuals have had their incomes affected by the lockdown measures implemented by the Federal Government of Nigeria between the months of April and August 2020, with the economy still gradually reopening.

The Board does not expect this to have a material effect on subscription revenue for the financial year. The COVID-19 pandemic has also affected the Society's ability to raise sponsorship revenue, as most Sponsors (Individuals & Corporates) are also facing financial difficulties, and have been implementing various cost cutting measures to remain profitable.

The Board has considered the potential implications of this outbreak and is confident that notwithstanding the challenges posed by the COVID-19 pandemic, the Society will continue to be in operation for the foreseeable future. For this reason, the Society continues to adopt the going concern basis in preparing the annual report and accounts.

22 Contingent Liability

No contingent liabilities in respect of the year under review.

23 Approval of Financial Statements

The Financial Statements were approved by the Board of Governors on 17th of March 2021

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	IFRS 2020 N	IFRS 2019 N	IFRS 2018 N	IFRS 2017 N	IFRS 2016 N
ASSETS					
Cash and Cash Equivalent	131,008,952	81,499,079	69,808,156	33,167,222	20,652,585
Property, Plant & Equipment	4,472,358	11,229,961	18,162,812	394,070	-
Prepayments & Other Receivables	12,900,122	7,693,526	8,271,886	-	-
Right of Use Asset	9,186,297	-	-	-	-
TOTAL ASSETS	157,567,728	100,422,567	96,242,854	33,561,292	20,652,585
FUND AND LIABILITY:					
Accumulated Fund	145,110,206	99,984,363	89,481,454	27,575,493	19,766,557
NON-CURRENT LIABILITY					
Lease Liability					
CURRENT LIABILITY					
Other Payables	3,154,432	438,204	6,761,399	5,985,799	886,028
Lease Liability	9,303,090	-	-	-	-
	148,264,638	100,422,566	96,242,854	33,561,292	20,652,585
STATEMENT OF COMPREHENSIVE INCOME					
Income	163,934,070	165,751,726	124,603,601	39,530,050	13,713,625
Finance Cost	(1,090,240)	-	-	-	-
Expenditure	(117,717,986)	(155,248,818)	(82,554,877)	(31,721,115)	(8,615,527)
Surplus	45,125,843	10,502,908	42,048,724	71,251,165	22,329,152