

**NIGERIA NETWORK OF NON - GOVERNMENTAL
ORGANISATIONS (NNNGO)**

Reports & Financial Statements
At 31st December, 2015

NIGERIA NETWORK OF NON - GOVERNMENTAL ORGANISATIONS (NNNGO)

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NIGERIA NETWORK OF NON - GOVERNMENTAL ORGANISATIONS (NNNGO)

CORPORATE INFORMATION

1. Trustees

Ms Yemisi Ransome-Kuti
Mr. Olufemi Lijadu
Dr. Abiola Tilley Gyado
Otunba Dele Ajayi Smith
Ms Sade Bembatoum Young

2. Nature of business

Not-For-Profit Organisation

3. Registered address

151, Akowonjo Road Egbeda, Lagos State.

4. Auditors

Aderemi Bamidele & Co..
(Chartered Accountants)
2, Emiola Hospital Street, Off Orita Challenge,
Odo Ona Elewe Road,
Orita Challenge,
Ibadan.

NIGERIA NETWORK OF NON - GOVERNMENTAL ORGANISATIONS

Report of the Trustees For the year ended 31st December, 2015

The Trustees have pleasure in submitting their report together with the financial statements of NNNGO for the year ended 31st December, 2015.

1. Result for the period	2015	2014
	₦	₦
Grants for the year	20,394,486	15,454,328
<i>Deduct:</i> Expenditure	<u>(16,968,759)</u>	<u>(14,955,776)</u>
Surplus/Deficit for the year	3,425,728	498,552
Accumulated Fund Brought Forward	<u>1,568,776</u>	<u>1,066,276</u>
Accumulated Fund Carried Forward	<u>4,994,504</u>	<u>1,568,776</u>

2. **Principal Activities**

The Organisation was actively involved in rendering non-profit making services to its numerous clients both and abroad.

3. **Review of Operation**

The activities of the organization were reviewed from time to time in order to ascertain whether it had deviated from her object clauses and to assess how economic, efficient and effective it is in spending grants received for its projects and programmes.

4. **Employee Involvement and Training**

Employees are kept fully informed regarding the Organisation performance and NNNGO continues with its open door policy whereby views of employees are sought and given due consideration particularly on the matters which affect them. NNNGO attaches importance to the training of its staff through regular in-house and on- the job training sessions which have broadened and increase a substantially employees' opportunities for career development within the organisation.

5. **Auditors**

In accordance with section 357 (1) of Companies & Allied Matters Degree 1990, Messrs. Aderemi Bamidele & Co. has shown their wiliness to continue in office as Auditors of NNNGO.

By Order of the Trustees

Chief Executive

REPORT OF THE AUDITORS
TO THE MEMBERS OF
NIGERIA NETWORK OF NON - GOVERNMENTAL
ORGANISATIONS (NNGO)

Report on the financial statements

We have audited the accompanying financial statements of **Nigeria Network of Non – Governmental Organizations**, for the year ended 31 December, 2015, set out on pages 5 to 8 and other explanatory notes on pages 14 to 24 including Statement of Significant Accounting Policies on pages 9 to 13.

Trustees’ Responsibilities for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with Statements of Accounting Standards issued by the Financial Reporting Council and with the requirements of the Companies and Allied Matters Acts, CAP C20 LFN, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigeria Standards on Auditing (NSAs) issued by the Institute of Chartered Accountants of Nigeria. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the **Nigeria Network of Non Governmental Organisation's** financial position as at 31st. December, 2015 and the surplus and cash flows for the year then ended in accordance with Statements of Accounting Standards issued by the Financial Reporting Council and the Companies and Allied Matters Act, CAP C20 LFN, 2004.

Report on Other Legal Requirements

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by NNNGO; and
- iii. The NNNGO's Statement of Financial Position and Statement of Income & Expenditure are in agreement with the books of accounts.

IBADAN
.....May, 2017

Aderemi Adio Bamidele
FRC/2014/ICAN/0000009895
Aderemi Bamidele & Co.
(Chartered Accountants)

NIGERIA NETWORK OF NON - GOVERNMENTAL ORGANISATIONS

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER, 2015

	Notes	2015 ₦	January 1st 2014 N	2014 N
Non - Current Assets	1	690,849	840,724	72,683
Current Assets:				
Receivables	2	5,698,949	3,283,175	2,484,450
Cash & Cash Equivalent	3	<u>2,124,159</u>	<u>2,039,281</u>	<u>3,043,547</u>
		7,823,108	5,322,456	5,527,997
		-----	-----	-----
Total Assets		<u>8,513,957</u>	<u>6,163,180</u>	<u>5,600,680</u>
Accumulated Fund & Liabilities				
Accumulated Fund		7,104,553	1,568,776	4,534,404
Current Liabilities				
Payables	5	<u>1,409,404</u>	<u>4,594,404</u>	<u>1,066,680</u>
Total Accumulated Funds and Liabilities		<u>8,513,957</u>	<u>6,163,180</u>	<u>8,600,680</u>

The Financial Statements were approved by the Board of Trustees on 21st April, 2017 and on its behalf by:

Ms Yemisi Ransome Kuti _____

Otunba Dele Ajayi Smith _____

Dr. Tilley Gyado _____

Accounting policies on page 9 to 13 and notes on page 14 to 24 form part of these Financial Statements

**NIGERIA NETWORK OF NON - GOVERNMENTAL ORGANISATIONS
(NNNGO)**

**STATEMENTS OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER, 2015**

		2015	2014
		₦	₦
Income	Notes		
Grants	6a	19,889,659	13,992,938
Members Subscription	6b	945,507	1,461,390
Annual Conference Fee	6c	<u>1,010,500</u>	<u>-</u>
Total Revenue		<u>21,845,666</u>	<u>15,454,328</u>
Expenditure			
Lagos Water Project	7a	1,714,955	3,812,550
Funding Grant Projects	7b	6,246,814	4,955,100
Annual Conference Expenses	7c	1,093,300	-
Administrative Expenses	9	1,650,120	1,745,466
Personnel Cost	8	<u>5,604,700</u>	<u>4,442,660</u>
		<u>16,309,889</u>	<u>14,955,776</u>
Surplus / (Deficit) on Operating Activities		5,535,777	498,552
Other Income		<u>-</u>	<u>3,948</u>
Surplus/(Deficit) for the Year		<u>5,535,777</u>	<u>502,500</u>

Accounting policies on page 9 to 13 and notes on page 14 to 24 form part of these Financial Statements.

NIGERIA NETWORK OF NON - GOVERNMENTAL ORGANISATIONS

STATEMENTS OF CHANGES IN MEMBERSHIP FUND FOR THE YEAR ENDED 31 DECEMBER, 2015

	Accumulated/ Surplus (deficit)	Total
	₦	₦
Balance at 1st. January, 2015	1,568,776	1,568,776
Adjustments Occasioned by Change in Accounting Policy upon IFRS adoption	_____ -	_____ -
Balance at 1 st January, 2015	1,568,776	1,568,776
Surplus/ (Deficit) for the year	5,535,777	5,535,777
Members contribution for the year	_____ -	_____ -
Balance as at 31st. December, 2015	<u>7,104,553</u>	<u>1,568,775</u>

Accounting policies on page 9 to 13 and notes on page 14 to 24 form part of these Financial Statements

**NIGERIA NETWORK OF NON - GOVERNMENTAL
ORGANISATIONS (NNNGO)**

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2015**

	2015	2014
	₦	₦
	₦	₦
Excess of Income Over Expenditure	5,535,777	502,500
Adjustment for:		
Depreciation	<u>195,875</u>	<u>135,872</u>
Operating Income Before Working Capital	<u>5,731,652</u>	<u>638,372</u>
Receivables	(2,415,773)	(798,288)
Payables	<u>(3,185,000)</u>	<u>60,000</u>
	<u>(5,600,774)</u>	<u>(738,288)</u>
Cash generated from operation	130,878	(99,916)
Cash flow from investing activities:		
Acquisition of Fixed asset	<u>(46,000)</u>	<u>(904,350)</u>
Net Cash Flow from Investing Activities	(46,000)	(904,350)
Net Cash Flow before Financing Activities	84,878	(1,004,266)
Cash Flow from Financing activities:	-	-
Net Increase / (Decrease) in Cash and Cash Equivalent	84,878	(1,004,266)
Cash and Cash Equivalent at the Beginning of the Year	<u>2,039,281</u>	<u>3,043,547</u>
	2,124,159	2,039,281
Represented by:		
Cash and Cash Equivalent	<u>2,124,159</u>	<u>2,039,281</u>

Accounting policies on page 9 to 13 and notes on page 14 to 24 form part of these Financial Statements

NIGERIA NETWORK OF NON - GOVERNMENTAL ORGANISATIONS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES BASIS OF PREPARATION FOR THE YEAR ENDED 31ST DECEMBER, 2015.

1 **Brief History**

1.1 **Principal activities**

The Nigeria Network of Non- Governmental Organisation the first generic membership body for civil society organizations in Nigeria that facilitates advocacy on issues of poverty and other developmental matters.

1.2 **Composition of Financial Statements**

The financial statements are drawn up in naira, which is the functional and presentation currency of Nigeria Network of Non – Governmental in accordance with international financial reporting standards (IFRS). These financial statements comprise:

- Statements of Financial Position
- Statement of Income and Expenditure
- Statement of Changes in Member Funds
- Statement of Cash Flow
- Notes to the Financial Statements

1.3 **Financial period**

These financial statements cover the financial year ended 31st December, 2015 with comparative amounts for the financial year ended 31st December, 2014.

2. **Statement of Compliance with IFRS**

The Financial Statements have been prepared for the first time in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standard Board (IASB).

3 **Critical Accounting Judgments, Estimates and Uncertainty**

The preparation of financial statements in conformity with IFRSs requires Trustees and Advisers to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

4 **Actual results may differ from these estimates.**

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

5 **Significant Accounting Policies**

The accounting policies set out below have been applied consistently in these financial statements.

a. **Basis of Preparation**

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the organisation takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

b. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue includes subscription (payments made by members), sponsorship and bank interest.

c. Subscriptions

Revenue from subscription is recognized when members make payments into the NNNGO's designated bank account towards financing the NNNGO's projects.

d. Self Financing Project

Revenue from self-financing project is recognized when payments are made by interested persons in respect of designated and specific projects.

e. Sponsorship Income

Sponsorship income is income generated from individual organisations that have decided to sponsor NNNGO. The income is recognized when the payment has been credited to the Organisation's bank account and it is evidenced by the necessary supporting documents.

f. Interest Income

Interest income from a financial asset it is recognized when it is probable that the economic benefit will flow to the chapter and the amount of income can be measured reliably.

Interest income is accrued on time basis for reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

g. Foreign Currency Translations

The financial statements of the NNNGO are prepared in naira which is its functional currency.

In preparing the financial statements of the NNNGO, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognized in the statement of income and expenditure account.

h. Employee Benefits (Defined Contribution Plans)

Payments to defined contribution retirement benefit plans are recognized as expenses in the Statement of in the Income and Expenditure in the period in which employees have rendered service entitling them to the contributions.

i. Property, Plant and Equipment

Property, plant and equipment are tangible items held for rendering services and administrative purposes are stated in the financial position at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged to the statement of income and expenditure using the straight line method so as to write off the cost of their residual values over their estimated useful lives on the following bases:

	%
Office Equipment	20
Furniture and Fittings	20

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of the asset. The gains and loss arising on the disposal or retirement of asset is the difference between the sales proceeds and the carrying amount of the assets and is recognized in the statement of income and expenditure.

j Impairment of Tangible Assets

At each financial date, the Organisation reviews the carrying amount of its tangible assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate independent cash flows from other assets, the Organisation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing Value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment Loss is recognized immediately in statement of income and expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized immediately in the statement of income and expenditure.

k. Financial instruments

Financial assets and financial liabilities are recognized when the organisation becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition profit or loss.

i Financial assets are required to be classified into (a) loans and receivables, (b) held-to-maturity investments (c) available for sale and (d) financial assets at fair value through profit or loss. Financial assets are subsequently measured based on their nature and purpose as determined at initial recognition. NNNGO has only the loans and receivables category of financial assets.

1(i) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method less any impairment when the effect of discounting is immaterial.

The assets in this category include trade and other receivables and cash and cash equivalents. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost are an integral part of the Effective Interest Rate(EIR). The EIR amortization is included in other income in the statement of income and expenditure. The losses arising from impairment are recognized in the statement of income and expenditure. Interest income is recognized by applying the effective interest rate, except for short-term receivable when recognition of interest would be immaterial.

(ii) **Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash in hand and highly liquid short-term investments. Those are easily convertible into known amounts of cash and are subject to insignificant risks of Changes in value.

Trade receivables and Other Receivables

Trade receivables are measured at fair value at the date of trade plus directly attributable transaction cost on initial recognition, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in the Statements of Income and Expenditure when there is objective evidence that the asset is impaired. The allowance recognized as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(iii) **Impairment of Financial Assets**

Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are to be considered to be impaired when there is objective evidence that, as a result of one or more event that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- Significant financial difficulty of the debtor.
- Probability that the debtor will enter bankruptcy.
- Default or delinquency in payment (more than the negotiated days overdue).
- Previous losses experienced and general economic conditions.

Loans and Receivables

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the chapter's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, the average credit period as observable changes in national or local economic conditions that correlate with default on receivables.

The amount of impairment loss recognized is the different between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account.

(iv) **Derecognition of Financial Assets**

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or when the chapter transfers the financial asset and substantially all risks towards ownership of the asset to another party. If the chapter neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transfer asset, the chapter recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the chapter retains substantially all the risks and rewards of ownership of a transferred financial assets, the chapter continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

o **Financial Liabilities**

Financial liabilities are classified as either held at fair value through profit or loss, or at amortised cost. The Organisation does not have financial liabilities classified as held at fair value through Income and Expenditure Statement.

Trade and Other Payables

Financial liabilities within trade and other payables are initially recognized at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest method.

p **Derecognition of Financial Liabilities**

The organization de-recognises financial liabilities when, and only when, the NNNGO's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Income & Expenditure Statement.

**NIGERIA NETWORK OF NON - GOVERNMENTAL
ORGANISATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015**

1	Office equipment	Furniture & fittings	Total
	₦	₦	₦
Non Current Assets			
Deemed Cost			
At 1/1/2015	672,383	363,325	1,035,708
Additions	<u>-</u>	<u>46,000</u>	<u>46,000</u>
At 31/12/2015	<u>672,383</u>	<u>409,325</u>	<u>1,081,708</u>
Depreciation			
At 1/1/2015			
For the year	190,450	4,534	194,984
At 31/12/2015	<u>134,477</u>	<u>61,399</u>	<u>195,875</u>
	<u>324,927</u>	<u>65,933</u>	<u>390,859</u>
Carrying Amount			
At 31 December, 2015	374,456	343,392	690,849
At December, 2014	481,933	358,791	840,724

FOR THE YEAR ENDED 31 DECEMBER, 2014

	Office equipment	Furniture & fittings	Total
	₦	₦	₦
Non Current Assets			
Deemed Cost			
At 1/1/2014	124,383	6,976	131,358
Additions	<u>548,000</u>	<u>356,350</u>	<u>904,350</u>
At 31/12/2014	<u>672,383</u>	<u>363,326</u>	<u>1,035,708</u>
Depreciation			
At 1/1/2014			
For the year	55,973	3,139	59,112
At 31/12/2014	<u>134,477</u>	<u>1,395</u>	<u>135,872</u>
	<u>190,450</u>	<u>4,534</u>	<u>194,984</u>
Carrying Amount			
At 31st December, 2014	481,933	358,792	840,724
At 31st December, 2013	68,410	3,873	72,683

	2015	2014	2013
	₦	₦	₦
2 Receivables			
Due from Lagos Water Corporation	3,468,900	3,283,175	-
Due from Civicus:			
EENA's Project	995,250	-	-
Lifeline Crisis Response	119,549	-	-
Due from ICNL	995,250	-	-
Staff Receivable	<u>120,000</u>	<u>-</u>	<u>-</u>
	<u>5,689,949</u>	<u>3,283,175</u>	<u>-</u>
	=====	=====	=====
Analysis:			
Current	5,689,949	3,283,175	-
Non-Current	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,689,949</u>	<u>3,283,175</u>	<u>-</u>
	=====	=====	=====
3 Cash & Cash equivalent			
UBA Domiciliary Account	1,206,398	1,894,616	2,644,122
UBA Membership Account	909,795	36,739	15,401
UBA Project Account	<u>7,966</u>	<u>107,926</u>	<u>384,024</u>
Cash & Cash Equivalent as per Statement of Financial Position	<u>2,124,159</u>	<u>2,039,281</u>	<u>3,043,547</u>
	=====	=====	=====
Cash and Cash Equivalent as per Statement of Cash Flow	<u>2,124,159</u>	<u>2,039,281</u>	<u>3,043,547</u>
	=====	=====	=====

For the purposes of the statement of cash flows, Cash and Cash equivalent include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of reporting period as shown in Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position (as shown above)

4 Payables			
Tectonics	434,404	4,534,404	4,534,404
Refund to LSWC	900,000	-	-
Audit fee	<u>75,000</u>	<u>60,000</u>	<u>-</u>
	<u>1,409,404</u>	<u>4,594,404</u>	<u>4,534,404</u>
	=====	=====	=====
Analysis:			
Current	1,409,404	4,594,404	4,534,404
Non-Current	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,409,404</u>	<u>4,594,404</u>	<u>4,534,404</u>
	=====	=====	=====

	2015	2014
	₦	₦
5 Income		
Grants:		
Lagos Water Corporation	8,281,500	8,281,500
Project Grant: Civicus	6,445,827	3,701,940
A4A1	-	84,806
ICNL	4,818,651	1,924,692
PEW research Center	209,652	-
The World Wide Web	<u>134,030</u>	<u>-</u>
	19,888,659	13,992,938
Membership Subscriptions (Note 9)	945,507	1,461,390
Annual Conference fee	1,010,500	-
Interest Income	<u>-</u>	<u>3,948</u>
	<u>21,845,666</u>	<u>15,458,276</u>

SUMMARY OF GRANTS RECEIVED FROM CIVICUS BASED ON PROJECTS

6	Lifeline Crisis Response	1,195,170	-
	EENA	<u>5,250,657</u>	<u>-</u>
		<u>6,445,827</u>	<u>-</u>

	2015	2014
	₦	₦
7. Summary of Direct Expenses/Programme Cost		
Lagos water Corporation Project:		
Bus/Truck Hire	-	321,900
Mass Mobilisation	-	617,050
Consultancy Fee	-	20,000
Event Service	50,000	34,300
Lunch & Entertainment	-	163,500
Fliers	-	100,000
Printing & Stationery	-	35,000
Project Manager Salary	-	1,200,000
Road Shows	-	243,500
Volunteers	-	336,400
Water Workshop	-	740,900
Project Overhead Expenses	<u>1,664,955</u>	<u>-</u>
	<u>1,714,955</u>	<u>3,812,550</u>

	2015	2014
	₦	₦
8b Self Funding Grants Expenses		
Civicus Project Expense: Lifeline Crisis Response	944,272	1,387,650
Local Conference & Workshop	715,972	1,577,450
Oversea Conference & Workshop	758,700	1,650,000
Rent of Hall	-	340,000
EENA's Project Expense	2,418,050	-
Global action Day	785,200	-
Public Awareness	5,000	-
Pew's Project Expense	235,620	-
A41A Event	134,000	-
CESDEV Partnership Funds	150,000	-
Action 2015 TEENS Partnership Fund	<u>100,000</u>	<u>-</u>
	<u>6,246,814</u>	<u>4,955,100</u>
8c Summary of Global Action Day		
Campaigns	520,195	-
Entertainment	166,855	-
Transport	<u>98,150</u>	<u>-</u>
	<u>785,200</u>	<u>-</u>
8d Annual Conference Expense		
Transport	134,500	-
Printing and Stationery	39,150	-
Souvenirs	104,000	-
Accommodation	76,420	-
Rent of Hall	350,000	-
Entertainment	344,930	-
Communication	1,000	-
Media	<u>43,300</u>	<u>-</u>
	<u>1,093,300</u>	<u>-</u>
8e Personnel Cost		
Salaries	<u>5,604,700</u>	<u>4,442,660</u>

	2015	2014
	N	N
9 Statement of Administrative Expenses		
Office Rent	465,000	350,000
Auditor and Accountancy fee	235,000	60,000
Transport and travelling	228,300	681,645
Internet/Web Hosting	131,500	100,000
Bank Charges	130,394	94,999
Repairs and Maintenance	74,750	92,300
Award & Gifts	75,000	-
Hotel Accommodation	53,200	-
Staff Retreat	25,000	-
Petrol and Oil	20,000	129,300
Telephone and Postages	10,100	40,600
Membership Certificate	5,000	-
Stationery and Printing	1,000	18,400
Electricity	-	37,300
Office Expense	-	5,000
Depreciation	<u>195,875</u>	<u>135,872</u>
	<u>1,650,120</u>	<u>1,745,466</u>
	=====	=====

Financial Risk Management

Introduction and overview of Company Risk Management

The organisation's activities exposed it to a variety of financial risks: Credit risk, liquidity risk and market risk (including foreign exchange, and interest rate risk). Risk management is carried out primarily by the management of the organisation. The management identifies, evaluates, and manages financial risk in close co-operation with the organisation operating units. Written principle for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, and other price risk are approved by the Board of Trustees.

(a) Credit risk

Credit risk is the risk of financial loss to the organisation if a client (donor) or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, receivables from related parties as well as credit exposures to the organisation's donors.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date was:

Carrying Amount

	2015	2014
	N	N
Other Financial Receivables	5,698,949	3,283,175
Cash and cash equivalents	<u>2,124,159</u>	<u>2,039,281</u>
Total Financial Assets	<u><u>7,513,957</u></u>	<u><u>5,322,180</u></u>

Cash and cash equivalents

The organisation held cash and cash equivalents of ₦2,124,159 at 31st December, 2015(2014: ₦2,039,281) which represents its maximum credit exposure on these assets.

(b) Liquidity risk

Liquidity risk is the risk that the organisation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash and other financial assets. The organisation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the company's reputation.

The organisation aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payable) over the succeeding 60 days. The organisation also monitors the level of expected cash inflows from project grants.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Liquidity GAP Analysis (Assets – Liability Matching) 31 December, 2015

Contractual Cash flows

	On call N	1 year N	2-5 years N	>5 years N	Total N
FINANCIAL ASSETS:					
Other financial assets:					
- Other receivables	5,698,949	-	-	-	5,698,949
- Cash and cash equivalents	<u>2,124,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,124,159</u>
Total Financial Assets	<u>7,823,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,823,108</u>
Other financial liabilities:					
- Bank Overdrafts	-	-	-	-	-
- Other payables	<u>1,409,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,409,404</u>
Total Financial Liabilities	<u>1,409,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,409,404</u>

The amount disclosed in the tables above is the contractual undiscounted cash flows of the liabilities.

The organisation's exposure to liquidity risk is minimal as at a period ended 31st December 2015.

(c)

Market risk

Market risk is that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: Interest rate risk and currency risk.

Financial instrument affected by market risk include: Loans and borrowings, deposits, trade payables, Accrued liabilities and derivative financial instruments.

I Currency risk

The organisation has transactional currency exposures that arise from receipts and/ or payments in currency other than the respective functional currency. The organisation manages this risk by matching receipts and payments in the same currency and monitoring movements in exchange rates.

II Interest risk

The Organisation is exposed to cash flow interest rate risk on bank overdraft and other bank Credit facilities to the extent that the significant rise in market interest rates would result in an increase in the interest paid by the organisation. Interest rates do not apply to NNGO during the period 2015 as the Organisation neither had bank overdraft nor bank credit facilities.

III Fair Value

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

The Organisation uses the following hierarchy for determining the fair value of financial Instrument which is measured at fair value by valuation technique:

- 1 Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- 2 Level 2: Other techniques for which all inputs which had a significant effect on the recorded fair values are observable, either directly or indirectly.
- 3 Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There have been no transfers between fair value levels during the period. Also for some financial

Instruments of which their fair value cannot be obtained with certain degree of reliability or that their carrying amount mimics (or reflects) fair value are all stated at their carrying amount (as a close approximation for their fair value as regards IFRS 7 disclosure requirements).

FINANCIAL ASSETS:	Level 1 ₹	Level 2 ₹	Level 3 ₹	Carrying Amount ₹	Total ₹
Other financial assets:					
- Other receivables	5,698,949	-	-	5,698,949	5,698,949
- Cash and cash equivalents	<u>2,124,159</u>	-	-	<u>2,124,159</u>	<u>2,124,159</u>
Total Financial Assets	<u>7,513,957</u>	-	-	<u>7,513,957</u>	<u>7,513,957</u>
Other financial liabilities:					
- Bank Overdrafts	-	-	-	-	-
- Other payables	1,409,404	-	-	1,409,404	1,409,404
Total Financial Liabilities	<u>1,409,404</u>	-	-	<u>1,409,404</u>	<u>1,409,404</u>

11 **Responsibilities of Trustees on the Financial Statements**

In accordance with the provisions of sections 334 and 335 of the companies and Allied Matters Act, Cap. C20 LFN 2004, the Organisation's Trustees are responsible for the preparation of the annual financial statements which give a true and fair view of state of affairs of the Organisation as at 31st December, 2015 and on its financial performance for the year ended on that date, and comply with the requirements of the companies and Allied Matters Act, Cap C20 LFN 2004. These responsibilities include ensuring that:

- I Adequate internal control procedures are instituted to safeguard assets and prevent and detect fraud and other irregularities,
- II Proper accounting record are maintained,
- III Applicable accounting standards are followed, and
- IV Suitable accounting policies are used and consistently applied.
- V It is appropriate for the financial statement to be prepared on a going concern basis unless it is presumed that the company will not continue in business.

12 **Reporting Segments**

No activity or geographical segment information is reported as the organisation's geographical segment in Nigeria.

13 **Subsequent events**

There are no post balance sheet events which could have a material effect on the financial position of the Organisation as at 31 December,2015 and results for the year then ended, which have not been adequately provided for.

14 **Explanation of transition to FIRS**

As stated under the accounting policies (2a), these are the Organisation's first Financial Statements provided in accordance with IFRS for Not For Profit Organisations.

The accounting policies set out on pages 6 to 11 have been applied in preparing the financial statements for the year ended 31 December, 2015, the comparative information presented in these financial statements for the year ended 31 December,2014 and in the preparation of an opening IFRS statement of financial position at 1 January,2014 (**NNNGO's date of transition**). In preparing its opening IFRS SMEs statement of financial position, the company has adjusted amounts reported previously in financial statement prepared in accordance with the statement of accounting standard of Nigeria (previous GAAP). An explanation of how the transition from previous GAAP to IFRS's has affected NNNGO's financial position, financial performance and cash flows is set out in the following tables and notes that accompany the tables.

a Reconciliation of Nigerian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The organisation's first-time adoption did not have an impact on the total operating investing or financial cash flows. The following tables represent the reconciliation from Nigerian GAAP to IFRS for respective periods noted for equity and the statement of comprehensive.

Reconciliation of equity as previously reported under Nigerian GAAP to IFRS as at 1 January, 2015

	Note	Nigerian GAAP	Reclassifications	Remeasurement	IFRS as at 1 January 2015
Assets:		₦	₦	₦	₦
Cash and cash equivalents	a i	-	2,039,281	-	2,039,281
Cash and bank balances	(i)	2,039,281	(2,039,281)	-	-
Debtors and prepayments	b ii	3,283,175	(3,283,175)	-	-
Trade receivables	b ii		3,283,175	-	3,283,175
Fixed Assets	c (iii)	840,724	(840,724)	-	-
Property, plant & equipment	c (iii)	-	840,724	-	840,724
Total assets		6,163,180	-	-	6,163,180
Liability and equity					
Creditors and accruals	d (v)	4,594,404	(4,594,404)	-	-
Trade & Other Payables	d (v)	-	4,594,404	-	4,594,404
Total Liabilities		4,594,404	-	-	4,594,404
Accumulated Funds					
Accumulated Funds	e (vi)	1,568,776	-	-	1,568,776
Total Accumulated Funds & Liabilities		6,163,180			6,163,180

Reconciliation of equity as previously reported under Nigerian GAAP to IFRS as at 1st January, 2014

	Note	Nigerian GAAP ₦	Reclassifications ₦	Remeasurement ₦	January 2014 ₦
Cash and cash equivalents	a i	-	3,043,547	-	3,043,547
Cash and bank balances	(i)	3,043,547	(3,043,547)	-	-
Debtors and prepayments	b ii	2,484,450	(2,484,450)	-	-
Trade receivables	b ii	-	2,484,450	-	2,484,450
Fixed Assets	c (iii)	72,683	(72,683)	-	-
Property, plant & equipment	c (iii)	-	72,683	-	72,683
Total assets		5,600,680	-	-	5,600,680
Liability and Accumulated Funds					
Liabilities					
Creditors and accruals	d (v)	1,066,680	(1,066,680)	-	-
Trade & Other Payables	d (v)	-	1,066,680	-	1,066,680
Total Liabilities		1,066,680	-	-	1,066,680
Accumulated Funds					
Accumulated Funds	e (vi)	4,534,404	-	-	4,534,404
Total Accumulated Funds & Liabilities		5,600,680			5,600,680

