

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

**Reports & Financial Statements**

**At 31st December, 2018**

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

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

## **CORPORATE INFORMATION**

1. **Trustees**

Mrs.YemisiRansome-Kuti  
Mr. OlufemiLijadu  
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, 2018

The Trustees have pleasure in submitting their report together with the financial statements of the Foundation for the year ended 31st December, 2018.

1. <b>Result for the period</b>	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
Total Grants & Non Grant Income for the year	62,502,035	16,503,701
Deduct: Expenditure	<u>(56,590,163)</u>	<u>(22,851,315)</u>
<b>Surplus/ (Deficit) on Ordinary Activities</b>	<b>5,911,871</b>	<b>(2,198,314)</b>
Other Income	7,775	1,219,455
Surplus for the Year	<b>5,919,646</b>	<b>(978,859)</b>
	=====	=====

#### 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**

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**Chief Executive**  
19<sup>th</sup> of February, 2019.

**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, 2018, 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 31<sup>st</sup> December, 2018 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, 2018.**

**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER, 2018**

NOTES		2018	2017
<b>ASSETS:</b>		<b>₦</b>	<b>₦</b>
<b>Non-current assets:</b>			
Property, plant and equipment	1	1,225,692	1,221,490
<b>Current assets:</b>			
Cash and cash equivalents	2	37,511,334	38,626,875
Trade & Other Receivables	3	8,783,926	8,460,693
<b>Total Current Assets</b>		<b>46,295,260</b>	<b>47,087,568</b>
<b>Total assets</b>		<b><u>47,520,951</u></b>	<b><u>48,309,058</u></b>
<b>Membership Fund and Liabilities:</b>			
<b>Membership Fund</b>			
Membership Funds		14,257,986	8,338,340
<b>Current Liabilities</b>			
Trade & Other Payables	4	33,262,966	39,970,719
<b>Total Membership Fund and liabilities</b>		<b><u>47,520,952</u></b>	<b><u>48,309,059</u></b>

The Financial Statements were approved by the Board of Trustees on 29<sup>th</sup> 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, 2018**

	NOTES	2018 ₦	2017 ₦
Incomes			
Grants	5	60,103,910	43,785,068
Non-Grant		2,398,125	4,149,300
<b>Total Revenue</b>		<b>62,502,035</b>	<b>47,934,368</b>
<b>Expenditures</b>			
Open Society Initiative for West Africa	6a	5,907,754	3,381,009
European Union	6b	109,000	1,943,911
Common Wealth Foundation	6c	2,236,995	3,052,283
Annual Conference Expenses	6d	-	2,492,977
Other expenses	6e	1,972,226	1,337,902
African Monitor	6f	4,042,997	-
International Center for Not Profit (ICNL)	6g	3,721,294	-
Lifeline	6h	5,371,393	-
UPR	6i	1,801,309	-
PACFAH	6j	21,438,141	-
Personnel Cost	7	4,505,291	3,381,256
Administrative Expenses	8	5,483,765	7,261,977
		<b>56,590,163</b>	<b>22,851,315</b>
Operating Surplus / Deficit		<b>5,911,871</b>	<b>25,083,053</b>
Other Incomes		7,775	1,219,455
<b>Surplus / (Deficit)</b>		<b><u>5,919,646</u></b>	<b><u>26,302,508</u></b>

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, 2018

	Membership Fund ₦	Surplus/ (Deficit) ₦	Total ₦
Balance as at 1st January, 2018	-	35,619,707	35,619,707
Adjustment regarding restatements	-	(27,281,367)	(27,281,367)
<b>Balance as at 1st January, 2018</b>	<b>-</b>	<b>8,338,340</b>	<b>8,338,340</b>
Profit / (Deficit) for the period	-	5,919,646	5,919,646
Membership Contribution for the Year	-	-	-
<b>Balance as at 31st December, 2018</b>	<b>-</b>	<b><u>14,257,986</u></b>	<b><u>14,257,986</u></b>

#### Disclosure Requirements

Nature of Error: The Grant from OSIWA and European Projects were overstated in 2017 Financial Year.  
The Amount of Corrections Made:

	₦
OSIWA	8,169,085
European Union Project	19,112,282
	<b>27,281,367</b>

#### Corrections Effected

##### 1. OSIWA

	Dr ₦	Cr ₦
Accumulated Surplus	8,169,085	-
Payables: Deferred Income	-	8,169,085

Being an amount of income stated above the income recognized in OSIWA project in 2017 and now being corrected.

##### 2. European Union Project

Accumulated Surplus	19,112,282	-
Payables: Deferred Income	-	19,112,282

Being an amount of income stated above the income recognized in European Union project in 2017 and now being corrected.

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, 2018**

		2018	2017
	NOTE	N	N
Cash flow from operating activities			
Surplus /(Deficit)for the Year		5,919,646	26,302,508
Adjustment for:			
Depreciation of Fixed Assets		574,614	405,296
Total adjusted net result before changes in working capital		6,494,261	26,707,805
Movement in Working Capital:			
(Increase)/Decrease in Receivables		(323,233)	(1,358,748)
Increase/(Decrease) in Payables		(6,707,754)	(8,855,919)
<b>Net Cash Flow from Operating Activities</b>		<b>(536,726)</b>	<b>16,493,138</b>
Cash flow from investing activities:			
Net Proceed of Asset De-recognized		-	-
Fixed assets purchased		(578,815)	(772,894)
<b>Net Cash Flow from investment activities</b>		<b>(578,815)</b>	<b>(772,894)</b>
<b>Cashflow from Financing Activities</b>			
Increase in Membership Fund		-	-
<b>Net Cashflow from Financing Activities</b>		-	-
NetCash & Cash Equivalent		(1,115,541)	15,720,245
Cash & Cash Equivalent Brought Forward		38,626,875	22,906,630
<b>Cash &amp; Cash Equivalent Carried Forward</b>		<b>37,511,333</b>	<b>38,626,875</b>
<b>Represented By:</b>			
<b>Cash &amp; Bank Balances</b>		<b>37,511,333</b>	<b>38,626,875</b>
		=====	=====

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 31<sup>ST</sup> DECEMBER, 2018.

### 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 Membership Funds
- Statement of Cash Flow
- Notes to the Financial Statements

### 2 **Financial Period**

These financial statements cover the financial year ended 31<sup>st</sup> December, 2018 with comparative amounts for the financial year ended 31<sup>st</sup> December, 2017.

### 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 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 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 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.

l **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, 2018**

<b>Note 1: Fixed Assets Schedule</b>	<b>Office Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
	<b>₦</b>	<b>₦</b>	<b>₦</b>
Cost / Carrying Amount			
Cost at 01-01-2018	1,223,164	1,071,088	2,294,252
Additions	536,763	42,053	578,815
<b>Cost at 31-12-2018</b>	<b>1,759,927</b>	<b>1,113,141</b>	<b>2,873,067</b>
Depreciation & Impairments			
Accumulated Depreciation @ 01-01-18	763,167	309,595	1,072,762
For the period	351,985	222,628	574,613
Impairment Loss	-	-	-
<b>Depreciation &amp; Impairment Loss at 31-12-2018</b>	<b>1,115,152</b>	<b>532,223</b>	<b>1,647,375</b>
<b>Carrying Amount at 31-12-18</b>	<b>644,774</b>	<b>580,917</b>	<b>1,225,692</b>
<b>Carrying Amount at 31-12-17</b>	<b>459,997</b>	<b>761,493</b>	<b>1,221,490</b>



**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 CONTD**

NOTES TO THE ACCOUNTS (CONT'D)	2,018 ₦	2,017 ₦
2. Cash and Cash Equivalents:		
UBA Domiciliary Account - USD	1,627,593	5,893,351
Pound Sterling Account	10,869,497	7,926,535
Membership Account	111,715	149,883
Project Account	706,689	373,221
Euro Account	17,756,102	14,955,794
OSIWA Account	5,775,941	9,328,091
PACFAH Account	653,797	-
	<b>37,511,334</b>	<b>38,626,875</b>
Cash & Cash Equivalent as per cash Flow	<b>37,511,334</b>	<b>38,626,875</b>
Cash & Cash Equivalent as per Statement of Financial Position	<b>37,511,334</b>	<b>38,626,875</b>
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
Due from Civicus : EENA	-	669,600
Leave No One Behind	36,000	36,000
European Project : Strengthening statutory Regulation for Civil Society in Nigeria	4,136,261	4,286,193
Civicus	16,200	-
Common Wealth Foundation	1,126,565	-
	<b>8,783,926</b>	<b>8,460,693</b>
4. Payables		
Tectonics	434,404	434,404
Refund to LSWC	900,000	900,000
Audit Fee	120,000	60,000
Common wealth Foundation	10,138,620	6,984,308
Forum International Des Plate	2,966,921	-
International Control for Not Profit (ICNL)	-	4,310,640
OSIWA	-	8,169,085
European Union	18,703,020	19,112,282
	<b>33,262,966</b>	<b>39,970,719</b>

**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2018 CONTD**

	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
<b>5. Incomes</b>		
Project Grants:		
PACFAH	22,091,939	-
Civicus: Life Line	5,400,000	1,980,000
UPR	1,800,000	-
ICNL	7,877,520	-
European Union	409,263	21,056,193
OSIWA	11,049,085	12,844,255
Common Wealth Foundation	6,984,308	7,187,500
GCAP	-	717,120
Africa Monitor Trust	4,921,456	-
	<b>60,103,910</b>	<b>45,785,068</b>
Non Grant Incomes:		
Membership Dues	2,398,125	-
Annual Conference	-	3,413,300
Fund Raising from Anniversary	-	736,000
	2,398,125	<b>4,149,300</b>
<b>Total Incomes</b>	<b>62,502,035</b>	<b>47,934,368</b>
<b>5b. Other Incomes</b>		
Exchange Rate Gain	-	1,212,500
Interest Received: USD A/c	4,334	5,760
GBP A/c	2,864	1,195
Euro A/c	577	-
	<b>7,775</b>	<b>1,219,455</b>

**Projects/ Activities Expenses**

**6a.**

**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.

	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
Venue Hire	1,020,158	-
Entertainment / Reference for Events	1,559,040	485,105
Internet	10,053	130,499
Personnel Cost	261,420	1,245,313
Hotel Accommodation	190,033	260,065
Design & Production of Policy Brief	-	145,631
Design Web Social Media creative	-	218,382
Electronic Design of Research Report	-	97,131
Communication Expenses	-	122,220
Transport	268,087	421,907
Production of FATF E-Newsletters	-	254,756
Printing & Stationery	11,553	-

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	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
DSA	107,505	-
Workshop Materials	73,803	-
Honorarium	30,105	-
Consultancy Fee	2,376,000	-
	<b>5,907,754</b>	<b>3,381,009</b>

**6b.****European Union Trust Project****Project Theme & Objective**

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

	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
Air Tickets	-	57,375
Salary	109,000	1,599,431
Transport	-	272,053
Entertainment/Refreshment	-	15,052
	<b>109,000</b>	<b>1,943,911</b>

**6c. 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.

	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
Care Hire	-	188,000
Report Circulation Expenses	6,053	42,053
Entertainment / Refreshment	143,553	574,762
Hall : Venue for Regional Consultation	444,903	950,262
Management Meeting with National Assembly Expenses	-	349,671
Meeting Materials	114,853	115,263
Transport	178,150	479,591
Accommodation	452,345	352,681
Air Travel	897,140	-
	<b>2,236,995</b>	<b>3,052,283</b>

**6d Annual Conference Expenses**

Awards & Prizes	-	100,053
Catering Equipment	-	49,553
Performance Bands Hiring	-	90,053

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	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
Entertainment: Feeding & Refreshment	-	994,666
Media & Souvenirs	-	179,365
T - Shirt	-	248,815
Video Coverage	-	50,131
Hall's Rent and Decoration	-	780,341
	-	<b>2,492,977</b>
<b>6e. Other Project Expenses</b>		
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	-	177,810
Honorarium	20,053	365,605
Hall Decoration	105,053	-
DSA	1,474,105	-
Logistic Expenses	20,053	-
Projects' Evaluation Expenses	187,910	-
Law & Policy Expenses	165,053	-
	<b>1,972,226</b>	<b>1,337,902</b>

**6f.**

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.

	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
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	-
Citizen Report Data Collection's Expenses	1,822,010	-
Meal & Refreshment	358,053	-
Air Travels	267,000	-
	<b>4,042,996</b>	-

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**6g. International Centre for Not Profit Law (ICNL)****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 non-profits in the country, sectoral tax compliance and general capacity building of civil society on Issues of taxation and sustainability.**

	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
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	-
	<b>3,721,294</b>	-

**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	-
	<b>5,371,393</b>	-

**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	-
	<b>1,801,309</b>	-

**6j. Summary of PACFAH Expenses**

	<b>2018</b>	<b>2017</b>
	<b>₦</b>	<b>₦</b>
Administrative Cost	1,590,451	-
Air Ticket	113,100	-
PAS Project Expenses	51,500	-
Laptop	150,000	-
Meal & Refreshment	402,500	-
Office Fan	10,600	-
Rent	325,000	-
Printing	149,900	-

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	2018	2017
	₦	₦
Transport	515,000	-
Personnel Cost	17,770,000	-
Conference Hall	210,000	-
Hotel accommodation	52,500	-
Honorarium	45,500	-
Workshop Materials	5,000	-
Bank Charges	27,090	-
Photography & Video Services	20,000	-
	<b>21,438,141</b>	-

	2018	2017
	₦	₦
<b>7. Personnel Cost</b>		
Salaries & Wages	4,505,291	3,381,256

	2018	2017
	₦	₦
<b>8. Statement of Administrative Expenses</b>		
Printing & Stationery	187,120	169,115
Transport and Traveling	2,003,370	4,192,884
Repairs & Maintenance	63,558	88,736
Audit and Accountancy Fee	120,000	210,105
Bank Charges	69,999	46,028
Petrol & Oil	160,235	257,418
Office Rent	225,105	450,105
Communication Expenses	267,274	125,953
Computer's Repairs	39,658	124,788
Hotel Accommodation	279,475	330,239
Staff Retreat	-	13,053
Depreciation	574,613	405,296
IFP Membership Certificate	36,000	36,000
Office Utilities	-	46,053
Meal & Refreshment	81,090	-
Water Expenses	-	1,850
Courier	60,760	35,755
Vehicle's Repairs	237,820	497,184
Office Cleaning	63,558	12,000
Video Coverage, Photograph& Banners Expenses	48,310	54,126
JDPC	-	81,131
Website Design	12,553	84,158
Computer Software	160,639	-

**NIGERIA NETWORK OF NON GOVERNMENTAL ORGANISATIONS  
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	2018	2017
	₦	₦
Air Travels	484,806	-
Professional Fee	60,053	-
PAYE	23,500	-
Foreign Exchange Translation Loss	149,932	-
	<b>5,409,425</b>	<b>7,261,977</b>

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>	
	2018	2017
	₦	₦
Receivables	8,783,926	8,460,693
Cash and cash equivalents	<u>38,015,334</u>	<u>38,626,875</u>
<b>Total Financial Assets</b>	<b><u>46,799,260</u></b>	<b><u>47,087,568</u></b>

**Cash and cash equivalents**

The organisation held cash and cash equivalents of **₦38,015,334** at 31<sup>st</sup> December, 2018 (2017: **₦38,626,876**) 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, 2018****Contractual Cash flows**

	On call	1 year	2-5 years	>5 years	Total
FINANCIAL ASSETS:	N	N	N	N	N
<b>Other financial assets:</b>					
Other receivables	8,783,926	-	-	-	8,783,926
Cash and cash equivalent	<u>38,015,334</u>	-	-	-	<u>38,015,334</u>
<b>Total Financial Assets</b>	<b><u>46,799,260</u></b>	-	-	-	<b><u>46,799,260</u></b>
<b>Other financial liabilities:</b>					
Bank Overdrafts	-	-	-	-	-
Other payables	33,262,966	-	-	-	14,559,946
<b>Total Financial Liabilities</b>	<b><u>33,262,966</u></b>	-	-	-	<b><u>33,262,966</u></b>

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 31<sup>st</sup> December 2018.

**(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).

Carrying	Level 1	Level 2	Level 3	Amount	Total
FINANCIAL ASSETS:	₦	₦	₦	₦	₦
<b>Other financial assets:</b>					
- Other receivables	8,783,926	-	-	8,783,926	8,783,926
- Cash and cash equivalents	<u>38,015,334</u>	-	-	<u>38,015,334</u>	<u>38,015,334</u>
<b>Total Financial Assets</b>	<b><u>46,799,260</u></b>	-	-	<b><u>46,799,260</u></b>	<b><u>46,799,260</u></b>
<b>Other financial liabilities:</b>					
- Bank Overdrafts	-	-	-	-	-
- Other payables	33,262,966	-	-	33,262,966	33,262,966
<b>Total Financial Liabilities</b>	<b><u>33,262,966</u></b>	-	-	<b><u>33,262,966</u></b>	<b><u>33,262,966</u></b>

### 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 31<sup>st</sup>December, 2018 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 records 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, 2018 and results for the year then ended, which have not been adequately provided for.