

SPECIAL OLYMPICS NIGERIA

(RC NO. 15730)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2016**



Abax-OOSA
PROFESSIONALS
CHARTERED ACCOUNTANTS

Special Olympics Nigeria (Incorporated Trustees)

General Information

Country of incorporation and domicile	Nigeria
Trustees	Mr. Gbolade Osibodu Dr. Dolapo Ogunbawo Mrs. Funmito Augusto Engr. Charles Akindayomi Mrs. Hetty Bakare Mr. Foluso Phillips Mr. Udemé Ufot Mr. Chris Okeke Mr. Hassan Oye-Odukale Mr. John Momoh Mrs. Adenike Ibirogba Mr. Misan Eresanara
Registered office	368, Ikorodu Road, Maryland, Lagos
Bankers	Access Bank Plc Citi Trust Serve Microfinance Bank Limited Guaranty Trust Bank Plc
Auditors	Abax-OOSA Professionals (Chartered Accountants)
Secretary	Misan Eresanara

Special Olympics Nigeria (Incorporated Trustees)

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Special Olympics Nigeria (Incorporated Trustees)

Trustees' Report

The trustees have pleasure in submit their financial statements for the year ended December 31, 2016 for Special Olympics Nigeria

1. Incorporation and Address

The Organisation was incorporated in Nigeria on 2nd April, 2004 under the Companies and Allied Matters Act as the Incorporated Trustees of Special Olympics Nigeria. The address of the Organisation is:

368, Ikorodu Road
Maryland
Lagos

2. Principal Activities

Main business and operations

The Organisation overriding vision is to be a catalyst that elevates the profile and influence of Special Olympics Nigeria

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. Employment and employees

Equal employment opportunity

The Organisation pursues an equal employment opportunity policy. It does not discriminate against any person on the ground of race, religion, colour or physical disability.

Employment of physically disable persons.

The Organisation maintains a policy of giving fair consideration to applications from physically disabled persons, bearing in mind their respective aptitudes and abilities. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the organisation continues and that the appropriate training is arranged.

5. Property, Plant and Equipment

There was no change in the nature of the Property, Plant and Equipment of the organisation or in the policy regarding their use.

6. Directors

The trustees in office at the date of this report are as follows::

Name

Mr. Gbolade Osibodu
Dr. Dolapo Ogunbawo
Mrs. Funmito Agosto
Engr. Charles Akindayomi
Mrs. Hetty Bakare
Mr. Foluso Phillips
Mr. Udemé Ufot
Mr. Chris Okeke
Mr. Hassan Oye-Odukale
Mr. John Momoh
Mrs. Adenike Ibirogba
Mr. Misan Eresanara

7. Secretary

The secretary to the company is Misan Eresanara & Co
(Solicitors) of:

Business address

Special Olympics Nigeria (Incorporated Trustees)

Trustees' Report

20b Keffi Street (Rear Suite)
South West,
Ikoyi

8. Donations/Charitable gifts

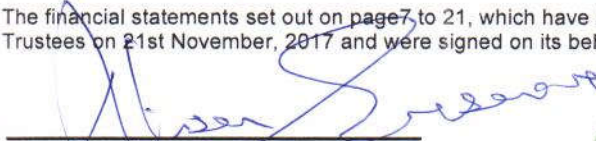
The Organisation gave donations and charitable gifts during the year

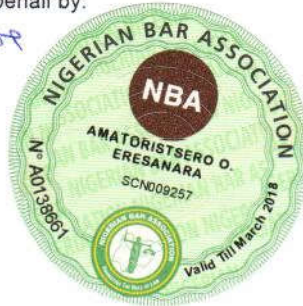
9. Auditors

Abax-OOSA Professionals

(Chartered Accountants) having expressed their willingness will continue in office as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act of Nigeria, CAP C20 LFN 2004.

The financial statements set out on page 7 to 21, which have been prepared on the going concern basis, were approved by the Trustees on 21st November, 2017 and were signed on its behalf by:


Misan Eresanara & Co (Solicitors)
Organisation's Secretary



Independent Auditor's Report

To the Incorporated Trustees of Special Olympics Nigeria

Report on the Financial Statements

We have audited the financial statements of Special Olympics Nigeria, which comprise the statement of financial position as at December 31, 2016, and the statement of activities and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on 7 to 21.

Trustees' Responsibility for the Report and Accounts

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004, and the Financial Reporting Council of Nigeria Act No6, 2011 and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these report and accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the report and accounts 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, whether due to fraud or error. 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 management, 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 audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of the financial affairs of Special Olympics Nigeria (Incorporated Trustees) as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria, Act No6 2011.


Report on Other Legal and Regulatory Requirements

As required by the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004 we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the Organisation, so far as appears from our examination of those books; and
- the Organisation's statement of financial position and profit and loss account are in agreement with the books of account.

Abax-OOSA Professionals
(Chartered Accountants)

Lagos, Nigeria
21st November, 2017

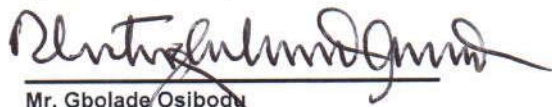
Signed 
Bababode Osunkoya
Partner
FRC/2013/ICAN/00000002054



Special Olympics Nigeria (Incorporated Trustees)
Statement of Financial Position as at December 31, 2016

	Note(s)	2016 N.	2015 N.
Assets			
Non-Current Assets			
Property, plant and equipment	2	8,824,647	2,066,779
Current Assets			
Other financial assets	3	2,489,381	1,926,830
Inventories	4	-	33,527
Trade and other receivables	5	-	348,882
Cash and cash equivalents	6	28,663,325	16,980,237
		31,152,706	19,289,476
Total Assets		39,977,353	21,356,255
Equity and Liabilities			
Equity			
Reserves		562,552	-
Accumulated surplus		34,424,777	19,828,796
		34,987,329	19,828,796
Liabilities			
Current Liabilities			
Other financial liabilities	7	4,321,024	-
Trade and other payables	8	669,000	1,527,459
		4,990,024	1,527,459
Total Equity and Liabilities		39,977,353	21,356,255

The financial statements and the notes on pages 7 to 23, were approved by the board on the 21st November, 2017 and were signed on its behalf by:


 Mr. Gbolade Osibodu
 Trustee


 Mrs. Funmito Augusto
 Trustee

The accounting policies on pages 11 to 17 and the notes on pages 18 to 21 form an integral part of the financial statements.

Special Olympics Nigeria (Incorporated Trustees)

Statement of Activities and other Comprehensive Income

	Note(s)	2016 N.	2015 N.
Receipts	9	66,177,204	112,254,806
Direct Expenses	10	(50,924,822)	(91,303,321)
		15,252,382	20,951,485
Other income	11	33,732,800	10,746,111
Administrative expenses	12	(33,290,937)	(24,079,612)
Surplus for the period		15,694,245	7,617,984
Finance costs	13	(1,098,264)	-
Surplus for the year		14,595,981	7,617,984
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Available-for-sale financial assets adjustments		562,551	-
Other comprehensive income for the year net of taxation		562,551	-
Total comprehensive income surplus for the year		15,158,532	7,617,984

The accounting policies on pages 11 to 17 and the notes on pages 18 to 21 form an integral part of the financial statements.

Special Olympics Nigeria (Incorporated Trustees)

Statement of Changes in Equity

	Fair value adjustment assets- available-for- sale reserve N.	Retained income N.	Total equity N.
Balance at January 1, 2015	-	12,210,812	12,210,812
Profit for the year	-	7,617,984	7,617,984
Total comprehensive income for the year	-	7,617,984	7,617,984
Balance at January 1, 2016	-	19,828,796	19,828,796
Profit for the year	-	14,595,981	14,595,981
Other comprehensive income	562,551	-	562,551
Total comprehensive income for the year	562,551	14,595,981	15,158,532
Balance at December 31, 2016	562,551	34,424,777	34,987,328

Note(s)

The accounting policies on pages 11 to 17 and the notes on pages 18 to 21 form an integral part of the financial statements.

Special Olympics Nigeria (Incorporated Trustees)

Statement of Cash Flows

	Note(s)	2016 N.	2015 N.
Cash flows from operating activities			
Cash generated from operations	15	17,499,705	7,305,494
Finance costs		(1,098,264)	-
Net cash from operating activities		16,401,441	7,305,494
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(9,005,850)	(1,510,900)
Sale of property, plant and equipment	2	-	36,050
Sale of financial assets		-	410,203
Purchase assets		(33,527)	-
Net cash from investing activities		(9,039,377)	(1,064,647)
Cash flows from financing activities			
Repayment of other financial liabilities		4,321,024	-
Net cash from financing activities		4,321,024	-
Total cash movement for the year		11,683,088	6,240,847
Cash at the beginning of the year		16,980,237	10,739,390
Total cash at end of the year	6	28,663,325	16,980,237

The accounting policies on pages 11 to 17 and the notes on pages 18 to 21 form an integral part of the financial statements.

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1. Presentation of Reports and Accounts

A) Reporting Entity

The Organisation was incorporated in Nigeria on 2nd April, 2004 under the Companies and Allied Matters Act as a The Incorporation Trustees of Special Olympics Nigeria with an overriding vision to be a catalyst that elevates the profile and influence of Special Olympics Nigeria. The registered address of the Organisation is located at 368, Ikorodu Road, Maryland, Lagos.

B) Statement of Compliance

The reports and accounts have been prepared in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No6, 2011 and the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004.

C) Basis of Preparation

The reports and accounts have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. Assets and liabilities or income and expenditure will not be offset, unless it is required or permitted by a standard.

D) Functional and Presentation Currency

These financial statements are presented in Naira.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Costs includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.2 Financial instruments

(i) Recognition

Financial assets and liabilities are initially recognized on the trade date which is the date that the Organisation becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where the transaction cost are recognised in the profit or loss. Subsequent recognition of financial assets and liabilities is at amortised cost or fair value.

(ii) Classification

The classification of financial instruments depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics.

The Organisation classifies financial assets and liabilities into the following categories:

- Financial assets at fair value through profit or loss :
- Held to maturity
- Loans and receivables
- Available for sale

1 Financial assets and liabilities at fair value through profit or loss

This category comprises financial assets designated by the Organisation at fair value through profit or loss upon initial recognition.

Financial liabilities for which the fair value option is applied are recognised in the statement of financial position as 'Financial liabilities designated at fair value'.

Trading assets and liabilities are those assets and liabilities that the Organisation acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs recognised in profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss.

Reclassification of financial assets and liabilities

The Organisation may choose to reclassify a non-derivative financial asset held for trading out of the held for trading financial assets category if the financial assets are no longer held for trading purpose. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Organisation may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Organisation has the intention and ability to hold these financial assets for the foreseeable future until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

2 Held to maturity

Held to maturity investments are non derivative assets with fixed or determinable payments and fixed maturity that the Organisation has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available for sale.

Held to maturity investments are carried at amortised cost using the effective interest method. A sale or reclassification of a significant amount of held-to-maturity investments would result in the reclassification of all held to maturity investments as

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.2 Financial instruments (continued)

available-for-sale, and prevent the Organisation from classifying investment securities as held to maturity for the current and the following two financial years.

3 Loans and receivables

Loans and advances are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

4 Available for sale

Available for sale investments are non derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Organisation becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in profit or loss. Other fair value changes are recognised directly in other comprehensive income until the investment is sold or impaired whereupon the cumulative gains and losses previously recognised in other comprehensive income are recognised in profit or loss as a reclassification adjustment.

(iii) De-recognition

The Organisation de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire, or when it transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognized as a separate asset or liability.

The Organisation derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Organisation enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include securities lending and repurchase transactions.

In transactions in which the Organisation neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Organisation continues to recognise the asset to the extent of its continuing involvement, determined by extent to which it is exposed to changes in the value of the transferred asset. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the entity continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the entity's trading activities.

(v) Amortised cost measurement

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

(vi) Fair value measurement

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 participant at the measurement date.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market price or dealer price quotations.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.2 Financial instruments (continued)

exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR, LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.

In cases where the fair value of the unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs. The fair values of contingent liabilities and irrecoverable loan commitments correspond to their carrying amounts.

The best evidence of fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data observable from markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or instrument is closed out.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

(vii) Identification and measurement of impairment

(a) Assets carried at amortised cost

The Organisation assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

(b) Assets classified as available for sale

The Organisation assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Organisation uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.2 Financial instruments (continued)

profit or loss. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

(c) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. effective interest are not applied on debt instrument payable within one or less than a year.

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.3 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.4 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.5 Provisions and contingencies

Provisions are recognised when:

- the organisation has an obligation at the reporting date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised..

1.6 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.7 Receipts

Receipts represents donations received from individuals and corporate bodies. Receipts shall be recorded on cash basis. These receipts are considered as revenue.

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.8 Direct Expenses

Direct Expense represents an amount spent during the period on the Coaches Training and Local competitions

1.9 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

1.10 Fair Value Determination

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade frequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instruments.

The Organisation measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

Level 2: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique inputs not based on observable data and the observable inputs have a significant effects on the instrument's valuation. This category includes instrument that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and liabilities that are traded in active markets are based on quoted price or dealer price quotations. For all other financial instruments, the Organisation determines fair values using valuation techniques. Valuation technique include net present value and discounted cash flow models, comparison to similar instruments for which market observable price exist, binomial or trinomial option pricing models and other valuation models. Assumptions and inputs use in valuation techniques include risk-free and benchmarks interest rates, credit spreads and other premeasured in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participant acting at arm's length.

The Organisation uses widely recognised valuation models for determining the fair value of common and more simple financial instruments such as interest rate and currency swaps that uses only observable market data and require little management judgement and estimation. Additional text

Special Olympics Nigeria (Incorporated Trustees)

Notes to the Financial Statements

	2016 N.	2015 N.
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2. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	1,652,850	(717,136)	935,714	1,397,000	(540,099)	856,901
Motor vehicles	12,062,010	(5,421,990)	6,640,020	3,762,010	(3,761,990)	20
Office equipment	3,793,663	(2,544,810)	1,248,853	3,343,663	(2,162,228)	1,181,435
Other property, plant and equipment	707,735	(707,675)	60	707,735	(679,312)	28,423
Total	18,216,258	(9,391,611)	8,824,647	9,210,408	(7,143,629)	2,066,779

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	856,901	255,850	(177,037)	935,714
Motor vehicles	20	8,300,000	(1,660,000)	6,640,020
Office equipment	1,181,435	450,000	(382,582)	1,248,853
Sport Equipment	28,423	-	(28,363)	60
	2,066,779	9,005,850	(2,247,982)	8,824,647

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	82,101	866,000	-	(91,200)	856,901
Motor vehicles	23,744	-	-	(23,724)	20
Office equipment	930,611	644,900	(36,050)	(358,026)	1,181,435
Other property, plant and equipment	56,786	-	-	(28,363)	28,423
	1,093,242	1,510,900	(36,050)	(501,313)	2,066,779

3. Other financial assets

Available-for-sale		
Listed shares	2,489,381	4,997,749
Value as at the beginning of the year	1,926,830	4,997,749
Fair value gain	562,551	(2,660,716)
	2,489,381	2,337,033
Current assets		
Available-for-sale	2,489,381	1,926,830

Listed equity instrument are measured at fair value.

4. Inventories

Inventories - Artefacts	-	33,527
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Artefacts do not meet the standard criteria for recognition as inventory hence, they have been expensed during the year.

Special Olympics Nigeria (Incorporated Trustees)

Notes to the Financial Statements

	2016 N.	2015 N.
5. Trade and other receivables		
Staff Loans	-	316,382
Dividend with City Investments	-	32,500
	-	348,882

Staff loans were fully paid off during the year.

6. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, bank accounts(current) deposits held at call with banks and other short - term highly liquid investments with original maturities of three months or less.

Cash on hand	12,974	21,462
Bank balances	28,650,351	16,958,775
	28,663,325	16,980,237

7. Other financial liabilities

At fair value through profit or loss

As at January 1, 2016	5,419,961	-
Finance Lease charged to income statement	(1,098,937)	-
Terms and conditions		
	4,321,024	-

A vehicle lease facility was obtained from Access Bank Plc during the year.

8. Trade and other payables

Trade payable	319,000	-
Pension Payable	-	27,459
Accrued Audit Fee	350,000	1,500,000
	669,000	1,527,459

9. Revenue

Donations in Kind	7,683,602	8,690,444
Cash donations	7,580,000	27,439,794
Grants	50,913,601	9,322,170
	66,177,203	45,452,408

10. Direct Expenses

Direct Expenses comprise expenditure in respect of the objects of the Organisation

Rendering of services		
Exxon Mobil Malaria Initiative expenditure	18,571,195	12,526,683
Coaches Training	3,389,154	323,975
Competition expenses	5,771,200	5,816,159
World games expenses	3,358,135	72,636,504
Healthy Family expenses	19,835,138	-
	50,924,822	91,303,321

Special Olympics Nigeria (Incorporated Trustees)

Notes to the Financial Statements

	2016 N.	2015 N.
11. Other income		
Other Income are generated outside the normal course of the business. These are		
Miscellaneous Income	-	15,000
Profit on disposal of asset	-	3,950
Investment Income	4,851	12,848
Exchange gain	33,727,949	10,714,313
	33,732,800	10,746,111

12. Administrative expense

The following items are included within operating expenses:

Advert and Publicity	266,319	2,250
Auditors remuneration	350,000	1,000,000
Bad debts	348,883	309,934
Bank charges	485,665	776,251
Computer expenses	16,500	62,000
Depreciation	2,281,509	501,314
Salaries and Wages	19,919,525	16,100,069
Entertainment	23,200	70,000
Office General Expense	702,592	162,085
Repairs and Maintenance	858,115	895,380
Committee Meetings Expenses	288,850	172,190
Gifts and Public Relations	353,100	756,200
Insurance	470,350	-
Motor Running Expenses	22,300	-
Impairment of asset	-	410,203
Packaging	1,201,752	951,577
Printing and stationeries	646,000	209,550
Repairs and maintenance	85,725	-
Office Rent	850,000	500,000
Staff welfare	125,500	-
Telephone and Postages	828,295	858,827
Transportation	3,166,757	1,091,782
	33,290,937	24,829,612

13. Finance lease obligation

Payment made within one year	1,098,264	-
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It is the company's policy to lease certain [property]motor vehicles and equipment under finance leases.

The average lease term is 1-3 years and the average effective borrowing rate was 25% per annum. Interest rates are variable, subject to review from time to time in line with prevailing money market conditions.

The company's obligations under finance leases are secured by the lessor's charge over the leased assets.

14. Employee costs

The following items are included within employee benefits expense:

Indirect employee costs		
Salary -Gross	19,201,970	15,660,581
Leave Allowances	717,555	439,488
	19,919,525	16,100,069

Special Olympics Nigeria (Incorporated Trustees)

Notes to the Financial Statements

	2016 N.	2015 N.
15. Cash generated from operations		
Profit before taxation	14,595,981	7,617,984
Adjustments for:		
Depreciation and amortisation	2,247,982	501,314
Finance costs	1,098,264	-
Impairment loss	33,527	-
Changes in working capital:		
Inventories	33,527	-
Trade and other receivables	348,883	340,883
Trade and other payables	(858,459)	(1,154,687)
	17,499,705	7,305,494

Special Olympics Nigeria (Incorporated Trustees)

Value Added Statement

	2016 N.	2015 N.
VALUE ADDED		
Turnover: Local	66,177,204	112,254,806
Other income	33,732,800	10,746,111
Bought - in materials and services	(62,014,725)	(98,781,550)
Total Value Added	37,895,279	24,219,367
VALUE DISTRIBUTED		
To Pay Employees		
Salaries, wages, medical and other benefits	19,919,525	16,100,069
	19,919,525	16,100,069
To be retained in the business for expansion and future wealth creation:		
Depreciation, amortisation and impairments	2,281,509	501,314
Accumulated Surplus	14,595,981	7,617,984
	16,877,490	8,119,298
Total Value Distributed	37,895,279	24,219,367

The value added statement does not form part of these IFRS financial statements.

Special Olympics Nigeria (Incorporated Trustees)

Four Year Financial Summary

	2016 N.	2015 N.	2014 N.	2013 N.
Statement of Financial Position				
Assets				
Non-current assets	8,824,647	2,066,779	1,093,242	1,011,124
Current assets	31,152,707	19,289,478	13,799,718	4,300,803
Total assets	39,977,354	21,356,257	14,892,960	5,311,927
Liabilities				
Current liabilities	4,990,024	1,527,459	2,682,146	2,086,606
Equity				
Reserves	562,551	-	-	-
Retained income	34,424,778	19,828,798	12,210,814	3,225,321
Total equity	34,987,329	19,828,798	12,210,814	3,225,321
Total equity and liabilities	39,977,353	21,356,257	14,892,960	5,311,927
Financed by:				
Fair value adjustment assets-available-for-sale reserve	562,551	-	-	-
Retained income	34,424,778	19,828,798	12,210,814	3,225,321
Total equity	34,987,329	19,828,798	12,210,814	3,225,321
Total equity and liabilities	39,977,353	21,356,257	14,892,960	5,311,927
Profit and loss account				
Revenue	66,177,204	112,254,806	45,452,408	42,383,009
Cost of sales	(50,924,822)	(91,303,321)	(23,482,011)	(24,898,927)
Gross profit	15,252,382	20,951,485	21,970,397	17,484,082
Other income	33,732,800	10,746,111	526,882	197,310
Operating expenses	(33,290,937)	(24,079,612)	(13,511,786)	(21,930,271)
Operating profit (loss)	15,694,245	7,617,984	8,985,493	(4,248,879)
Finance costs	(1,098,264)	-	-	-
Profit (loss) before taxation	14,595,981	7,617,984	8,985,493	(4,248,879)
Profit (loss) from discontinued operations	14,595,981	7,617,984	8,985,493	(4,248,879)
Profit (loss) for the year	14,595,981	7,617,984	8,985,493	(4,248,879)
Retained income (loss) for the year	14,595,981	7,617,984	8,985,493	(4,248,879)
Loss/earnings per share are based on loss/profit after tax and the number of issued and fully paid ordinary shares at the end of each financial year.				
Cash flow				
Cash flow from operating activities	16,401,441	7,305,494	10,132,913	-
Cash flow from investing activities	(9,039,377)	(1,064,647)	(506,000)	-
Cash flow from financing activities	4,321,024	-	-	-
Cash movement for the year	11,683,088	6,240,847	9,626,913	-