

THIS DOCUMENT IS IMPORTANT AND MUST BE READ CAREFULLY
If you are in any doubt about its content or the action to take, please consult your Stockbroker, Banker, Solicitor, Accountant or any other professional adviser for guidance immediately

“For Information concerning certain risk factors which should be considered by Shareholders, see ‘Risk Factors’ on page 15 - 16 hereof”



CR SERVICES (CREDIT BUREAU) PLC

RIGHTS ISSUE

Of

**32,856,899 Ordinary Shares of ₦1.00 each
at ₦1.05 per share;**

**72,857,143 Ordinary Shares of ₦1.00 each with class A Preference Rights
at ₦1.11 per share;**

and

**352,872,341 Ordinary Shares of ₦1.00 each with class B Preference Rights
at ₦1.09 per share**

On the basis of: Five (5) new Ordinary Shares for every Seven (7) Ordinary Shares of ₦1.00 each; Five (5) new Ordinary Shares with class A Preference Rights for every Seven (7) Class A Preference Shares of ₦1.00 each; and, Five (5) new Ordinary Shares with class B Preference Rights for every Seven (7) Class B Preference Shares of ₦1.00 each held as at September 25, 2017

The Rights being offered in this document are tradable on the NASD-OTC Market for the duration of the rights issue

Payable in full on Acceptance

ACCEPTANCE LIST OPENS
November 1, 2017

ACCEPTANCE LIST CLOSSES
November 15, 2017

ISSUING HOUSE



RC 695082

This Rights Circular and the Securities, which it offers have been cleared and registered by the Securities and Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act No. 29 of 2007 to issue a Rights Circular that contains false and misleading information. Clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties from any liability arising under the Act for false and misleading statements or for any omission of a material fact.

This Rights Circular is dated October 9, 2017

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1. IMPORTANT NOTICE

This Rights circular contains confidential information about CR Services (Credit Bureau) Plc. (the “Company”) in connection with the Rights Issue of 32,856,899 Ordinary Shares of ₦1.00 each at ₦1.05k per share; 72,857,143 Ordinary Shares of ₦1.00 each with Class A Preference Rights at ₦1.11k per share; and, 352,872,341 Ordinary Shares of ₦1.00 each with Class B Preference Rights at ₦1.09k per share in CR Services (Credit Bureau) Plc. for the purpose of giving information to shareholders in respect of the Issue described therein. The Issue shall be further described as the “CR Services Rights”.

This Rights Circular contains confidential information about CR Services (Credit Bureau) Plc. and is intended mainly for the purpose of giving information to the select list of existing shareholders to whom it is addressed. This document is not a prospectus and does not constitute an offer or an invitation to the public to subscribe to the securities presented herein. Subscription to the Shares being offered may only be made by existing shareholders to whom investment letters have been addressed for the purpose of making an investment decision in accordance with the terms and conditions contained therein.

The information contained herein may not be reproduced or used by anyone in any circumstance not authorised or in connection with an offer or solicitation other than the select group of investors to whom Issue Letters are addressed. Each of the shareholders, to whom the Issue Letter is addressed, should make his/her own independent evaluation and determine the amount of investment in the Ordinary Shares he/she would like to make on the basis of such evaluation.

The Directors of the Company individually and collectively accept full responsibility for the accuracy of the information contained therein and have taken all reasonable care to ensure that information contained herein are, to the best of their knowledge and belief, true and accurate in all material respects and that there are no other facts, the omission of which would make statement herein whether of fact or opinion misleading or untrue.

Additional information, may be obtained through Quest Advisory Services Limited’s office at Plot 318, Akin Ogunlewe Street, Victoria Island, Lagos, Nigeria on any Business Day during the Offer period provided the Issuing House possesses such information or can acquire it without unreasonable effort or expense, as necessary.

2. KEY TERMS AND ABBREVIATIONS

The definitions below apply throughout this document except where the context otherwise states:

“Allotment”	The issue of the Ordinary Shares to successful bidders pursuant to the Issue
“Board” or “Directors”	Board of Directors of the Company
“Business Day”	Any day except Saturdays, Sundays and Federal Government declared Public Holidays on which banks are open for business in Nigeria
“CBN”	Central Bank of Nigeria
“CR Services” or “the Company”	CR Services (Credit Bureau) Plc., a public limited liability company, incorporated under the laws of the Federal Republic of Nigeria
“Existing Shareholders”	Shareholders of the Company whose names appear in the register of members as at September 25, 2017
“The Issue” or “The CR Services Rights” or “The Shares”	Rights Issue of 32,856,899 Ordinary Shares of N1.00 each at N1.05k per share; 72,857,143 Ordinary Shares of N1.00 each with Class A Preference Rights at N1.11k per share; and, 352,872,341 Ordinary Shares of N1.00 each with Class B Preference Rights at N1.09k per share
“Issuing House”	Quest Advisory Services Limited
“NASD-OTC Market”	An Over-the-Counter Market licensed by the Securities and Exchange Commission. It provides a platform for trading the Rights and has no legal responsibility in respect of the Rights Issue
“Parties”	Professionals engaged to ensure the success of the Issue, including the directors of the Company and members of the Audit Committee
“Quest”	Quest Advisory Services Limited
“Rights Circular” or “Circular”	This legal document through which the Issue is being made to Existing Shareholders
“Receiving Agent(s)”	Market operator(s) authorised to receive acceptance forms / monies from shareholders
“The Registrar”	First Registrars and Investor Services Limited
“SEC” or “the Commission”	The Securities and Exchange Commission as established and constituted under the Investments and Securities Act No. 29 of 2007

3. CORPORATE DIRECTORY

Head Office/Registered Office:

Plot 319, Akin Ogunlewe Street

Off Ligali Ayorinde Street

Victoria Island, Lagos

Nigeria

Telephone:

+234 (1) 454 8700

+234 (1) 454 8701

Website:

www.crservicesplc.com

Email:

info@crservicesplc.com

Enquiries:

sales@crservicesplc.com

support@crservicesplc.com

investors@crservicesplc.com

disputes@crservicesplc.com

4. ABRIDGED TIMETABLE

Activity	Responsibility	Date
Acceptance List Opens/Trading in Rights begins	Issuing House	Nov. 1, 2017
Acceptance List Closes/Trading in Rights closes	Issuing House	Nov. 15, 2017
Receiving Agents forward returns	Issuing House, Registrar	Nov. 22, 2017
Forward allotment proposal and draft newspaper announcement to the SEC	Issuing House	Nov. 27, 2017
Obtain SEC clearance of Allotment	Issuer, Issuing House	Dec. 11, 2017
Disburse net proceeds of the Issue to CR Services	Issuing House, Receiving Bank	Dec. 13, 2017
Publish Allotment results	Issuing House	Dec. 14, 2017
Return excess/rejected application monies	Issuing House, Registrar	Dec. 14, 2017
Despatch of Share certificates/E-certificates	Registrar	Dec. 15, 2017
Submission of summary report to the SEC	Issuing House	Dec. 22, 2017

5. THE RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the SEC for clearance and registration.

This Rights Circular is being issued in compliance with the provisions of the Investments and Securities Act No. 29 2007, the Rules and Regulations of the Commission and contains particulars in compliance with the requirements of the Commission, for the purpose of giving information to the shareholders with regard to the Rights Issue of 32,856,899 Ordinary Shares of N1.00 each at N1.05k per share; 72,857,143 Ordinary Shares of N1.00 each with class A Preference Rights at N1.11k per share; and, 352,872,341 Ordinary Shares of N1.00 each with class B Preference Rights at N1.09k per share in CR Services (Credit Bureau) Plc., offered pro-rata based on existing shareholding structure of CR Services (Credit Bureau) Plc. as at September 25, 2017 and to be offered by Quest Advisory Services Limited.

The Directors of CR Services individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no material facts, the omission of which make any statement herein misleading or untrue.



RC 695082



On behalf of

CREDIT BUREAU
RC 469746

CR SERVICES (CREDIT BUREAU) PLC

is authorised to receive acceptances for the
RIGHTS ISSUE

of

**32,856,899 Ordinary Shares of N1.00 each
at N1.05 per share;
72,857,143**

**Ordinary Shares of N1.00 each with class A Preference Rights
at N1.11 per share;**

and

352,872,341

**Ordinary Shares of N1.00 each with class B Preference Rights
at N1.09 per share**

On the basis of: Five (5) new Ordinary Shares for every Seven (7) Ordinary Shares of N1.00 each; Five (5) new Ordinary Shares with class A Preference Rights for every Seven (7) Class A Preference Shares of N1.00 each; and, Five (5) new Ordinary Shares with class B Preference Rights for every Seven (7) Class B Preference Shares of N1.00 each held as at September 25, 2017

Payable in full on Acceptance

ACCEPTANCE LIST OPENS November 1, 2017
ACCEPTANCE LIST CLOSES November 15, 2017

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT 31, DECEMBER 2016 (EXTRACTED FROM THE DECEMBER 2016 AUDITED FINANCIAL STATEMENTS)

Authorised:	553,978,722 Ordinary Shares of N1.00 each	N ⁰⁰⁰ 553,980
	102,000,000 Class A Preference Shares of N1.00 each	102,000
	494,021,278 Class B Preference Shares of N1.00 each	<u>494,020</u>
		1,150,000
Issued and fully paid:	45,999,658 Ordinary Shares of N1.00 each	46,000
	102,000,000 Class A Preference Shares of N1.00 each	102,000
	494,021,278 Class B Preference Shares of N1.00 each	<u>494,020</u>
		642,020
Share Premium:		481,031
Accumulated profit/(losses):		<u>(958,454)</u>
SHAREHOLDERS' FUNDS		<u>164,597</u>

6. SUMMARY OF THE ISSUE

This summary is not intended as a substitute to the Rights Circular; It should be read in conjunction with the full text of this Circular, from which it is derived:

Issuer:	CR Services (Credit Bureau) Plc.
Issuing House:	Quest Advisory Services Limited
Instrument:	Ordinary Shares to Ordinary Shareholders; and, Ordinary Shares with Preference Rights to Preference Shareholders
Investors:	The following investors are eligible: <ul style="list-style-type: none">▪ Existing Shareholders in Common Shares▪ Existing Shareholders in Preference Shares
Method of Offer:	Offer by way of Rights to Existing Shareholders
Gross Proceeds:	₦500,002,024.37 (Five Hundred Million, Two Thousand and Twenty Four Naira, Thirty Seven Kobo only)
Total Securities Issued:	32,856,899 units of Ordinary Shares to Ordinary Shareholders; 72,857,143 Ordinary Shares to class A Preference Shareholders; and, 352,872,341 Ordinary Shares to class B Preference Shareholders
Rights Price:	₦1.05 per share for Ordinary Shares; ₦1.11 per share for Ordinary Shares with class A Preference Rights; and, ₦1.09 per share for Ordinary Shares with class B Preference Rights.
Par Value:	₦1.00 per share for all classes of shares
Share Capital:	Authorised: <ul style="list-style-type: none">- ₦553,978,222 comprising 553,978,722 Ordinary Shares of ₦1.00 each- ₦102,000,000 comprising 102,000,000 class A Preference Shares of ₦1.00 each- ₦494,021,278 comprising 494,021,278 class B Preference Shares of ₦1.00 each Issued and Fully Paid: <ul style="list-style-type: none">- ₦45,999,658 comprising 45,999,658 Ordinary Shares of ₦1.00 each- ₦102,000,000 comprising 102,000,000 class A Preference Shares of ₦1.00 each- ₦494,021,278 comprising 494,021,278 class B Preference Shares of ₦1.00 each Now being Issued to Shareholders: <ul style="list-style-type: none">- 32,856,899 Ordinary Shares of N1.00 each; 72,857,143 Ordinary Shares of N1.00 each with class A Preference Rights; and, 352,872,341 Ordinary Shares of N1.00 each with class B Preference Rights by way of Rights Issue On the basis of: Five (5) new Ordinary Shares for every Seven (7) Ordinary Shares of N1.00 each; Five (5) new Ordinary Shares with class A Preference Rights for every Seven (7) Class A Preference Shares of N1.00 each; Five (5) new Ordinary Shares with class B Preference Rights for every Seven (7) Class B Preference Shares of N1.00 each held as at September 25, 2017
Purpose of the Issue:	To enable CR Services meet the capital requirements of the CBN to enable it continue to operate as a Credit Bureau with a National License
Use of Proceeds:	The net proceeds of ₦484,592,003.22 after deducting the cost of the issue estimated at ₦15,410,021.15 which represents 3.08% of the gross Issue proceeds will be used solely as additional equity capital for the business to enable CR Services meet the capital requirements of the CBN:

6. SUMMARY OF THE ISSUE

Activities	₦	%
Net Issue proceeds	484,592,003.22	96.92
Cost of Issue	15,410,021.15	3.08
Total	500,002,024.37	100.00

Provisional Allotment: Offered pro-rata based on the existing shareholding structure of the Company as at September 25, 2017

Specified Currency: Naira (“₦”)

Payment Terms: In Full on Application

Capitalization at Rights Price (Pre-Issue) ₦700,001,440.90

Capitalization at Rights Price (Post-Issue) ₦1,200,003,465.27

Opening Date: November 1, 2017

Closing Date: November 15, 2017

Provisional Allotment and Application for Additional Shares: Offered pro-rata based on existing shareholding structure of the Company as at September 25, 2017. Shares which are not taken up by November 15, 2017 will be allotted on a pro-rata basis to Existing Shareholders who applied and paid for additional shares over and above their Provisional Allotment.

Dispatch of Share Certificates: Share certificates will be dispatched by registered post within 15 working days from the date of allotment.

Claims and Litigations: As at the date of this Rights Circular, the Issuer is currently involved in three (3) pending suits instituted against the Company. A review of these cases was conducted with a view to confirming their status and ascertaining the “Contingent Liability” of the Company. The total amount involved is to the tune of ₦14,999,000 (Fourteen Million, Nine Hundred and Ninety Nine Thousand Naira).

Indebtedness: As at September 25, 2017 the Company had amounts due to directors comprising salary arrears owed to the former Managing Director of the Company to the total sum of ₦46,666,666.67 plus interest at the rate of 10% per annum from profits declared by the Company first from its operations, commencing from the time that the Company first declares profits considered sufficient by the directors to fund such payment. Apart from the foregoing, the Company has no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business.

6. SUMMARY OF THE ISSUE

Qualification date September 25, 2017

Financial Summary:

	31-Dec	31-Dec	31-May	31-May	31-May	31-May
	2016	2015	2015	2014	2013	2012
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	381,817	240,369	408,232	330,539	308,378	261,722
Profit Before Tax	3,892	43,002	80,588	2,540	(9,388)	(39,122)
Profit After Tax	(6,825)	38,965	80,588	2,540	(9,388)	66,878
Share Capital	642,020	642,020	642,020	642,020	642,020	566,118
Net Assets	164,597	171,422	132,457	51,869	49,329	58,717

7. DIRECTORS, OTHER PARTIES TO THE ISSUE AND AUDIT COMMITTEE MEMBERS

Issuer

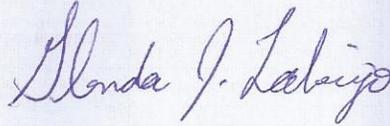
CR Services (Credit Bureau) Plc.
Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos

Board of Directors

Captain Adeyemi Francis Dare
Chairman
Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos



Mrs. Glenda Labinjo
Ag. Managing Director/CEO
Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos



Mrs. Jameelah Ayedun
Non-Executive Director
Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos



by **Mr. Ralph Talabi**
Non-Executive Director
Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos



Mrs. Fatumata Coker
Non-Executive Director
Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos



Audit Committee Members

Mrs. Jameelah Ayedun
Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos



by **Mr. Ralph Talabi**
Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos



Company Secretary

Aster Law Partners
Company Secretary
252, Herbert Macaulay Way,
Yaba, Lagos



KALU ABOSI

7. DIRECTORS, OTHER PARTIES TO THE ISSUE AND AUDIT COMMITTEE MEMBERS

Issuing House

Quest Advisory Services Limited
Plot 318, Akin Ogunlewe Street
Victoria Island, Lagos

Bayo Rotimi
BAYO ROTIMI

Solicitors to the Issue

Vatad Solicitors
2A Osborne Road
Ikoyi, Lagos

Fo Casimide Ali Jaala
FO CASIMIDE ALI JAALA

Auditor

KPMG Professional Services
KPMG Tower, Bishop Aboyade Cole Street
Victoria Island, Lagos

Oluwafemi Awoyeye
OLUWAFEMI AWOYEYE

Registrar

First Registrars and Investor Services Limited
Plot 2, Abebe Village Road
Iganmu, Lagos

Yayin O-Lamin
YAYIN O-LAMIN

Receiving Bank

Diamond Bank Plc.
PGD's Place, Plot 4, Block 5, BIS Way
Off Lekki-Epe Expressway
Lekki, Lagos

Chigo Ndubisi
CHIGO NDUBISI

8. CHAIRMAN'S LETTER

The following is the text of the letter received by Quest Advisory Services Limited from Captain Adeyemi Francis Dare – Chairman, Board of Directors of CR Services (Credit Bureau) Plc.



Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos
Nigeria

Website: www.crservicesplc.com

October 9, 2017

To: All Shareholders,

Dear Sir/Madam,

Rights Issue of 32,856,899 Ordinary Shares of N1.00 each at N1.05k per share; 72,857,143 Ordinary Shares of N1.00 each with class A Preference Rights at N1.11k per share; and, 352,872,341 Ordinary Shares of N1.00 each with class B Preference Rights at N1.09k per share in CR Services (Credit Bureau) Plc.

1.1. Introduction

You will recall that at the last Extra-ordinary General Meeting of the Company held on August 10, 2017, the Shareholders of the Company created and authorized the Directors, amongst other things, to raise, subject to regulatory approval, additional capital of up to ₦500,000,000 by way of a Rights Issue.

It is my pleasure to inform you that, in line with the above-mentioned resolution, the Board of Directors, at its meeting on August 10, 2017, has decided to offer by way of a Rights Issue, 32,856,899 Ordinary Shares of N1.00 each at N1.05k per share; 72,857,143 Ordinary Shares of N1.00 each with **class A** Preference Rights at N1.11k per share; and, 352,872,341 Ordinary Shares of N1.00 each with **class B** Preference Rights at N1.09k per share to existing ordinary and preference shareholders, offered pro-rata based on existing shareholding structure of the CR Services (Credit Bureau) Plc. as at September 25, 2017. Requisite approvals have been received from the Securities & Exchange Commission for the registration of the Shares now being offered.

1.2. Our Services and Products

CR Services provides a comprehensive and growing suite of products and services to enable creditors to manage risks and increase their revenue from the provision of credit related services.

Highlighted below are the services offered by our Company:

I. Credit Reports

Our credit reports enable creditors, employers, landlords, insurers, etc. to make opportunities available to consumers and small businesses. These include:

- **Abridged Reports:** Credit scores and aggregated credit data of the borrower

8. CHAIRMAN'S LETTER

- **Comprehensive Credit Reports:** These reports provide credit scores and detailed borrower credit history, including collateral information, co-borrowers, affiliated businesses, etc.
- **Business Reports:** Our Business Reports include detailed business information, credit obligations, pro-forma financial statement, and credit information on principal officers

II. Marketing Lists

The Company's marketing lists are used to help businesses identify consumers likely to be interested in their products. Detailed benefits include:

- Improved Customer Relationship Management (CRM)
- More effective reach and marketing
- Improved customer service and support
- Enhanced customer loyalty
- Greater efficiency and cost reductions
- Improved communication and networking through better access to quality information.

III. Identity Search and Verification

Our identity search and verification exercises enable service providers to identify and know the true identity of potential customers in order to protect themselves and customers from identity theft fraud. Employers can also verify information on employee applications to protect the organisation's reputation and internal controls especially in public and customer sensitive positions.

IV. Portfolio Monitoring

With portfolio monitoring, the Company receives the latest credit information on the performance of existing customers with regards to maintaining financial obligations at any institution in line with the Central Bank of Nigeria's exposure management requirements.

V. Portfolio and Data Scrubbing

Help to eliminate duplication of accounts carried in the records of our customers, with the Company working match and consolidate multiple customer/household accounts and relationships. This potentially aids in operational and systems efficiency, along with much more precise exposure control, helping our customers to potentially reduce losses.

VI. Other Services offered

- **Status Alert:** Enables proactive monitoring of borrowers' risk status
- **Property Collateral Search:** Enables creditors to identify properties that have already been used to secure existing loans

1.3. Our Operating Environment

Following the various reforms and recapitalization programmes, banks in Nigeria have been seeking alternative means of generating higher returns to shareholders. However, the high rates of default and loan losses have made the banks to remain cautious and as such they have favoured lending to corporate clients who either have publicly available information or whose information the banks can easily collate. The focus on corporate clients has historically alienated the retail banking segment, which is perceived to have high default risk, but which also can potentially have high returns.

8. CHAIRMAN'S LETTER

The focus on corporate clients led to a high concentration of private sector loans and consequently, a low banking inclusion for retail clients of about 20% based on a recent estimate. This leaves room for growth, especially considering that retail and consumer credit account for about 67% of the gross domestic product in developed countries like the United States of America. The low retail segment inclusion have however, been blamed on lack of credit information on the potential clients, absence of a unique identifier, poor quality of data and low compliance levels by financial institutions.

Banks used to rely on the Credit Risk Management System (CRMS) operated by CBN. This system had about 35,000 records in its database and contained mostly negative records on consumers. However, with the establishment of private credit bureaux, licensed by the CBN, the sector has witnessed significant improvement. As at May, 2014, the CBN reported that 26 million people out of a population of 170 million had been covered. This is from 78,189 in December 2010 and 18 million in June 2012.

The sector is however poised to witness significant growth in the future. Some of the factors expected to drive this growth include the recent directives by the CBN for deposit money banks (DMBs) to mandatorily use Credit Bureaux as well as the strategic agenda announced by many banks to pursue growth in the retail segment.

1.4. Purpose of the Issue

The sole purpose of this Rights Issue is to enable CR Services meet the minimum capital requirement of ₦500 million as set by the Central Bank of Nigeria to enable the Company continue its operations as a licensed Credit Bureau in Nigeria. The proceeds of the Issue would be used solely as additional equity capital for the business to enable CR Services meets the capital requirement of the CBN.

1.5. Resolutions

I. Shareholders Resolution

At the Extra-ordinary General Meeting of our Company held on August 10, 2017, you authorized the Directors to raise additional capital up to ₦500,000,000 way of a public offer, rights issue or a combination of both or other methods through the issuance of ordinary shares, preference shares or any other instruments, or any combination thereof in any ratio, in one or more tranches on such terms and conditions as may be approved by the Directors, subject to obtaining all regulatory approvals.

II. Board Resolution

During the Board meeting held on August 10, 2017, our Board of Directors decided to raise the required capital via a Rights Issue of 32,856,899 Ordinary Shares of N1.00 each at N1.05k per share; 72,857,143 Ordinary Shares of N1.00 each with class A Preference Rights at N1.11k per share; and, 352,872,341 Ordinary Shares of N1.00 each with class B Preference Rights at N1.09k per share to existing ordinary and preference shareholders.

1.6. Risk Factors

CR Services is exposed to risks which may affect its operating results, financial position and operational environment, including and without limitation to the following:

I. Going Concern Risk:

The minimum capital base of ₦500 million for Credit Bureaux pose a risk to industry operators not being able to meet the required minimum capital within the deadline stipulated by the CBN.

8. CHAIRMAN'S LETTER

II. Business Strategy Risk:

Business strategy risk is the risk of not developing, executing, or monitoring the business activities in order to achieve the Company's mission and objectives.

III. Economic Risk:

Given the country's high dependence on oil revenues, the recent decline in oil prices and sustained reduction in production resulted in Nigeria's economy falling into recession. Whilst the Nigeria officially exited recession as at Q2 2017, analysts expect relatively modest growth in GDP in the next few years. In addition, the operating environment is very tough for companies due to the poor state of required infrastructure.

IV. Currency Risk:

Some of the Company's liabilities are denominated in foreign currencies. Any fluctuation in the value of the Naira, such as the recent devaluation by the CBN, can make the liabilities more expensive than currently projected, thus negatively impacting the Company's ability to service those obligations. This might also adversely impact the Company's projected profits.

V. Credit Risk:

Credit risk refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposure / sales to customers.

VI. Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial asset.

VII. Legal, regulatory, and policy compliance risk:

This is the risk of loss from illegal or inappropriate business practices or activities by the Company or its employees.

VIII. Operational Risk:

This is the risk of either direct or indirect loss resulting from inadequate or failed internal operational processes.

IX. Technology Risk:

CR Services (Credit Bureau) Plc. relies significantly on management information systems and communication technology in its normal business activities. It is therefore exposed to the potential for material risk of direct or indirect loss resulting from inadequate or failed information technology.

X. Fiduciary Risk

Fiduciary risk is the risk that fiduciary responsibilities are not fully respected or executed by CR Services on behalf of its member institutions. This relates to ensuring that CR Services takes all reasonable measure to ensure credit information data is not leaked to unauthorised parties.

8. CHAIRMAN'S LETTER

Conclusion:

The Board of Directors and Management of the Company believe that the Company has exciting opportunities and that, in the absence of unforeseen circumstances, the Company will continue to achieve significant success in the future. I therefore encourage you to take up your Rights in full to ensure that you benefit from the future successes of the Company.

Thank You.

Yours faithfully



Captain Adeyemi Francis Dare
Chairman

9. HISTORICAL FINANCIAL INFORMATION

LETTER OF GOING CONCERN FROM THE REPORTING ACCOUNTANTS



KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
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14 August 2017

The Directors
CR Services (Credit Bureau) Plc
Plot 319 Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island
Lagos

and

The Managing Director,
Quest Advisory Services Limited
318, Akin Ogunlewe Street,
Victoria Island,
Lagos

Dear Sir,

CR SERVICES (CREDIT BUREAU) PLC – CONFIRMATION OF GOING CONCERN STATUS

We have audited the Financial Statements of CR Services (Credit Bureau) Plc (“The Company”) for the year ended 31 December 2016 which were prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act 2011, and relevant Central Bank of Nigeria Guidelines and Circulars.

Based on our audit of the financial statements of the Company for the year ended 31 December 2016 on which we expressed our opinion dated 21 April 2017 and the representation received from the Directors of CR Services (Credit Bureau) Plc thereon nothing has come to our notice that makes us believe that the Company will not continue its operation as a going concern.

Yours faithfully,

Oluwafemi Awotoye
Partner, Audit Services
FRC/2013/CAN/00000001182



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Partners

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Adekunle K. Ajayi	Ajisola O. Olanrewaju	Ayodele A. Sowunmi	Ayodele H. Oluwalana
Ayobami L. Salami	Chibuzor N. Anyanwa	Goodluck C. Odo	Ibitomi M. Adesope
Joseph O. Tejiba	Kabi O. Okunola	Mohammed M. Adama	Oluwaseun R. Okunlaju
Chadimeji I. Salaudeen	Olanke I. James	Osunde O. Oluyinka	Oluwaseun A. Sowande
Oluwafemi O. Awotoye	Oluwatoyin A. Gbogi	Oguntoyin I. Ogunberin	Victor U. Unyimeke

Associate Partners

Emeka C. Eluma
Temitope A. Olatun

9. HISTORICAL FINANCIAL INFORMATION

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following are a summary of the significant accounting policies applied by the Company in the preparation of the financial statements:

1. Reporting entity

CR Services (Credit Bureau) Plc. is a company domiciled in Nigeria. The address of the Company's registered office is 319, Akin Ogunlewe Street, off Ligali Ayorinde, Victoria Island, Lagos. The Company is primarily involved in the provision of private credit bureau services to lending financial and non-financial institutions in Nigeria.

2. Summary of significant accounting policies

2.1 Basis of preparation

(b) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) in the manner required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

(c) Functional and presentation currency

These financial statements are presented in Naira, which is the Company's functional and presentation currency. All financial information presented in Naira has been rounded to the nearest thousands, except where otherwise indicated.

(d) Basis of measurement

These financial statements have been prepared on historical cost basis.

(e) Use of estimates and judgements

The preparation of the financial statements, in conformity with IFRSs, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 4 to the 2015 audited financial statements.

9. HISTORICAL FINANCIAL INFORMATION

2.2 Accounting policies

2.2.1 New and amended standards effective from period beginning after 1 January 2014 which do not impact on the Company

A number of standards, interpretation and amendments thereto, had been issued by the IASB which are effective but do not impact on these financial statements. Improvements to IFRSs by the IASB as part of the “annual improvements process” resulted in the following amendments to standards issued. These are summarised in the table below.

Those applicable to the entity:

IFRS	Effective Date	Subject of amendment
Amendments to IAS 36, ‘Impairment of Assets’	1 January 2014	This amendment removes the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite-lived intangible assets but there has been no impairment; it requires disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognised or reversed; and it requires detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed.
Amendment to IAS 39 ‘Financial Instruments: Recognition and Measurement	1 January 2014	The IASB has amended IAS 39 to provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. Similar relief will be included in IFRS 9 Financial Instruments.
IFRIC 21 Levies	1 January 2014	IFRIC 21 provides guidance on when to recognise liabilities for levies imposed by the Government including government agencies and similar bodies in accordance with rules and regulations. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. It also clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached.

9. HISTORICAL FINANCIAL INFORMATION

Those not applicable to the entity:

IFRS	Effective Date	Subject of amendment
Amendment to IFRS 10, 'Consolidated Financial Statements'		Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), issued in October 2012, introduced an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments instead of consolidating those subsidiaries in its consolidated and separate financial statements. In addition, the amendments introduce new disclosure requirements related to investment securities in IFRS 12 Disclosure of Interests in other Entities and IAS 27 Separate Financial Statements.
Amendment to IFRS 12 'Disclosure of Interests in Other Entities'	1 January 2014	
Amendment to IAS 27 'Separate Financial Statements'		

2.2.2 New and amended standards that are not yet effective

A number of new standards, amendment to standards and interpretation are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements.

The Company does not plan to adopt these standards early. Those which may be relevant to the Company are set out below. However, the Company is still evaluating the potential effect of the new standards.

- (i) Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 & IAS 38)

The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The Company currently does not have intangible assets and plants that are amortised or depreciated using a revenue-based method. Thus, this amendment will not have any impact on the Company when it becomes effective. The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

- (ii) IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. This new standard will not have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Company is currently in the process of performing a more detailed assessment of the impact of this standard on the Company.

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The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted under IFRS.

(iii) IFRS 9 Financial Instruments

On 24 July 2014 the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Company.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted. The Company will adopt the amendments for the year ending 31 December 2018.

2.3 Significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, operating accounts with commercial banks, and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(b) Financial instruments

(i) Classification

The classification of financial assets depends on the purpose for which the investments were acquired or originated. The Company's trade receivables are classified as financial assets - loans and receivables.

The Company's liabilities are classified as other financial liabilities. They include: trade and other payables, creditors and accruals.

(ii) Recognition

Financial instruments are initially recognised at fair value and on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial instruments are derecognised when the rights to receive cash flows from the financial instruments have expired or where the Company has transferred substantially all risks and rewards of ownership.

(iii) Subsequent measurement

(a) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost. Loans and receivables comprise trade and other receivables.

9. HISTORICAL FINANCIAL INFORMATION

(b) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company may enter into transactions whereby it transfers assets recognised on its balance sheet, but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the balance sheet. In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Any interest in transferred financial assets that is created or retained by the Company is recognised as an interest income or interest expense.

(iv) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(v) Fair value measurement

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models and option pricing valuation techniques whose variables include only data from observable markets.

Subsequent to initial recognition, the fair values of financial instruments are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. If the market for a financial asset is not active or the instrument is unlisted, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and valuation techniques commonly used by market participants.

Where discounted cash flow analyses are used, estimated cash flows are based on management's best estimates and the discount rate is a market-related rate at the balance sheet date from a financial asset with similar terms and conditions.

Where pricing models are used, inputs are based on observable market indicators at the balance sheet date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in a setting price.

(c) Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial

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recognition of the assets (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The following factors are considered in assessing objective evidence of impairment:

- Evidence of default of contractual payment terms;
- Receivable is past due by 180 days; or
- There is an observable data indicating that there is a measurable decrease in the estimated future cash flows of a financial asset, although the decrease cannot yet be identified with specific individual financial assets.

If there is objective evidence that an impairment loss on an account receivable has been incurred, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss.

The amount of the loss is the difference between the receivable carrying amount and the present value of the estimated cash flows expected to be received.

(d) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale.

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The estimated useful lives for the current year are as follows:

Asset category	Useful life
Motor vehicles	4 years
Office equipment	5 years
Computer equipment	3 years
Furniture and fittings	5 years
Leasehold improvements	5 years

Capital work in progress is not depreciated. Upon completion, it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(iv) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognised.

(e) Intangible assets

(i) Software

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The estimated useful life of core software and technical license are five and ten years respectively.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognised.

(f) Impairment of non-financial assets

An impairment loss is recognised for non-financial assets when the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest

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levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Intangible assets not yet available for use are tested for impairment annually. All other assets are assessed for indicators of impairment at the end of each reporting period.

(g) Inventory

Inventory is stated at the lower of cost and estimated net realisable value. Cost is based on standard costing that comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventory to its present location and condition. Cost of raw materials, work in progress and finished goods are stated at standard cost while that of engineering spares and other item of inventories is calculated using the weighted average method. Standard cost is reviewed periodically to ensure they consistently approximate historical cost. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(h) Share capital

The Company classifies Ordinary Shares and share premium as equity when there is no obligation to transfer cash or other assets.

Incremental costs directly attributable to issue of shares are recognised as deductions from equity net of any tax effects.

(i) Earnings per share

The Company presents basic earnings per share for its Ordinary Shares. Basic earnings per share are calculated by dividing the profit after taxation, attributable to ordinary shareholders of the Company by the number of shares outstanding during the year.

Diluted earnings per share is computed on the profit attributable to ordinary shareholders and weighted average number of Ordinary Shares outstanding after adjustment for the effects of all dilutive potential Ordinary Shares

(j) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

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(iii) Post-employment benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available.

Nigerian companies are, by law, obliged to contribute towards a defined contribution scheme. Pension contributions are expenses charged to the income statement in the year they are incurred.

Any amounts paid by an entity to acquire its own equity instruments are debited directly to equity. This applies whether the equity instruments are cancelled immediately, or held for resale (that is, treasury shares). Amounts received on the sale of treasury shares are credited directly to equity. No gains or losses are recognised in profit or loss on any purchase, sale, issue or cancellation of own equity instruments, or in respect of any changes in the value of treasury shares.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and value added taxes. The revenue of the Company comprises membership fees, sales income received on services supplied by the Company to third parties in the normal course of business. Subscription fees are paid once upon subscribing to the Bureau and they are recognised in the period they are earned. Commission is recognised at the time the service is rendered.

Interest income comprises interest income on placements with financial institutions. Interest income is recognised using the effective interest rate method.

(m) Expenditure

All expenses are accounted for on an accrual basis.

(n) Income tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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(i) *Current Tax*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect

of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) *Deferred Tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

The principal temporary differences arise from depreciation on property and equipment and tax losses carried forward.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(iii) *Value added tax*

Revenue, expenses and assets are recognised net of the amount of value added tax except where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of value added tax included.

The amount of value added tax recoverable from, or payable to, the taxation authority is included as part of the receivables and payables in the statement of financial position.

(o) *Statement of cash flows*

The statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in impairment allowances, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

3. Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management discusses with the Audit Committee the development, selection and disclosure of the critical accounting policies and their application, and assumptions made relating to major estimation uncertainties. Information about assumptions and estimation uncertainties that have a significant risk of

resulting in a material adjustment within the next financial year and about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is disclosed below.

Key sources of estimation uncertainty

(a) *Allowances for credit losses*

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy 2.2 (c).

The specific counterparty component of the total allowances for impairment applies to trade and other debtors evaluated individually for impairment and are based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Financial Control function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of trade and other receivables with similar economic characteristics when there is objective evidence to suggest that they contain impaired loans and receivables, but the individual impaired items cannot yet be identified. In assessing the need for collective loans and receivables loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances are estimated.

(b) *Determining fair values*

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 2.3 (b)(v). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgements in applying the Company's accounting policies

Critical accounting judgements made in applying the Company's accounting policies include:

(i) *Financial assets and liabilities classification*

The Company's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances.

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(ii) Depreciation, carrying value of property and equipment and residual values

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

(iii) Determination of impairment of property and equipment, and intangible assets, excluding goodwill.

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Company applies the impairment assessment to its separate cash generating units. This requires management to make judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

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STATEMENT OF COMPREHENSIVE INCOME

<i>in thousands of Naira</i>	Note	31-Dec-16 12 months	31-Dec-15 7 months	31-May-15 12 months	31-May-14 12 months	31-May-13 12 months	31-May-12 12 months
Revenue	2	336,391	238,314	404,823	330,168	294,212	256,176
Other Income	3	45,426	2,055	3,409	371	14,166	5,546
Revenue		381,817	240,369	408,232	330,539	308,378	261,722
Net Impairment (loss)/writeback on financial assets		6,887	-	2,124	6,984	1,312	(13,031)
Operating Expenses	4	(76,456)	(77,038)	(124,796)	(105,006)	(108,513)	(108,673)
Personnel Expenses	5	(66,798)	(38,425)	(69,519)	(98,787)	(84,241)	(77,133)
Amortisation		(88)	(182)	(313)	(7,687)	(313)	(313)
Depreciation		(6,097)	(3,403)	(4,966)	(17,193)	(12,346)	(14,316)
Administrative Expenses*	6	(235,644)	(79,195)	(130,649)	(108,701)	(118,051)	(87,769)
Total Expenses		(378,196)	(198,243)	(328,119)	(330,390)	(322,153)	(301,235)
Interest Income	3b	271	876	475	2,391	4,387	391
Profit/(Loss) before income tax		3,892	43,002	80,588	2,540	(9,388)	(39,122)
Income Tax	7	(10,717)	(4,037)	-	-	-	106,000
Profit/(Loss) for the period		(6,825)	38,965	80,588	2,540	(9,388)	66,878
Other comprehensive income for the period, net of tax		-	-	-	-	-	-
Total comprehensive Profit/(Loss) income for the period		(6,825)	38,965	80,588	2,540	(9,388)	66,878
Profit/(Loss) attributable to:							
Owners of the company		(6,825)	38,965	80,588	2,540	(9,388)	66,878
Profit/(Loss) for the period		(6,825)	38,965	80,588	2,540	(9,388)	66,878
Total Comprehensive profit/(Loss) income attributable to:							
Owners of the company		(6,825)	38,965	80,588	2,540	(9,388)	66,878
Total comprehensive Profit/(Loss) income for the period		(6,825)	38,965	80,588	2,540	(9,388)	66,878

9. HISTORICAL FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION

	Note	31-Dec-16 12 months	31-Dec-15 7 months	31-May-15 12 months	31-May-14 12 months	31-May-13 12 months	31-May-12 12 months
<i>In thousands of Naira</i>							
Assets							
Cash and Cash Equivalents	8	16,216	64,231	91,646	31,241	89,403	84,426
Debtors and Prepayments	10	145,880	149,562	131,273	129,978	121,396	92,002
Net Current Tax Asset	16	67,587	46,189	33,456	-	-	-
Deferred Tax Assets	12	92,626	102,389	106,000	106,000	106,000	106,000
Inventory	9	-	-	4,088	4,426	3,373	5,624
Intangible Assets	11	-	88	270	583	17,776	34,964
Property and Equipment	13	10,426	12,528	11,594	11,964	9,378	14,406
Total Assets		332,735	374,987	378,327	284,192	347,326	337,422
Liabilities							
Accruals and other payables	14	168,138	203,565	245,870	232,323	297,997	278,705
Total Liabilities		168,138	203,565	245,870	232,323	297,997	278,705
Equity							
Share Capital	18(a)	642,020	642,020	642,020	642,020	642,020	566,118
Share Premium	18(b)	481,031	481,031	481,031	481,031	481,031	418,033
Convertible Debt Instrument		-	-	-	-	-	138,900
Accumulated Losses	18(c)	(958,454)	(951,629)	(990,594)	(1,071,182)	(1,073,722)	(1,064,334)
Total Equity		164,597	171,422	132,457	51,869	49,329	58,717
Total Liabilities and Equity		332,735	374,987	378,327	284,192	347,326	337,422

9. HISTORICAL FINANCIAL INFORMATION

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Accumulated Losses	Total Equity
<i>In thousands of Naira</i>				
Balance at 1 January 2016	642,020	481,031	(951,629)	171,422
Loss for the year	-	-	(6,825)	(6,825)
Other Comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss) for the year	-	-	(6,825)	(6,825)
Transactions with equity holders, recorded directly in equity:	-	-	-	-
Balance at 31 December 2016	642,020	481,031	(958,454)	164,597
<i>In thousands of Naira</i>				
Balance at 1 June 2015	642,020	481,031	(990,594)	132,457
Profit for the period	-	-	38,965	38,965
Other Comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	38,965	38,965
Transactions with equity holders, recorded directly in equity:	-	-	-	-
Balance as at 31 December 2015	642,020	481,031	(951,629)	171,422

9. HISTORICAL FINANCIAL INFORMATION

STATEMENT OF CASH FLOWS

		31-Dec-16	31-Dec-15	31-May-15	31-May-14	31-May-13	31-May-12
		12 months	7 months	12 months	12 months	12 months	12 months
Cash flows from Operating Activities							
Profit for the period		(6,825)	38,965	80,588	2,540	(9,388)	66,878
Taxation	7	10,717	4,037	-	-	-	(106,000)
Profit Before Tax		3,892	43,002	80,588	2,540	(9,388)	(39,122)
Adjustment for:							
>Interest Income	3(b)	(271)	(876)	(475)	(2,391)	-	-
>Depreciation of property and Equipment	13	6,097	3,403	4,966	7,687	12,346	14,316
>Amortisation of Intangible Assets	11	88	182	313	17,193	17,188	17,188
>Impairment writeback on financial assets	10	(6,887)	-	(2,124)	(6,984)	-	-
>Write down of inventory	9	-	4,088	338	(1,053)	2,251	(2,318)
Profit/(loss) on sale of property and Equipment		-	-	-	-	(2,448)	(65)
Provision for doubtful receivables		-	-	-	-	-	13,031
Inventory written off		-	-	-	-	-	288
		2,919	49,799	83,606	16,992	19,949	3,318
Changes in :							
Debtors and Prepayments	10	10,569	(18,289)	(12,525)	(1,552)	(29,394)	(51,144)
Net Current Tax Assets	16	(22,352)	(13,159)	(25,149)	-	-	-
Accruals and Other payables	14	(35,427)	(42,305)	15,198	(65,674)	19,292	61,349
		(44,291)	(23,954)	61,130	(50,234)	9,847	13,523
Interest Received	3b	271	876	475	2,344	-	-
Income Tax Paid		-	-	-	-	-	(424)
Net Cash (used in)/from operating activities		(44,020)	(23,078)	61,605	(47,890)	9,847	13,099
Cash flows from investing activities							
Acquisition of property and equipment	13	(3,995)	(4,337)	(1,200)	(10,272)	(7,735)	(1,387)
Acquisition of intangible assets	11	-	-	-	-	-	(1,023)
Proceeds from the sale of property and equipment		-	-	-	-	2,865	65
Net cash used in investing activities		(3,995)	(4,337)	(1,200)	(10,272)	(4,870)	(2,345)
Net increase in cash and cash equivalents							
Cash and Cash equivalent at beginning of year/period		64,231	91,646	31,241	89,403	84,426	73,672
Net (Decrease)/Increase in cash and cash equivalents		(48,015)	(27,415)	60,405	(58,162)	4,977	10,754
Cash and Cash equivalent at end of the year/period		16,216	64,231	91,646	31,241	89,403	84,426

9. HISTORICAL FINANCIAL INFORMATION

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The Company was incorporated on January 3, 2003 as CR Services Plc. with a change in name to CR Services (Credit Bureau) Plc. on July 16 2009. The Company applied for a credit bureau license in 2008, obtained an Approval in Principle in 2009 and a final operating license in 2010. The principal activity of the Company is the provision of modern private bureau services utilising technology for biometric identification. Such services include credit reports, marketing lists, identity search, identity verification, portfolio monitoring, data and portfolio scrubbing.

The Company's authorised share capital as at year end 31 December 2016 consisted of 553,978,722 Ordinary Shares; 102,000,000 class A Preference Shares and 494,021,278 class B Preference Shares held by a total of 152 shareholders. Approximately 8.3% of the authorized share capital have been issued and fully paid.

2. Revenue

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
<i>In thousands of Naira</i>				
Income from profile searches and credit reports	236,897	155,667	253,593	186,181
Income from portfolio monitoring report	129,331	87,557	165,810	138,494
Income from other special reports	8,278	11,189	22,260	4,369
Subscription income	1,125	650	730	959
Income from sale of smart card readers and webcams	-	-	-	165
Income from technical support/maintenance	-	-	-	-
Less: Sales discount	(39,240)	(16,749)	(37,570)	-
	336,391	238,314	404,823	330,168

3 (a) Other Income

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
<i>In thousands of Naira</i>				
Rental income	54	2,055	3,276	1,638
Miscellaneous income	45,372	-	-	-
Profit on sale of property and equipment	-	-	-	-
Exchange gain/(loss)	-	-	133	(1,267)
	45,426	2,055	3,409	371

9. HISTORICAL FINANCIAL INFORMATION

3 (b) Interest Income

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
<i>In thousands of Naira</i>				
Interest income from fixed deposits	271	876	475	2,391

4. Operating Expenses

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
<i>In thousands of Naira</i>				
Technical management fee (see note 16 for details)	44,932	52,957	85,923	76,436
Royalty fee (see note 16 for details)	10,306	9,592	17,288	9,905
Hosting fees	21,218	14,489	21,585	18,665
	76,456	77,038	124,796	105,006

5. Personnel expenses

a (i)

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
<i>In thousands of Naira</i>				
Wages and salaries	62,380	36,079	108,469	94,975
Pension cost	4,418	2,346	7,203	3,812
	66,798	38,425	115,672	98,787

a (ii) The average number of employees employed by the company during the year was as follows:

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Management staff	3	5	4	3
Non-management staff	15	14	18	29
	18	19	22	32

9. HISTORICAL FINANCIAL INFORMATION

- a (iii) Employees, other than directors, earning more than ₦1,000,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following ranges:

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Below ₦1,000,000	7	6	7	11
₦1,000,001- ₦2,000,000	4	4	5	9
₦2,000,001- ₦3,000,000	3	3	3	5
₦3,000,001 and above	4	6	7	7
	18	19	22	32

(b) Directors remuneration

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Short-term benefits	41,435	20,708	35,500	12,000
Post-employment benefit (pension cost)	2,077	1,864	3,195	863
Termination benefits	-	-	7,458	2,600
Fees and sitting allowances	9,438	6,325	10,297	-
	52,950	28,897	56,450	15,463

6. Administrative Expenses

In thousands of Naira

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Office and general expenses	18,926	4,453	15,431	13,512
Other Administrative expenses		-	-	14,571
Consultation expenses	6,653	2,693	1,697	-
Rent and lease	14,700	7,475	10,350	12,561
Professional fees	17,107	2,609	8,500	21,728
Audit fees	6,800	3,680	6,000	6,000
Other operating expenses		-	-	19,804
Entertainment and gift	1,433	1,438	1,228	-
Director's expenses	52,950	28,897	56,450	-
Repairs and maintenance	5,510	4,092	4,614	11,388
Bank charges	2,533	1,580	2,209	2,768
Travelling and accommodation	2,864	-	-	2,193
Inventory written off	0	4,088	337	293
Legal fees	4,009	210	750	529
Advertisement and publicity	4,024	1,690	55	794
Purchase of smart card	-	-	-	113

9. HISTORICAL FINANCIAL INFORMATION

Office expenses	9,316	5,251	10,156	-
Penalty and interest fee	25,556	426	9,101	
License fee	8,480	5,603	3,771	-
Foreign exchange loss	54,783	5,010	-	-
WHT expenses	-	-	-	2,447
	235,644	79,195	130,649	108,701

7. Taxes

Tax Expense <i>In thousands of Naira</i>	31-Dec 2016	31-Dec 2015	31-May 2015	31-May 2014
	12 months	7 months	12 months	12 months
NITDA Levy	39	426	-	-
Tertiary education tax	915			
Deferred tax charge	9,763	3,611	-	-
Total tax expense	10,717	4,037	-	-

Reconciliation of effective tax rate

In thousands of Naira

	31-Dec 2016 12 months	31-Dec 2015 12 months	31-May 2015 12 months	31-Dec 2014 12 months
Profit before income tax	3,892	43,002	-	-
NITDA tax	(39)	(426)	-	-
	3,853	42,576	-	-
Tax using the Company's tax rate	1,156	12,773	-	-
NITDA tax	39	426	-	-
Tax exempt income	-	-	-	-
Tertiary education tax	915	-	-	-
Non-deductible expenses	10,737	6,215	-	-
Change in recognised deductible temporary differences	(2,130)	(15,376)	-	-
	10,717	4,037	-	-

8. Cash and cash equivalents

<i>In thousands of Naira</i>	31-Dec 2016	31-Dec 2015	31-May 2015	31-May 2014
	12 months	7 months	12 months	12 months
Cash at hand	57	12	184	170
Balances with banks in Nigeria	16,159	64,119	61,362	25,071
Money market placements with banks in Nigeria	-	100	30,100	6,000
	16,216	64,231	91,646	31,241

9. HISTORICAL FINANCIAL INFORMATION

9. Inventory

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
<i>In thousands of Naira</i>				
Smart card	-	-	2,128	1,863
Smart cards readers	-	-	1,270	1,580
Webcams	-	-	690	983
Impairment of inventory	-	-	-	-
	-	-	4,088	4,426

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
<i>In thousands of Naira</i>				

The movement in the inventory during the year was as follows:

Balance at 1 June	-	4,088	4,425	-
Write-down during the year	-	(4,088)	(337)	-
Balance at 31 December	-	-	4,088	-

10. Debtors and prepayment

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
<i>In thousands of Naira</i>				
Trade debtors	101,007	136,026	132,537	116,630
Other debtors	143	122	177	5,654
WHT credit notes		-	35,106	9,957
Prepaid rent	25,130	12,425	3,450	13,800
Prepaid insurance	1,316	1,260	732	659
Sundry prepayments	1,641	4,197	1,469	10
Prepaid health care	604	758	981	3,953
Prepaid Staff Allowance	1,100	5,587	2,750	2,303
Receivable from Intellisuite Technologies	10	10	-	-
Rights Issue Expenses	18,865			
	148,916	160,385	177,202	152,965
Impairment loss on debtors	(3,936)	(10,823)	(10,823)	(22,987)
	145,880	149,562	166,379	129,978

The movement in individual impairment loss on trade debtors was as follows:

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	
<i>In thousands of Naira</i>				
Balance at 1 June	10,823	10,823	22,987	29,971
Charge for the period		-	-	5,118
Write back during the period	(6,887)	-	(2,124)	(12,102)
Writeoffs		-	(10,040)	-
Balance at 31 December	3,936	10,823	10,823	22,987

9. HISTORICAL FINANCIAL INFORMATION

11. Intangible Assets

For the year ended 31 December 2016

In thousands of Naira

Cost

Balance at 1 January 2016

Additions

Balance at 31 December 2016

Amortisation

Balance at 1 January 2016

Amortisation for the year

Balance at 31 December 2016

Carrying amounts:

At 1 January 2016

At 31 December 2016

	Technical License	Computer Software	Total
Balance at 1 January 2016	168,750	1,563	170,313
Additions	-	-	-
Balance at 31 December 2016	168,750	1,563	170,313
Balance at 1 January 2016	168,750	1,475	170,225
Amortisation for the year	-	88	88
Balance at 31 December 2016	168,750	1,563	170,313
At 1 January 2016	-	88	88
At 31 December 2016	-	-	-

For the year ended 31 December 2015

In thousands of Naira

Cost

Balance at 1 January 2015

Additions

Balance at 31 December 2015

Amortisation

Balance at 1 January 2015

Amortisation for the year

Balance at 31 December 2015

Carrying amounts:

At 1 January 2016

At 31 December 2016

	Technical License	Computer Software	Total
Balance at 1 January 2015	168,750	1,563	170,313
Additions	-	-	-
Balance at 31 December 2015	168,750	1,563	170,313
Balance at 1 January 2015	168,750	1,293	170,043
Amortisation for the year	-	182	182
Balance at 31 December 2015	168,750	1,475	170,313
At 1 January 2016	-	270	270
At 31 December 2016	-	88	88

- There were no capital commitment contracted or authorised as at the reporting date (31 Dec 2015 Nil)
- The Company does not have any internally generated intangible assets
- Core Software intangible assets have a finite useful life of 5 years and technical licence intangible assets have a useful life of 10 years and have been amortised over their useful lives
- No intangible asset was impaired as at 31 Dec 2016 (31 Dec 2015)

12. Deferred tax assets

Deferred tax assets have been recognised in respect of the following items:

In thousands of Naira

Property and equipment

Unrelieved tax losses

Unrealised exchange losses

	31-Dec-16	31-Dec-15	31-May-15	31-May-14
Property and equipment	29,089	27,607	15,608	15,608
Unrelieved tax losses	60,810	74,782	90,392	90,392
Unrealised exchange losses	2,727			
	92,626	102,389	106,000	106,000

The movement in recognised deferred tax assets is as follows:

Balance at 31 December 2015

Balance at 1 June

Charge for the period (See note 11)

Balance at 31 December

	31-Dec-16	31-Dec-15	31-May-15	31-May-14
Balance at 1 June	102,389	106,000	106,000	-
Charge for the period (See note 11)	(9,763)	(3,611)	-	-
Balance at 31 December	92,626	102,389	106,000	-

The sum of ₦92.6million (31 Dec 2015: ₦102.4million) was recognized as deferred tax asset based on management assessment of future taxable profit as against which the deferred tax assets can be utilised. There were no unrecognised deferred tax assets as at year end, (31 Dec 2015: Nil)

9. HISTORICAL FINANCIAL INFORMATION

13. Property, Plant & Equipment

<i>In thousands of Naira</i>	Leasehold Improvements	Office Equipment	Motor Vehicles	Computer Equipment	Furniture & Fittings	Total
Cost						
Balance at 1 January 2016	13,769	7,058	37,421	4,568	7,602	70,418
Additions	1,226	1,109	-	-	1,660	3,995
Balance at 31 December 2016	14,995	8,167	37,421	4,568	9,262	74,413
Accumulated Depreciation						
Balance at 1 January 2016	11,236	3,317	32,632	3,424	7,281	57,890
Depreciation for the year	1,233	1,421	2,369	717	357	6,097
Balance at 31 December 2016	12,469	4,738	35,001	4,141	7,638	63,987
Carrying Amounts						
Balance at 1 January 2016	2,533	3,741	4,789	1,144	321	12,528
Balance at 31 December 2016	2,526	3,429	2,420	427	1,624	10,426

Property, Plant & Equipment (Cont'd)

In thousands of Naira

Cost

	Leasehold Improvements	Office Equipment	Motor Vehicles	Computer Equipment	Furniture & Fittings	Total
Balance at 1 June 2015	13,769	7,058	33,550	4,102	7,602	66,081
Additions	-	-	3,871	466	-	4,337
Balance at 31 December 2015	13,769	7,058	37,421	4,568	7,602	70,418

Accumulated Depreciation

Balance at 1 June 2015	10,647	2,594	31,100	2,935	7,211	54,487
Depreciation for the period	589	723	1,532	489	70	3,403
Balance at 31 December 2015	11,236	3,317	32,632	3,424	7,281	57,890

Carrying Amounts

Balance at 1 June 2015	3,122	4,464	2,450	1,167	391	11,594
Balance at 31 December 2015	2,533	3,741	4,789	1,144	321	12,528

- (a) There were no capitalised borrowing costs related to the acquisition of plant and equipment during the year (31 December 2015: Nil)
- (b) There were no capital commitments contracted or authorized as at the reporting date (31 December 2015: Nil)
- (c) There were no impairment losses on any class of property and equipment during the year (31 December 2015: Nil)
- (d) All property and equipment are non-current assets
- (e) There are no property and equipment pledged as security for borrowings as at 31 December 2016 (31 December 2015: Nil)

14. Accrual and other payables

	31-Dec-16	31-Dec-15	31-May-15	31-May-14
Audit fees	6,800	3,950	12,390	16,365
Accruals	13,657	17,523	29,194	38,399
Technical Management fee payable	44,322	82,417	75,960	33,905
Royalty fee payable	17,175	24,993	25,556	-
Hosting fee payable	19,055	-	-	-
Due to Ex-Director	46,667	46,667	46,667	46,667
Due to Pension Fund Administrators	396	505	347	-
Value Added Tax (VAT) payable	13,505	14,885	14,701	37,354
Withholding tax payable	5,902	8,685	9,640	39,747
Taxation Payable				1,650
PAYE	192	3,664		
Other payables	184	252	7,473	9,370
Deferred income	283	24	15,515	8,866
Payable to Intellisuite Technologies	-	-	8,427	-
	168,138	203,565	245,870	232,323

15. Payables to CreditRegistry Corporation

(a) Technical management fee payable

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Balance at 1 January	82,417	75,960	33,905	38,805
Additions during the period	44,932	52,957	85,923	76,436
Reimbursable	6,781	-	-	-
Penalty Fees	25,556	-	-	-
Payments	(69,992)	(46,500)	(43,868)	(81,336)
Balance at 31 December	44,322	82,417	75,960	33,905

The reimbursable are payables to CreditRegistry Corporation amounting to N6,781,464 (Dec 2015: N14,934,642) which comprises of maintenance of Tribe HR Software, Microsoft Great Plain, etc.

CR Services (Credit Bureau) Plc has a partner licence agreement with its technical partner, CreditRegistry Corporation, USA for borrower enrolment service, credit reporting service, remote authentication research and retail credit network, 24 hours technical support and credit scoring technology, provision of biometric technology and retail credit network technology. The partner licence agreement was approved by National Office for Technology Acquisition and Promotion (NOTAP) on 27 April 2016 with the approval number NOTAP/AG/FI/1381/3/238. The licence agreement was approved for a sum of \$1,500,000 (N82,417,034) as payment of technology fees with effect from 5 October 2014 to 4 October 2016 for a tenor of 2 years.

(b) Royalty fee payable

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Balance at 1 January	24,993	25,556	8,268	7,685
Additions during the period	10,306	9,592	17,288	9,905
Payments	(18,124)	(10,155)	-	(9,322)
Balance at 31 December	17,175	24,993	25,556	8,268

(c) Hosting fee payable

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Balance at 1 January	-	-	-	-
Addition during the period - Hosting	21,218,	-	-	-
Additions during the period - License	8,480	-	-	-
Payments	(10,643)	-	-	-
Balance at 31 December	19,055	-	-	-

The fee is payable to Intellisuite Technologies for hosting services provided to CR Services(Credit Bureau) Plc. The hosting agreement was approved by National Office for Technology Acquisition and Promotion (NOTAP) on June 1 2016 with the approval number NOTAP/AG/FI/1381/4/195. The hosting agreement was approved for a sum of \$126,000 (38,367,000) as the payment of hosting fees with effect from 1 June 2015 to 31 August 2016 for the tenor of 1 year and 2 months

16. Net current tax assets

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months
Balance at 1 January	(2,076)	(1,650)	(1,650)
NITDA Levy	(39)	(426)	-
Education Tax	(915)	-	-
Balance at 31 December	(3,030)	(2,076)	(1,650)
Current tax assets	70,617	48,265	35,106
Net current tax asset	67,587	46,189	33,456

Current tax represents the WHT credit notes received from the clients of the Company and available to offset future tax obligations.

17. Due to directors

Amount due to directors comprise salary arrears owed to the former Managing Director of the Company. The terms of the liability are that the former Managing Director would be paid, either at once or in instalments over a period of not more than 3 years, the total sum of N46,666,666.67 plus interest at the rate of 10% p.a from profits declared by the Company first from its operations, commencing from the time that the Company first declares profits considered sufficient by the directors to fund such payment.

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Due to Director	46,667	46,667	46,667	46,667

18. Capital and Reserves

(a) Share capital

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Authorised share capital				
553,978,722 ordinary shares of ₦1.00 each	553,980	53,980	53,980	53,980
102,000,000 Class A Preference shares of ₦1.00 each	102,000	102,000	102,000	102,000
494,021,278 Class B Preference shares of ₦1.00 each	494,020	494,020	494,020	494,020
	1,150,000	650,000	650,000	650,000
Issued and fully paid share capital				
Ordinary shares				
45,999,658 ordinary shares of ₦1.00 each	46,000	46,000	46,000	46,000
Preference shares				
102,000,000 Class A Preference shares of ₦1.00 each	102,000	102,000	102,000	102,000
494,021,278 Class B Preference shares of ₦1.00 each	494,020	494,020	494,020	494,020
	596,020	596,020	596,020	596,020
	642,020	642,020	642,020	642,020

(b) Share premium

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months	31-May 2014 12 months
Balance at 1 June	481,031	481,031	481,031	481,031
Balance at 31 December	481,031	481,031	481,031	481,031

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at the annual general meeting of the Company. The Class A and Class B preference shares are not redeemable and the holders shall rank before the ordinary shareholders at the event of liquidation of the Company.

(c) Accumulated losses

Accumulated losses are the carried forward recognised losses plus expenses minus current year profit attributable to shareholders.

19. Contingencies, Litigations and claims

The Company had three litigations against it during the period. A total sum of ₦14.99 million was claimed by the claimants (31 Dec 2015: ₦24.99 million). Based on the advice of the Company's solicitors (C.O Toyin Pinhero & Co), the directors are of the opinion that the claimants are not likely to succeed in the claims and hence no provision has been recognised.

20. Related party transaction

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes directors and key management personnel, among others.

MANAGEMENT ACCOUNT AS AT 31 AUGUST 2017.

Statement of Financial Position as at 31 August 2017.

	=N=
Net Fixed Assets	8,250,185
Deferred Tax Asset	92,626,278
Intangible Assets	0
Other Assets	85,800,697
Total Non-Current Assets	186,677,160
Current Assets	
Debtors	106,748,143
Prepayments	44,054,491
Cash and Short term funds	17,888,438
Total Current Assets	168,691,072
Total Assets	355,368,232
Current Liabilities	
Accruals & Other Payables	55,857,631
Technical Management Fees Payables	55,846,527
Income Tax Payable	1,651,538
Total Current Liabilities	113,355,696
Net Current Asset/Liabilities	55,335,376
Non-Current Liabilities	
Due to Directors	46,666,667
Net Assets	195,345,869
Capital & Reserves	
Shareholders' Funds - August 31, 2017- UNAUDITED	195,345,869

Statement of Comprehensive Income for the period ended 31 August 2017(Unaudited)

	AUG-17	FY TO DATE
	=N=	=N=
Revenue	28,625,430	215,548,478
Sales Discount	903,970	24,114,650
Net Sales	27,721,460	191,433,828
Other Income	-	730,000
Gross Income	27,721,460	192,163,828
Operating Expenses	6,066,064	41,406,971
Administrative Expenses	609,007	7,371,889
Operating Staff Salary	4,126,928	32,616,081
Other Administrative Expenses	16,573,911	80,074,143
Total Cost	27,375,909	161,469,084
Operating Income/(Loss)	345,551	30,694,744
Investment Income	5,089	54,598
Profit/(Loss) Before Tax	350,640	30,749,341
Taxation*	-	-
Profit/(Loss) After Tax	350,640	30,749,341

Name of related party	Relationship	Nature of transaction	Due from/Due to		Income(Expense)		
			31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15	
<i>In thousands of Naira</i>							
(i)	CreditRegistry Corporation, USA	Common directorship and technical partner	Grant of licenses and the CreditRegistry trademarks.	-	-	(10,306)	9,592
(ii)	CreditRegistry Corporation, USA	Common directorship and technical partner	Credit registry services, 24 hour technical support and other technical services.	-	-	44,932	52,957
(iii)	CreditRegistry Corporation, USA	Common directorship and technical partner	Reimbursables comprises interests accrued on technical management fee payables, maintenance of Tribe HR, Microsoft Great Plain and Angoss softwares, other interests on outstanding reimbursable fees, e.t.c.	44,321	476	(25,556)	426
(iv)	Intellisuite Technologies Incorporated, USA	Debtor (see note 10) and technical partner	Licence and maintenance of softwares and virtual file servers, hosted systems and colocation services	19,055	(10)	29,698	20,092

(v) Key management compensation

Key management personnel of the Company includes all directors, executive and non-executive. The summary of compensation of key management personnel for the period is as follows:

	31-Dec 2016 12 months	31-Dec 2015 7 months	31-May 2015 12 months
Short-term benefits	41,435	20,708	35,500
Pension contribution	2,077	1,864	3,195
Termination benefits	-	-	7,458
Fees and sitting allowances	9,438	4,861	10,297
	52,950	27,433	56,450

21. Recapitalisation plan

As at 31 December 2016, the Company's shareholders' funds of ₦164,597,000 (31 Dec 2015: ₦171,422,000) was below the minimum regulatory capital requirement of ₦500 million. The company was unable to meet the deadline for recapitalization granted by the Central Bank of Nigeria (CBN) which was extended till the end of 31 December 2016 and therefore obtained an extension of the deadline to 31 May 2017. The Company obtained a further extension of the deadline to 30th November 2017. This condition (i.e the inability to meet the recapitalization deadline) indicates that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern.

At the Extraordinary General Meeting of the Company in August 2017, the shareholders passed an ordinary resolution empowering the Board of Directors to raise additional capital of up to ₦500 million by way of a public offer, rights issue or a combination of both or other methods through the issuance of ordinary shares, preference shares or any other instruments, or any combination thereof in any ratio, in one or more tranches on such terms and conditions as may be approved by the Directors, subject to obtaining all regulatory approvals.

22. Events after the end of the reporting period

There were no post balance sheet events which could have a material effect on the financial position of the Company at 31 December 2016 and profit attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

10. STATUTORY AND GENERAL INFORMATION

INCORPORATION AND SHARE CAPITAL HISTORY

CR Services (Credit Bureau) Plc. started its operations in January 2003 as CR Services Limited, a private limited liability company with an authorised share capital of ₦100,000 comprising 100,000 Ordinary Shares of ₦1.00 each, and an issued and fully paid-up share capital of ₦100,000 comprising 100,000 Ordinary Shares.

As at the date of this Rights Circular, the Company's authorised share capital was 553,978,222 Ordinary Shares of ₦1.00 each, 102,000,000 Class A Preference Shares of ₦1.00 each and 494,021,278 Class B Preference Shares of ₦1.00 each.

Movements in the Company's authorised and issued share capital since the Company commenced operations have been highlighted below:

Date	Authorised (₦)		Issued & Fully paid-up (₦)	
	Addition	Cumulative	Addition	Cumulative
2003	100,000	100,000	100,000	100,000
2003	19,900,000	20,000,000	19,900,000	20,000,000
2007	40,000,000	60,000,000	-	20,000,000
2008	5,000,000	65,000,000	42,902,142	62,902,142
2010	585,000,000	650,000,000	503,217,136	566,119,278
2013	-	650,000,000	75,901,658	642,020,936
2015	500,000,000	1,150,000,000	-	642,020,936

SHAREHOLDING STRUCTURE

The following shareholders hold more than 5% of the issued share capital as the date of this Rights Circular:

Shareholder	Number of Shares Held	Class of Shares	Percentage (%)
CreditRegistry Corporation	102,000,000	Class A Preference Shares	
	49,402,000	Class B Preference Shares	26.1
	16,299,658	Class B Ordinary Shares	
Oak Heritage	98,805,000	Class B Preference Shares	14.9
Afro Arab Investment Limited	47,448,000	Class B Preference Shares	7.4
IBTC Ventures Limited	47,448,000	Class B Preference Shares	7.4
T.A. Capital Plc.	47,443,000	Class B Preference Shares	7.4

10. STATUTORY AND GENERAL INFORMATION

DIRECTOR'S INTERESTS

The direct and indirect interests of the Directors of CR Services (Credit Bureau) Plc. in the issued share capital of the Company as recorded in the Register of Members as at the date of this Rights Circular were as follows:

Director	Role	Number of shares held	Percentage (%)
Captain Adeyemi Francis Dare	Chairman	-	-
Mrs Glenda Labinjo	Ag. Managing Director	-	-
Mrs Jameelah Ayedun	Non-Executive Director	-	-
Mr Ralph Talabi	Non-Executive Director	-	-
Mrs Fatumata Soukouna Coker	Non-Executive Director	-	-

SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Rights Circular, the Company had no subsidiaries and associated companies.

INDEBTEDNESS

As at December 31, 2016 the Company had amounts due to directors comprising salary arrears owed to the former Managing Director of the Company to the total sum of ₦46,666,666.67 plus interest at the rate of 10% per annum from profits declared by the Company first from its operations, commencing from the time that the Company first declares profits considered sufficient by the directors to fund such payment. Apart from the foregoing, had no outstanding debentures, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business.

CLAIMS & LITIGATION

The Issuer is currently involved in three (3) pending suits instituted against the Company. A review of these cases was conducted with a view to confirming their status and ascertaining the "Contingent Liability" of the Company. The total amount involved is to the tune of ₦14,999,000 (Fourteen Million, Nine Hundred and Ninety Nine Thousand Naira only). However, the eventual quantum of liability will be determined by the Courts.

UNCLAIMED DIVIDENDS

There are no unclaimed dividends as at December 31, 2016.

MATERIAL CONTRACT(S)

The following agreement has been entered into and is considered material to this Issue:

- A Vending Agreement dated October 9, 2017 between CR Services (Credit Bureau) Plc. and Quest Advisory Services Limited

Except as disclosed above, the Company has not entered into any material contract except in the ordinary course of business.

RESEARCH & DEVELOPMENT

The Company has and will continue to explore ways of enhancing efficiency in its operations, expanding its operations and increasing the returns attributable to shareholders. Save for training of its personnel, the Company did not expend any amount on research and development in the last three (3) years.

10. STATUTORY AND GENERAL INFORMATION

MERGERS & ACQUISITIONS

As at the date of this Circular, the Company is not contemplating any merger or acquisition.

COSTS AND EXPENSES

The costs, charges and other expenses incidental to the establishment of this Issue, including fees payable to the regulatory authorities, professional parties, printing, distribution, publicity and advertising expenses, are estimated at ₦15,410,021.15 which representing approximately 3.08% of the Issue proceeds. In addition, these costs and expenses shall be borne by the Issuer.

CONSENTS

The under listed have given and not withdrawn their written consents to the issue of this Rights Circular with their names and reports included in the form and context in which they appear:

The Directors	Captain Adeyemi Francis Dare Mrs. Glenda Labinjo Mrs. Jameelah Ayedun Mr. Ralph Talabi Mrs. Fatumata Soukouna Coker
Company Secretary	Aster Law Partners
Issuing House	Quest Advisory Services Limited
Solicitors to the Issuer	Vatad Solicitors
Auditors	KPMG Professional Services
Registrars	First Registrars & Investor Services Limited
Receiving Bank	Diamond Bank Plc.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the documents listed below will be available for inspection at the principal offices of the Issuing House during Business Hours on every Business Day throughout the tenor of the Issue:

1. Certificate of Incorporation of the Company;
2. Memorandum and Articles of Association of the Company;
3. Copy of the Board Resolution dated August 10, 2017 approving the Issue;
4. Certified True Copy of the Shareholders Resolution dated August 10, 2017 approving the Issue;
5. The Audited Financial Statements of the Company for each of the five years ended December 31, 2016;
6. The Management Accounts of the Company for the period ended 31st August 2017;

10. STATUTORY AND GENERAL INFORMATION

7. List of Claims and Litigations referred to on page 52 above;
8. The material contracts referred to on page 52 above;
9. The written consents referred to on page 53 above;
10. SEC approval letter; and
11. NASD approval letter.

RELATIONSHIP BETWEEN THE ISSUER AND ITS ADVISERS

As at the date of this Rights Circular and in compliance with SEC Rule 184(1) as amended, we hereby state that there is no shareholding relationship between CR Services (Credit Bureau) Plc. and its Advisers.

Save as disclosed above, there is no other known relationship between the Issuer and its advisers except in the ordinary course of business.

11. PROVISIONAL ALLOTMENT LETTER



Plot 319, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island, Lagos
Nigeria

Website: www.crservicesplc.com

October 9, 2017

Rights Issue of 32,856,899 Ordinary Shares of N1.00 each at N1.05k per share; 72,857,143 Ordinary Shares of N1.00 each with class A Preference Rights at N1.11k per share; and, 352,872,341 Ordinary Shares of N1.00 each with class B Preference Rights at N1.09k per share in CR Services (Credit Bureau) Plc.

Dear Shareholder,

1. Provisional Allotment

The letter dated October 9, 2017 from the Chairman of your Company, on page 13 to 17 of this Rights Circular, contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of new Ordinary Shares set out on the first page of the Acceptance/Renunciation Form, representing Five (5) new Ordinary Shares for every Seven (7) Ordinary Shares of N1.00 each; Five (5) new Ordinary Shares with class A Preference Rights for every Seven (7) Class A Preference Shares of N1.00 each; and Five (5) new Ordinary Shares with class B Preference Rights for every Seven (7) Class B Preference Shares of N1.00 held for those shareholders whose names appear in the Register of Members.

You may accept all or some of the Shares allotted to you or renounce your rights to all or some of them. Shareholders who elect to accept the Provisional Allotment in full should complete box “B” of the Acceptance/Renunciation Form, while those who elect to renounce their Rights partially or in full should complete box “C” of the Form. You may also apply for additional shares over and above your provisional allotment as described in 2(B) below.

2. Acceptance and Payment

The receipt of any payment with your Acceptance/Renunciation Form will constitute an acceptance of all or part of this Allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and to the clearance of the Securities & Exchange Commission. If payment is not received by November 15, 2017, the Provisional Allotment will be deemed to have been declined and will be cancelled. You may participate in the Issue through any of the following methods:

A. Full Acceptance

If you wish to accept this Provisional Allotment in full, please complete box “A” of the enclosed Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with a cheque or bank draft or evidence of electronic payment for the full amount payable must be submitted to any of the Receiving Agent listed on page 58 of this document on a date not later than November 15, 2017. The cheque or draft must be made payable to the Receiving Agent, drawn on a bank in the same town or city in which the Receiving Agent is located and crossed “**CR Services Rights Issue**” with your name, address and day time mobile number (if any) written on the back of the cheque or draft. All cheques and drafts will be presented upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

Any payment made electronically or with value exceeding ₦10 million should be made via SWIFT, RTGS or NEFT into the designated Issue Proceeds Account stated on the Acceptance/Renunciation Form.

11. PROVISIONAL ALLOTMENT LETTER

Such payment must include the following transfer instruction narrative: “[Full name of Shareholder]’s Payment for CR Services Rights Issue.”

B. Applying for Additional Shares

This may be done by any of the following processes:

- i. **Purchasing Rights on NASD-OTC Market.** Rights can **only** be purchased through a stockbroker. The stockbroker will guide you regarding payment. Shareholders/investors who purchase Rights on the NASD-OTC Market are guaranteed the number of shares purchased i.e. they will not be subject to the allotment process in respect of the number of shares so purchased (please refer to item 3 below).
- ii. **Completing item (II) of box “B” of the Acceptance/Renunciation Form.** Payment should be made in accordance with “A” above. Shareholders who apply for additional number of shares using the Acceptance/Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (please see item 4 below).

C. Partial Acceptance

To accept your provisional allotment partially, please complete box “C” of the Acceptance/Renunciation Form and submit your Acceptance/Renunciation Form to any of the Receiving Agents listed on page 58 of this document together with a cheque or bank draft or evidence of electronic payment made payable to the Receiving Agent for the full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with (A) above.

3. Trading in Rights on the NASD-OTC Market

The approval of the NASD OTC Market has been obtained for trading in the Rights of the Company. The Rights will be tradable between November 1, 2017 and November 15, 2017 at the price at which the Rights are quoted on the NASD-OTC Market. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the NASD-OTC Market between these dates. Please complete item 3 of box “C” of the Acceptance/Renunciation Form and contact your stock broker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing CR Services Rights. Shareholders who trade their Rights can also apply for additional shares by completing box A of the Acceptance/Renunciation Form.

4. Allotment of Additional Shares

Shares which are not taken up by November 15, 2017, will be allotted on a pro-rata basis to Existing Shareholders who have applied and paid for additional shares over and above their Provisional Allotment by completing item (II) of box “B” of the Acceptance/Renunciation Form.

5. Surplus Subscription Monies

If any subscription for additional shares is not accepted or is accepted for fewer shares than the number applied for, a cheque for the value of the additional shares not accepted will be returned with accrued interest by registered post within 5 (five) working days after the date of allotment.

Any electronic payment with a value exceeding ₦10 million would be made via RTGS or NEFT into the affected subscriber’s bank account details stated in the Acceptance/Renunciation Form.

11. PROVISIONAL ALLOTMENT LETTER

6. Rounding Principle

The allocation of the Rights Issue shares will be such that shareholders will not be allocated a fraction of a Rights Issue share and as such any shareholding giving rise to a fraction of less than one of a Rights Issue share will be rounded down to the nearest whole number.

7. E-Allotment/Share Certificate

At the completion of the Rights Issue, the Shares will be registered and transferable in units of one Naira each. Delivery of the securities will be by Share Certificates being sent by registered post not later than 15 working days from the date of allotment.

Yours faithfully



Company Secretary

12. RECEIVING AGENTS

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at September 25, 2017. The completed Acceptance/Renunciation Forms together with a cheque or bank draft for the full amount payable may be returned to any of the following Receiving Agents to whom brokerage will be paid at the rate of 75 kobo per N100 worth of shares allotted in respect of the Forms bearing their official stamp.

Shareholders should submit their Acceptance/Renunciation Forms at the locations provided below:

Quest Advisory Services Limited 318, Akin Ogunlewe Street Victoria Island, Lagos
Diamond Bank Plc Designated Branches: Lagos Mainland 10, Opebi Road, Ikeja, Lagos Victoria Island 219A/B, Ajose Adeogun Street, Victoria Island, Lagos Abuja 417, UAC Building, Plot 273 Central Business District, Abuja Kaduna 23, Ahmadu Bello Way, Kaduna Port-Harcourt 145, Aba Road Port-Harcourt

13. ACCEPTANCE/RENUNCIATION FORM

ISSUING HOUSE



RC 695082

on behalf of



CREDIT BUREAU
RC 469746

Acceptance List
opens Nov. 1, 2017

Rights Issue of
32,856,899 Ordinary Shares of N1.00 each at N1.05k per share;
72,857,143 Ordinary Shares of N1.00 each with class A Preference
Rights at N1.11k per share; and, 352,872,341 Ordinary Shares of N1.00
each with class B Preference Rights at N1.09k per share

Acceptance List
closes Nov. 15, 2017

On the basis of Five (5) new Ordinary Shares for every Seven (7)
Ordinary Shares of N1.00 each; Five (5) new Ordinary Shares with class
A Preference Rights for every Seven (7) Class A Preference Shares of
N1.00 each; and, Five (5) new Ordinary Shares with class B Preference
Rights for every Seven (7) Class B Preference Shares of N1.00 each held
as at September 25, 2017

PAYABLE IN FULL ON ACCEPTANCE

INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM

- Acceptance and/or renunciation must be made on this Acceptance/Renunciation Form. Photocopies or scanned copies of the Form will be rejected.
- Allottees should complete only **ONE** of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on Page 58 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "**CR SERVICES RIGHTS**", with the name, address and mobile number of the shareholder written on the back.

Any payment made electronically or with value exceeding ₦10 million should be made via SWIFT, RTGS, or NEFT into the designated Issue Proceeds Account stated below:

Bank:	Diamond Bank Plc
Account Name:	CR SERVICES RIGHTS ISSUE
Account Number:	0094666710
Sort Code:	063152076
Narration:	"[Full name of Shareholders]'s payment for CR Services Rights"

- Shareholders accepting their provisional allotment partially should complete box B and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on Page 58 of the Rights Circular together with the evidence of payment transfer for the partial acceptance in accordance with 2 above.
- Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced rights and/or apply for additional shares by completing items (II) and (III) of box A.
- All cheques or bank drafts for amounts below ₦10 million will be presented for payment on receipt and all acceptances in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Acceptance/Renunciation Form is lodged.
- Joint allottees must sign on separate lines in the appropriate section of the Acceptance/Renunciation Form.
- Acceptance/Renunciation Forms of corporate allottees must bear the Incorporation numbers and corporate seals and must be completed under the hands of duly authorised officials who should also state their designation.

FOR REGISTRARS USE ONLY

Number of Ordinary Shares Provisionally Allotted	Number of Ordinary Shares Accepted	Number of Additional Ordinary Shares applied for	Number of Ordinary Shares Renounced	Number of Additional Ordinary Shares Allotted	Total number of Ordinary Shares Allotted	Total amount payable	Amount paid	Amount to be returned	Bank draft/cheque number
						₦	₦	₦	

STAMP OF RECEIVING AGENT

Please Turn Over

13. ACCEPTANCE/RENUNCIATION FORM

Care should be taken to comply with the instructions set out on the front of this form. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance.

A. FULL ACCEPTANCE/REQUEST FOR ADDITIONAL SHARES											
I. I/We accept in full, the provisional allotment shown on the front of this form											
II. I/We also apply for additional Shares (please tick class):						Additional amount payable at ₦1.05 per share					
Ordinary Shares <input type="checkbox"/>						Additional amount payable at ₦1.11 per share					
Ordinary shares with Class A Preference Rights <input type="checkbox"/>						Additional amount payable at ₦1.09 per share					
Ordinary shares with Class B Preference Rights <input type="checkbox"/>											
No of Additional Shares						Additional amount payable					
						₦					
I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us, in accordance with the Provisional Allotment Letter contained in the Rights Circular.											
III. I/We enclose my/our cheque/bank draft/evidence of payment transfer for ₦..... being the sum of the amount payable as shown on the front of this form, and the additional amount payable as shown in item (II) above. Cheque details: Name of bank/cheque/branch.....											
B. RENUNCIATION OR PARTIAL ACCEPTANCE											
Class of shares (please tick):											
Ordinary shares at ₦1.05 per share <input type="checkbox"/>											
Ordinary shares with Class A Preference Rights at ₦1.11 per share <input type="checkbox"/>											
Ordinary shares with Class B Preference Rights at ₦1.09 per share <input type="checkbox"/>											
1				2				3			
Number of Shares accepted				Amount payable				Number of Shares renounced			
				₦							
I. I/We accept only the number of Ordinary Shares shown in column (1) above and enclose my/our cheque/bank draft for the value shown in column (2) above. Cheque details: Name of bank/cheque/branch.....											
II. I/We hereby renounce my/our rights to the Ordinary Shares shown in column (3) above, being the balance of the Ordinary Shares allocated to me/us											
MUST BE FULLY COMPLETED FOR BOTH A AND B											
Name(s) (in block letters)											
Next of Kin											
Daytime Telephone Number						Mobile (GSM) Telephone Number					
Email Address											
CSCS No						Preferred Stockbroker					
BANKS DETAILS (FOR E-DIVIDEND)											
Name of Bank											
Branch						Incorporation Number as Seal of Corporate Allottee					
Account Number											
Signature						2 nd Signature (Joint only)					
Name of Authorised Signatory (corporate only):						Name of Authorised Signatory (corporate only):					
Designation (corporate only):						Designation (corporate only):					
C. TRADING IN RIGHTS											
I. Shareholders who wish to trade in their rights partially or in full may trade such rights on the NASD OTC Market											
II. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase traded rights (see iv), and/or apply for additional shares by completing item (II) of box A above.											
III. Shareholders who purchase rights on the NASD OTC Market guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (II) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.											
IV. If you wish to purchase renounced rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing CR Services Rights											

STAMP OF RECEIVING AGENT