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**CFS FINANCIAL SERVICES LIMITED  
SUMMARY FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

	2018 N'000	2017 N'000
<b>Assets</b>		
Cash and cash equivalents	211,929	163,702
Loans and receivables	1,557,247	1,712,674
Advances under finance lease	1,055,237	1,018,848
Other receivables and prepayments	836	6,526
<b>Financial assets:</b>		
- Fair value through profit or loss	28,410	8,881
- Fair value through other comprehensive income	3,609	3,609
Intangible assets	14,733	16,915
Property, plant and equipment	198,430	153,594
Deferred tax asset	40,024	35,721
<b>Total Assets</b>	<b>3,110,455</b>	<b>3,120,470</b>
<b>Liabilities</b>		
Financial liabilities at amortised cost	1,945,644	1,955,265
Provisions and other liabilities	45,694	51,186
Current income tax liabilities	20,566	19,500
<b>Total Liabilities</b>	<b>2,011,904</b>	<b>2,025,951</b>
<b>Net Assets</b>	<b>1,098,551</b>	<b>1,094,519</b>
<b>Share capital</b>	<b>703,113</b>	<b>703,113</b>
Share premium	63,159	63,159
Statutory reserve	149,887	127,583
Regulatory credit risk reserve	25,536	27,316
Fair value through other comprehensive income reserves	(5,091)	(5,091)
Revenue reserve	161,947	178,439
<b>Total equity</b>	<b>1,098,551</b>	<b>1,094,519</b>

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 N'000	2017 N'000
Interest income	688,776	776,103
Interest expense	(286,196)	(399,632)
<b>Net interest income</b>	<b>402,580</b>	<b>376,471</b>
Impairment on loans and receivables	(93,790)	-
Impairment on advances under finance lease	-	(63,122)
<b>Net interest income after impairment charges for credit losses</b>	<b>308,790</b>	<b>313,349</b>
Other operating income	3,510	6,730
Operating expenses	(228,819)	(201,063)
	(225,309)	(194,333)
<b>Finance income</b>	<b>8,018</b>	<b>18,221</b>
Finance expenses	-	-
<b>Net finance income</b>	<b>8,018</b>	<b>18,221</b>
<b>Profit before tax</b>	<b>91,499</b>	<b>137,237</b>
Taxation	(17,154)	(22,605)
<b>Profit after tax</b>	<b>74,345</b>	<b>114,632</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>74,345</b>	<b>114,632</b>
<b>Basic earnings per share</b>	<b>0.11</b>	<b>0.16</b>

Director  
Olubunmi Sowande  
FRC/2013/ICAN/00000004580

Chief Financial Officer  
Irene Collins-Oputa  
FRC/2013/ICAN/00000004968

Chief Executive Officer  
Bola Agunbiade  
FRC/2013/ICAN/00000004967

BDO Professional Services, a firm of Chartered Accountants registered in a UK company limited by guarantee, and forms part of the international

Partners: Sanni A. Dosunmu, E. Olaseinde Olabisi, Olugbemiga A. Akibayo, Kamari Salami, Tokunbo L. Oluemi, Henry B. Omodigbo  
BN: 170585

**INDEPENDENT AUDITORS REPORT  
TO THE SHAREHOLDERS OF CFS FINANCIAL SERVICES LIMITED**

**Opinion**

We have audited the financial statements of CFS Financial Services Limited, which comprise, the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended; and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011, the Companies and Allied Matters Act, CAP C20, LFN 2004, all relevant circulars issued by the Central Bank of Nigeria, the Investment and Securities Act, CAP I24 LFN, 2004 and the respective provisions of the Banks and Other Financial Institutions Act, CAP B3, LFN 2004.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board 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 information included in the Chairman's and Directors' statements, but does not include the financial statements and our auditors report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact, we have nothing to report in this regard.

**Responsibilities of Directors for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN 2004, all relevant circulars issued by the Central Bank of Nigeria, Investment and Securities Act, CAP I24 LFN, 2004 and the respective provisions of the Banks and Other Financial Institutions Act, CAP B3, LFN 2004 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 International Standards on Auditing 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.

Compliance with Section 27(2) of the Banks and Other Financial Institutions Act, CAP B3, LFN 2004 and Central Bank of Nigeria circular BSD/I/2004

i) Related party transactions and balances are disclosed in note 31 to the financial statements in compliance with the Central Bank of Nigeria circular BSD/I/2004.

ii) The Company did not pay any penalty during the year for contravention of Central Bank of Nigeria regulations.

**Report on other legal requirements**

The Companies and Allied Matters Act, CAP C20, LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
- in our opinion, proper books of account have been kept by the Company, and
- the Company's statement of financial position, and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

Lagos, Nigeria  
22 March 2019



Olugbemiga A. Akibayo  
FRC/2013/ICAN/00000001076  
For: BDO Professional Services  
Chartered Accountants  
International Limited,  
member firms.