

**NIGERIA NETWORK OF NON – GOVERNMENTAL
ORGANISATIONS (NNGO)**

Reports & Financial Statements
At 31st December, 2019

NIGERIA NETWORK OF NON – GOVERNMENTAL ORGANISATIONS (NNGO)

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NIGERIA NETWORK OF NON – GOVERNMENTAL ORGANISATIONS (NNNGO)

CORPORATE INFORMATION

1. Trustees

Mrs.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 Making Organisation

3. Registered Address

151, Akowonjo Road Egbeda, Lagos State.

4. Auditors

Aderemi Bamidele & Co.
(Chartered Accountants)
Purple Gold Building,
New Garage Apata Expressway,
Elewure Bus Stop,
Ibadan.

NIGERIA NETWORK OF NON – GOVERNMENTAL ORGANISATIONS

Report of the Trustees For the Year Ended 31st December, 2019

The Trustees have pleasure in submitting their report together with the financial statements of the Foundation for the year ended 31st December, 2019.

1. Result for the period	2019	2018
	₦	₦
Total Grants & Non Grant Income for the year	15,541,414	62,502,035
Deduct: Expenditure	<u>(27,226,130)</u>	<u>(56,590,164)</u>
Surplus/ (Deficit) on Ordinary Activities	(11,684,715)	(2,198,314)
Other Income	72,784	7,775
(Deficit) Surplus for the Year	(11,611,931)	5,919,646
	=====	=====

2. **Principal Activities**

The Organisation was actively involved in rendering non-profit making services to both local and foreign donors.

3. **Review of Operation**

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

4. **Employee Involvement and Training**

Employees are kept fully informed regarding the organization 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. have shown their wiliness to continue in office as Auditors of NNNGO.

By Order of the Trustees

Chief Executive
19th of February, 2021

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, 2019, 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 International Financial Reporting Standard issued by the International Accounting Standard Board 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, 2019 and the Surplus and Cash flows for the year then ended in accordance with International Financial Reporting Standard issued by the International Accounting Standard Board 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 the company; and
- iii. The NNNGO's Statement of Financial Position, Statement of Income & Expenditure & Statement of Cash flow are in agreement with the books of accounts.

IBADAN

Aderemi A.Bamidele
FRC/2014/ICAN/00000009895
Aderemi Bamidele & Co.
(Chartered Accountants)

.....February, 2021.

NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2019

NOTES	2019	2018
ASSETS:	₦	₦
Non-current assets:		
Property, plant and equipment	1 929,479	
	1,225,692	
Current assets:		
Cash and cash equivalents	2 34,118,105	37,511,334
Trade & Other Receivables	3 9,361,426	8,783,926
Total Current Assets	43,479,531	46,295,260
Total assets	<u>44,409,011</u>	<u>47,520,951</u>
Membership Fund and Liabilities:		
Membership Fund		
Membership Funds	2,646,055	14,257,986
Current Liabilities		
Trade & Other Payables	4 41,762,956	33,262,966
Total Membership Fund and liabilities	<u>44,409,011</u>	<u>47,520,952</u>

The Financial Statements were approved by the Board of Trustees on 29th of January, 2019 and on its behalf by:
 Mrs.Yemisi Ransome Kuti _____

Otunba Dele Ajayi Smith _____

Dr. Tilley Gyado _____

Accounting policies on page 11 to 15 and notes on page 16 to 23 form part of these Financial Statements.

**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER, 2019**

	NOTES	2019 ₦	2018 ₦
Incomes			
Grants	5	13,138,928	60,103,910
Non-Grant	6	2,402,486	2,398,125
Total Revenue		15,541,414	62,502,035
Expenditures			
Open Society Initiative for West Africa	7a	5,983,293	5,907,754
European Union	7b	2,398,226	109,000
Common Wealth Foundation	7c	4,098,430	2,236,995
Annual Conference Expenses	6d	1,344,840	-
Other expenses	7e	-	1,972,225
African Monitor	7f	-	4,042,997
International Centre for Not Profit (ICNL)	7g	-	3,721,294
Lifeline	7h	-	5,371,393
UPR	7i	-	1,801,309
PACFAH	7j	1,263,531	21,438,141
Personnel Cost	8	5,432,674	4,528,791
Administrative Expenses	9	6,705,136	5,460,266
		27,226,130	56,590,164
Operating Surplus / Deficit		(11,684,715)	5,911,871
Other Incomes		72,784	7,775
Surplus / (Deficit)		<u>(11,611,931)</u>	<u>5,919,646</u>

Accounting policies on page 11 to 15 and notes on page 16 to 23 form part of these Financial Statements.

NIGERIA NETWORK OF NON - GOVERNMENTAL ORGANISATIONS

STATEMENTS OF CHANGES IN ACCUMULATED FUND FOR THE YEAR ENDED 31 DECEMBER, 2019

	Membership Fund ₦	Surplus/ (Deficit) ₦	Total ₦
Balance as at 1st January, 2019	-	14,257,986	14,257,986
Adjustment regarding restatements	-	-	-
Balance as at 1st January, 2019	-	14,257,986	14,257,986
Profit / (Deficit) for the period	-	(11,611,931)	(11,611,931)
Membership Contribution for the Year	-	-	-
Balance as at 31st December, 2019	<u>-</u>	<u>2,646,055</u>	<u>2,646,055</u>

Accounting policies on page 11 to 15 and notes on page 16 to 23 form part of these Financial Statements.

NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31ST DECEMBER, 2019

	2019	2018
Cash flow from operating activities	₦	₦
Surplus /(Deficit)for the Year	(11,611,931)	5,919,646
Adjustment for:		
Depreciation of PPE	644,214	574,614
Total Adjusted Net Result before Changes in Working Capital	(10,967,718)	6,494,261
Movement in Working Capital:		
(Increase)/Decrease in Receivables	(577,500)	(323,233)
Increase/(Decrease) in Payables	8,499,990	(6,707,754)
Net Cash Flow from Operating Activities	(3,045,227)	(536,726)
Cash flow from investing activities:		
Net Proceed of Asset De-recognized	-	-
Fixed assets purchased	(348,000)	(578,815)
Net Cash Flow from investment activities	(348,000)	(578,815)
Cashflow from Financing Activities		
Increase in Membership Fund	-	-
Net Cashflow from Financing Activities	-	-
Net Cash & Cash Equivalents	(3,393,227)	(1,115,541)
Cash & Cash Equivalent Brought Forward	37,511,334	38,626,875
Cash & Cash Equivalent Carried Forward	34,118,106	37,511,333
Represented By:		
Cash & Bank Balances	34,118,106	37,511,334
	=====	=====

Accounting policies on page 11 to 15 and notes on page 16 to 23 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, 2019.

1 **Brief History**

1.1 **Principal Activities**

The Nigeria Network of Non- Governmental Organisation's the first generic membership body for Civil Society Organisations 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 Membership Funds
- Statement of Cash Flow
- Notes to the Financial Statements

2 **Financial Period**

These financial statements cover the financial year ended 31st December, 2019 with comparative amounts for the financial year ended 31st December, 2018.

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

The preparation of financial statements in conformity with IFRSs requires Trustees and Advisers to make judgements, 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 NNNGO 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 trustee members), sponsorship, foreign exchange gain and bank interest.

c. Subscriptions

Revenue from subscription is recognized when trustee 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 or organization / bodies in respect of designated and specific projects.

e. Sponsorship Income

Sponsorship income is income generated from individual organisations that have decided to sponsor the 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 NNNGO and the amount of income can be measure 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 re-translated 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 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 de-recognized 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 NNNGO 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 organization 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. The NNNGO has only the payables and receivables category of financial assets.

j(i) Payables and Receivables

Payables 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 NNNGO'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) **De-recognition of Financial Assets**

Financial assets are de-recognized only when the contractual rights to the cash flows from the assets expire, or when the NNNGO transfers the financial asset and substantially all risks towards of ownership of the asset to another party. If the NNNGO 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 NNNGO retains substantially all the risks and rewards of ownership of a transferred financial asset,

the NNNGO continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

K 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.

1 De-recognition 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 de-recognized 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, 2019

Note 1: Property, Plants & Equipment

	Office Equipment	Furniture & Fittings	Total
Cost / Carrying Amount	₦	₦	₦
Cost at 01-01-2019	1,759,927	1,113,141	2,873,068
Additions	348,000	-	348,000
Cost at 31-12-2019	2,107,927	1,113,141	3,221,068
Depreciation & Impairments			
Accumulated Depreciation @ 01-01-19	1,115,152	532,223	1,647,375
For the period	421,586	222,628	644,214
Impairment Loss	-	-	-
Depreciation & Impairment Loss at 31-12-2019	1,536,738	754,851	2,291,589
Carrying Amounts			
at 31-12-19	571,190	358,290	929,479
at 31-12-18	644,775	580,918	1,225,693
	=====	=====	=====

NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019 CONTD

NOTES TO THE ACCOUNTS (CONT'D)	2019	2018
	₦	₦
2. Cash and Cash Equivalents:		
Bank Balances	34,118,105	37,511,334
Cash in Hands	-	-
Short Terms Finance	-	-
	34,118,105	37,511,334

Cash & Cash Equivalent as per cash Flow	34,118,105	37,511,334
Cash & Cash Equivalent as per Statement of Financial Position	34,118,105	37,511,334

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

3. Receivables:		
Due from Lagos Water Corporation	3,468,900	3,468,900
Leave No One Behind	36,000	36,000
European Project : Strengthening statutory Regulation for Civil Society in Nigeria	4,136,261	4,136,261
Civicus	16,200	16,200
Common Wealth Foundation	1,126,565	1,126,565
Forum International Des Plate	577,500	-
	9,361,426	8,783,926

4. Payables		
Tectonics	434,404	434,404
Refund to LSWC	900,000	900,000
Audit Fee	120,000	120,000
Common wealth Foundation	6,040,190	10,138,620
Forum International Des Plate	-	2,966,921
The Tide Foundation	18,000,000	-
OSIWA	-	-
European Union	16,268,362	18,703,020
	41,762,956	33,262,966

**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019 CONTD**

	2019	2018
	₦	₦
5. Incomes		
Project Grants:		
PACFAH	-	22,091,939
Civicus: Life Line	-	5,400,000
UPR	-	1,800,000
ICNL	-	7,877,520
European Union	2,434,658	409,263
OSIWA	6,605,840	11,049,085
Common Wealth Foundation	4,098,430	6,984,308
Africa Monitor Trust	-	4,921,456
	13,138,928	60,103,910
6. Non Grant Incomes:		
Membership Dues	2,402,486	2,398,125
Annual Conference	-	-
	2,402,486	2,398,125
Total Incomes	15,541,414	62,502,035
5b. Other Incomes		
Interest Received: USD A/c	23,008	4,334
GBP A/c	49,777	2,864
Euro A/c	-	577
	72,784	7,775

Projects/ Activities Expenses

7a.

Funding Agency : Open Society Initiative for West Africa (OSIWA)

Thematic Objective:

To create space for effective engagement of Civil Society Organizations in the **Financial Action Task Force (FATF)** Evaluation of Nigeria.

	2019	2018
	₦	₦
Venue Hire	-	1,020,158
Entertainment / Reference for Events	-	1,559,040
Internet	-	10,053
Personnel Cost	-	261,420
Hotel Accommodation	-	190,033
Air Travels	-	73,803
Transport	-	268,087
Printing & Stationery	-	11,553
DSA	-	107,505
Honorarium	-	30,105
Consultancy Fee	-	2,376,000
	-	5,907,754

**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019 CONTD**

7b. International Forum of National NGO Platforms (IFP or Forus)

] Objective: Implementation of Capacity Development Actions

	2019	2018
	₦	₦
Venue Hire	1,100,000	-
Entertainment / Reference for Events	1,245,000	-
Internet	246,300	-
Personnel Cost	1,604,482	-
Hotel Accommodation	288,000	-
Software	104,389	-
Air Travels	249,800	-
Banner & Work workshop Materials	280,000	-
Electricity Bill	87,000	-
Fuel	45,050	-
Transport	20,272	-
Office Rent	447,000	-
Printing & Stationery	-	-
DSA	175,000	-
Office Cleaning Expenses	91,000	-
	5,983,293	-

7c. European Union Trust Project

Project Theme & Objective

Strengthening Regulatory Framework and Enabling Environment for a more Accountable and Transparent Civil Society in Nigeria .

	2019	2018
	₦	₦
Air Tickets	186,400	-
Banners	20,000	-
Communication Expenses	29,929	-
Electricity Appliances	15,000	-
Electricity Bill	30,000	-
Fuel & Lubricants	54,200	-
Hall for Venue	399,999	-
Office Cleaning Expenses	13,500	-
Personnel Cost	548,145	109,000
Courier Services	6,000	-
Printing & Stationery	15,000	-
Web Hosting & Domain	600,053	-
Transport	280,000	-
Entertainment/Refreshment	121,600	-
	2,398,226	109,000

7d. Common Wealth Foundation:

Thematic Objective:

- (a) NNNGO is to play an intermediation role towards ensuring an effective regulatory Framework for Civil Society Organisations is in place; resulting from multi-stakeholders Wide consultations; special emphasis is on review / amendment of Part 'C' of CAMA to ease registration and compliance
- (b) To increase operational capacity of Nigeria NGOs to comply with Regulatory framework in line with international best practices. Regulation for Civil Society Organisation in Nigeria.

**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019 CONTD**

	2019	2018
	₦	₦
Personnel Cost	132,137	-
Report Circulation Expenses	-	6,053
Entertainment / Refreshment	460,800	143,553
Hall : Venue for Regional Consultation	1,911,707	444,903
Courier Services & Postage	61,160	-
Meeting Materials	-	114,853
Transport	163,500	178,150
Accommodation	582,053	452,345
Air Travel	665,473	897,140
Printing & Stationery	121,600	-
	4,098,430	2,236,995

7e. Annual Conference Expenses

Accommodation	90,000	-
Air Ticket	37,250	-
Catering Service Charge	21,000	-
Entertainment: Feeding & Refreshment	721,500	-
Flex, Banner & Stands	62,700	-
Media Expenses	15,500	-
Plates	20,000	-
Printing & Stationery	62,000	-
Transport	186,385	-
Video & Photography	48,000	-
Awards & Prizes	80,505	-
	1,344,840	-

2019

2018

₦

₦

7f. Other Project Expenses

Honorarium	-	20,053
Hall Decoration	-	105,053
DSA	-	1,474,105
Logistic Expenses	-	20,053
Projects' Evaluation Expenses	-	187,910
Law & Policy Expenses	-	165,053
	-	1,972,225

7g.

Funding Agency: **African Monitor Trust of South Africa**

Thematic Objective is to hold governments accountable for the delivery of Sustainable Development Goals and to support citizens to claim/ demand delivery.

	2019	2018
	₦	₦
Consultancy Fee	-	348,909
Accommodation	-	547,053
Courier Services	-	15,105
Venue Hire	-	100,053
Videos & Pictures	-	20,053
Personnel Cost	-	560,210
Banners	-	4,553

**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019 CONTD**

	2019	2018
	₦	₦
Citizen Report Data Collection's Expenses	-	1,822,010
Meal & Refreshment	-	358,053
Air Travels	-	267,000
	-	4,042,996

7h. International Centre for Not Profit Law (ICNL)

Thematic Objective:

Civil Society engagement with Federal Inland Revenue Service on improving the tax regime for non-profits and providing information to NNNGO's membership on the tax contributions of No for Profit Making Organisations in the country, sectoral tax compliance and general capacity building of civil society on Issues of taxation and sustainability.

	2019	2018
	₦	₦
Air Travels	-	636,232
Distance Sustenance Allowance	-	410,053
Accommodation	-	1,260,000
Meal & Refreshment	-	892,905
Hall Venue for CSO Consultative Meeting	-	430,053
Printing	-	92,053
	-	3,721,294

6h.Civicus: Lifeline Project

Communication Expenses	-	502,015
Postage & Courier Expenses	-	716,105
Printing	-	716,053
Meeting Materials	-	179,053
Venue Hire	-	1,074,105
Video & Pictures	-	465,453
Web Design & Maintenance	-	644,453
Meal & Refreshment	-	895,105
Design Independent Report Expenses	-	179,053
	-	5,371,393

6i. Civicus : UPR

Venue Hire	-	717,053
Entertainment: Feeding & Refreshment	-	557,267
Courier Services	-	129,113
Printing of Workshop Material	-	179,303
Workshop Souvenirs	-	34,899
Web Social Media Design	-	183,676
	-	1,801,309

6j. Summary of PACFAH Expenses

Administrative Cost	-	1,590,451
Air Ticket	-	113,100
PAS Project Expenses	-	51,500
Laptop	-	150,000
Meal & Refreshment	8,220	402,500
Office Fan	-	10,600

NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
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FOR THE YEAR ENDED 31ST DECEMBER, 2019 CONTD

Rent	54,319	325,000
Printing	-	149,900
Transport	38,804	515,000
Personnel Cost	916,858	17,770,000
Conference Hall	-	210,000
Hotel accommodation	-	52,500
Honorarium	10,053	45,500
Workshop Materials	64,158	5,000
Bank Charges	-	27,090
Photography & Video Services	-	20,000
Motor Vehicles Repairs & Maintenance	49,963	-
Web Hosting & Domain	40,053	-
Fuel & Lubricants	12,053	-
Computer Repairs & maintenance	69,053	-
	1,263,531	21,438,141

7. Personnel Cost

Salaries & Wages	5,432,674	4,505,291
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8. Statement of Administrative Expenses

Printing & Stationery	39,600	187,120
Transport and Travelling	964,663	2,003,370
Repairs & Maintenance	40,730	63,558
Audit and Accountancy Fee	120,000	120,000
Bank Charges	114,587	69,999
Petrol & Oil	284,460	160,235
Office Rent	453,000	225,105
Communication Expenses	234,201	267,274
Computer's Repairs	105,200	39,658
Hotel Accommodation	506,860	279,475
Staff Retreat	12,500	-
Depreciation	644,214	574,614
IFP Membership Certificate	-	36,000
Office Utilities	1,284,500	-
Meal & Refreshment	253,715	81,090
Premises & Development Levies	10,200	-
Courier	9,000	60,760
Vehicle's Repairs	512,900	237,820
Office Cleaning	19,100	63,558
Video Coverage, Photograph & Banners Expenses	-	48,310
JDPC	9,550	-
Website Design	17,500	12,553
Computer Software	-	160,639
Air Travels	388,756	484,806
Professional Fee	-	60,053

**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019 CONTD**

	2019	2018
8. Statement of Administrative Expenses (Cont'd)	₦	₦
Foreign Exchange Translation Loss	-	224,272
Hall Venue	30,000	-
Honorarium	10,600	-
Media Advocacy	20,000	-
Membership Due	48,960	-
License Renewals	12,000	-
Subscription for Soho Books	88,740	-
Virtual Office Usage	70,000	-
Registration for ICSW	334,800	-
Health Insurance	10,000	-
Staff Medical Bill	30,800	-
Electricity Bill	24,000	-
	6,705,136	5,460,266
	=====	=====

**9.0 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 counterpart 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:

	<u>Carrying Amount</u>	
	2019	2018
	₦	₦
Receivables	9,361,426	8,783,926
Cash and cash equivalents	<u>34,118,105</u>	<u>37,511,334</u>
Total Financial Assets	<u>43,479,531</u>	<u>46,295,260</u>

Cash and cash equivalents

The organisation held cash and cash equivalents of **₦34,118,105** at 31st December, 2019 (2018: **₦37,511,334**) 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, 2019

Contractual Cash flows

	On call	1 year	2-5 years	>5 years	Total
FINANCIAL ASSETS:	N	N	N	N	N
Other financial assets:					
Other receivables	9,361,426	-	-	-	9,361,426
Cash and cash equivalent	34,118,105	-	-	-	<u>34,118,105</u>
Total Financial Assets	<u>43,479,531</u>	-	-	-	<u>43,479,531</u>
Other financial liabilities:					
Bank Overdrafts	-	-	-	-	-
Other payables	41,762,956	-	-	-	41,762,956
Total Financial Liabilities	<u>41,762,956</u>	-	-	-	<u>41,762,956</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 2019.

(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 company. Interest rates do not apply to the company during the period 2019 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).

Carrying	Level 1	Level 2	Level 3	Amount	Total
FINANCIAL ASSETS:	₺	₺	₺	₺	₺
Other financial assets:					
- Other receivables	9,361,426	-	-	9,361,426	9,361,426
- Cash and cash equivalents	34,118,105	-	-	34,118,105	34,118,105
Total Financial Assets	<u>43,479,531</u>	-	-	<u>43,479,531</u>	<u>43,479,531</u>
Other financial liabilities:					
- Bank Overdrafts	-	-	-	-	-
- Other payables	41,762,956	-	-	41,762,956	41,762,956
Total Financial Liabilities	41,762,956	-	-	41,762,956	41,762,956

13 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 31stDecember, 2019 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.

14 **Reporting Segments**

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

15 **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,2019 and results for the year then ended, which have not been adequately provided for.

