

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

Reports & Financial Statements
At 31st December, 2017

NIGERIA NETWORK OF NON - GOVERNMENTAL ORGANISATIONS (NNNGO)

TABLE OF CONTENTS

	Page
1. Corporate information	3
2. Trustee's Report	4
3. Independent Auditors report	5-6
5 Statement of Financial Position	7
6. Statement of Income and Expenditure	8
7. Statement of Change in Members' Fund	9
8. Statement of Cash Flows	10
9 Accounting Policies	11-15
10. Notes to the Account	15-23

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 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, 2017

The Trustees have pleasure in submitting their report together with the financial statements of the Foundation for the year ended 31st December, 2017.

1. Result for the period	2017	2016
	₦	₦
Total Grants & Income for the year	47,934,368	14,355,120
Deduct: Expenditure	<u>(22,851,315)</u>	<u>(12,521,135)</u>
Surplus/ (Deficit) on Ordinary Activities	22,851,315	1,833,985
Other Income	1,219,455	378,662
Surplus for the Year	25,083,053	2,212,646
	=====	=====

2. **Principal Activities**

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

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 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. have shown their wiliness to continue in office as Auditors of NNNGO.

By Order of the Trustees

Chief Executive
19th of July, 2018.

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, 2017, 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, 2017 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

.....July, 2018.

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

NIGERIA NETWORK OF NON – GOVERNMENTAL ORGANISATIONS

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER, 2017

	Notes	2017 ₦	2016 ₦
Non Current Assets			
Property, Plant & Equipment	1	1,221,490	853,893
Current Assets:			
Receivables	2	8,460,693	7,101,945
Cash & Cash Equivalent	3	38,626,876	22,906,632
		47,087,569	30,008,577
Total Assets		48,309,059	30,862,469
Accumulated Fund & Liabilities			
Accumulated Fund		35,619,707	9,317,199
Current Liabilities			
Payables	5	12,689,352	21,545,271
Total Accumulated Funds And Liabilities		48,309,059	30,862,470

The Financial Statements were approved by the Board of Trustees on 19th of July, 2018 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
(NNNGO)**

**STATEMENTS OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER, 2017**

		2017	2016
		₦	₦
	Notes		
Income	5	47,934,368	14,355,120
Expenditure			
Project Costs	7	8,377,203	-
Annual Conference Expenses	8	2,492,977	-
Other Project Expenses	9	1,337,902	878,910
Administrative Expenses	11	7,261,977	5,812,225
Personnel Cost	10	3,381,256	5,830,000
Total expenditures		22,851,315	12,521,135
Surplus / (Deficit) on Operating Activities		25,083,053	1,833,985
Other Income	6	1,219,455	378,662
Surplus / (Deficit) for the Year		26,302,508	2,212,647

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, 2017

	Accumulated Surplus/ (Deficit)	Total
	₦	₦
Balance at 1st. January, 2017	9,317,199	9,317,199
Balance at 1 st January, 2017	9,317,199	9,317,199
Surplus/ (Deficit) for the year	26,302,508	26,302,508
Members contribution for the year	-	-
Balance as at 31st. December, 2017	35,619,707	35,619,707

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 (NNGO)**

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2017**

		2017		2016
	₦	₦	₦	₦
Excess of Income Over Expenditure		26,302,508		2,212,646
Adjustment for:				
Depreciation		405,296		276,605
Operating Income before Working Capital		26,707,804		22,489,252
Receivables		(1,358,748)		(1,402,996)
Payables		(8,855,919)		20,135,867
		(10,214,666)		18,732,871
Cash generated from operation		16,493,138		21,222,123
Cash flow from investing activities:				
Acquisition of Property, Plant & Equipment		(772,894)		(439,650)
Net Increase / (Decrease) in Cash and Cash Equivalent		15,720,244		20,782,473
Cash and Cash Equivalent at the Beginning of the Year		22,906,631		2,124,159
		38,626,875		22,906,631
Represented by:				
Cash and Cash Equivalent		38,626,875		22,906,631
		=====		=====

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, 2017.

1 **Brief History**

1.1 **Principal activities**

The Nigeria Network of Non- Governmental Organisation is 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 Accumulated Funds
- Statement of Cash Flow
- Notes to the Financial Statements

2 **Financial Period**

These financial statements cover the financial year ended 31st December, 2017 with comparative amounts for the financial year ended 31st December, 2016.

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 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 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 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 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 loans and receivables category of financial assets.

j(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 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 derecognized 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 assets, 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 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, 2017**

1	Office Equipment ₦	Furniture & Fittings ₦	Total ₦
Non Current Assets			
Deemed Cost			
At 1/1/2017	968,033	553,325	1,521,358
Additions	772,894	-	772,894
At 31/12/2017	1,740,927	553,325	2,294,252
Depreciation & Impairment			
At 1/1/2017	518,534	148,932	667,466
For the year	322,297	82,999	405,296
Impairment	-	-	-
At 31/12/2017	840,831	231,931	1,072,762
Carrying amount			
At 31 December, 2017	900,096	321,394	1,221,490
At 31 December, 2016	449,499	404,393	853,892

	2017	2016
2 Receivables	₦	₦
Project Receivables	8,460,693	7,101,945
Other Receivables	-	-
	8,460,693	7,101,945
3 Cash & Cash Equivalent		
Domiciliary Account	13,819,886	15,848,998
Naira Accounts	24,806,990	8,495,133
	38,626,876	22,906,631
Cash & Cash Equivalent as per Statement of Financial Position	38,626,876	22,906,631
Cash and Cash Equivalent as per Statement of Cash Flow	38,626,876	22,906,631

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)

	2017	2016
	₦	₦
4 Payables		
Project payables	12,529,352	21,545,271
Other Payables (4b)	60,000	75,000
	12,689,352	21,545,271
4b Other Payables		
Accrued Audit Fe	60,000	75,000
5 Income	2017	2016
	₦	₦
a. Grants:		
Civicus: Life Crisis Response	-	3,753,828
Hate Speech Event	1,980,000	-
ICNL	-	7,760,834
European Union Project	21,056,193	-
OSIWA	12,844,255	-
Common Wealth Foundation	7,187,500	-
GCAP	717,120	-
The African Monitor Trust	-	362,358
	43,785,068	11,877,020

b. Membership Subscriptions	1,656,800	2,228,100
c. Endowment Fund	-	250,000
d. Annual Conference fee	1,756,500	-
e. Donations - 25 th Anniversary Celebration	736,000	-
	47,934,363	14,355,120

	2017	2016
	₦	₦
6. Other Income		
a. Exchange Rate Gains	1,212,500	378,662
b. Interest Received: Domiciliary A/C		
USD	5,760	-
GBP	1,195	-
	1,219,455	378,662

	2017	2016
	₦	₦
7a. Summary of Direct Expenses / Programme Cost		
Opening Society Initiative for West Africa (OSIWA):		
Civic Engagement on the Financial Action Task Force (FATF)		
Entertainment for Events	485,105	-
Internet	130,499	-
Personnel Cost	1,245,313	-
Accommodation	260,065	-
Design & Production of Policy Brief	145,631	-
Design Web Social Media Creative	218,382	-
Electronic Design of Research Report	97,131	-
Communication	122,220	-
Transport	421,907	-
Production of FAFT E-Newsletters	254,756	-
	3,381,009	-

	2017	2016
	₦	₦
b. European Union Project:		
Air Tickets	57,375	-
Salary	1,599,431	-
Transport	272,053	-
Entertainment	15,052	-
Total	1,943,911	-
c. Common Wealth Foundation: Strengthening Statutory		
Regulation for Civil Society Organization in Nigeria		
Car Hire	188,000	-
Report Circulation Expenses	42,053	-
Entertainment: Feeding & Refreshment	574,762	-

Hall: Venue for Regional Consultation	950,262	-
Management Meeting with National Assembly Expenses	349,671	-
Meeting Materials	115,263	-
Transport	479,591	-
Accommodation	352,681	-
	3,052,283	-
8. Annual Conference Expenses		
Awards & Prizes	100,053	-
Catering Equipment	49,553	-
Performance Bands	90,053	-
Entertainment: Feeding & Refreshment	994,666	-
Media & Souvenirs	179,369	-
T-shirt	248,815	-
Video Coverage	50,131	-
Hall for event & Decoration	780,341	-
	2,492,977	-
9. Other Projects Expenses		
Youth Studies Expenses	12,553	-
Support for Teen Hub	350,105	-
GCAP Expenses	87,353	-
Capacity Workshop for Members	99,190	-
National Dialogue for Hate Speech Expenses	245,286	-
Hall Rent for Workshop	177,810	684,410
Honorarium	365,605	194,500
	1,337,902	878,910
	2017	2016
	₦	₦
10. Personnel Cost		
Salaries and Wages	3,381,256	5,830,000
	2017	2016
	₦	₦
11. Statement of Administrative Expenses		
Stationery and Printing	169,115	33,640
Transport and travelling	4,192,884	2,773,167
Repairs and Maintenance	88,736	5,500
Electricity	-	36,000
Telephone and Postages	6,650	46,600
Auditor and Accountancy fee	210,105	80,000
Bank Charges	46,028	55,078
Petrol and Oil	257,418	160,565
Office Rent	450,105	472,500
Internet/Web Hosting	125,953	211,900
Computer's Repairs	118,138	97,600
Hotel Accommodation	330,239	325,000
Staff Retreat	13,053	58,215
Depreciation	405,296	276,505

Award & Gifts	84,158	35,000
Membership Certificate	36,000	-
Office Utilities	46,053	32,520
Entertainment	-	875,630
Publication & Media	-	35,500
Water Expenses	1,850	9,450
Courier	35,755	49,910
Vehicles' Repairs	497,184	21,000
Lagos Waste Management Authority	-	24,400
Public Relation	-	7,400
Office Cleaning	12,000	5,000
Video Coverage	-	30,000
Banner	-	39,045
Photographs	-	15,000
JDPC	4,053	-
NNNGO Membership App	50,131	-
Scholarship	81,131	-
	<u>7,261,977</u>	<u>5,812,225</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 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>	
	2017	2016
	₺	₺
Other Financial Receivables	8,460,693	7,101,945
Cash and cash equivalents	<u>38,626,876</u>	<u>22,906,631</u>
Total Financial Assets	<u>47,087,569</u>	<u>30,008,577</u>

Cash and cash equivalents

The organisation held cash and cash equivalents of ₺38,626,876 at 31st December, 2017 (2016: ₺22,906,631) 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, 2017
Contractual Cash flows

	On call	1 year	2-5 years	>5 years	Total
	₹	₹	₹	₹	₹
FINANCIAL ASSETS:					
Other financial assets:					
- Other receivables	8,460,693	-	-	-	8,460,693
- Cash and cash equivalent	<u>38,626,876</u>	-	-	-	<u>38,626,876</u>
Total Financial Assets	<u>47,087,569</u>	-	-	-	<u>47,087,569</u>
Other financial liabilities:					
- Bank Overdrafts	-	-	-	-	-
- Other payables	12,689,352	-	-	-	12,689,352
Total Financial Liabilities	<u>12,689,352</u>	-	-	-	<u>12,689,352</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 2017.

(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 2017 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:	Carrying Level 1	Level 2	Level 3	Amount	Total
	₦	₦	₦	₦	₦
Other financial assets:					
- Other receivables	8,460,693	-	-	8,460,693	8,460,693
- Cash and cash equivalents	<u>38,626,876</u>	-	-	<u>38,626,876</u>	<u>38,626,876</u>
Total Financial Assets	<u>47,087,569</u>	-	-	<u>47,087,569</u>	<u>47,087,569</u>
Other financial liabilities:					
- Bank Overdrafts	-	-	-	-	-
- Other payables	12,689,352	-	-	12,689,352	12,689,352
Total Financial Liabilities	12,689,352	-	-	12,689,352	12,689,352

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 31st December, 2017 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, 2017 and results for the year then ended, which have not been adequately provided for.