

SPECIAL OLYMPICS NIGERIA
(Incorporated Trustees)
(RC NO. 15730)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2019**



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 & Co

Special Olympics Nigeria (Incorporated Trustees)

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Special Olympics Nigeria (Incorporated Trustees)

Trustees' Report

The Trustees have the pleasure in submit their financial statements of Special Olympics Nigeria (Incorporated Trustees) and the Auditor's report for the year ended 31 December 2019

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's overriding vision is to be a catalyst that elevates the profile and influence of the Special Olympics in 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 continue and that 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. Trustees

The Trustees in office during the year under review and at the date of this report are as follows:

Special Olympics Nigeria (Incorporated Trustees)

Trustees' Report

Name

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

7. Secretary

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

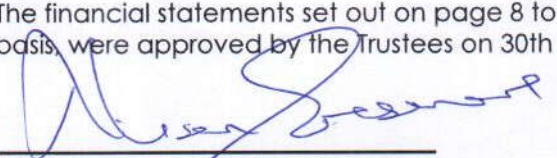
Business address :

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

8. 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 8 to 25, which have been prepared on the going concern
basis, were approved by the Trustees on 30th June 2020 and were signed on its behalf by:



Misan Eresanara & Co (Legal Practitioners)
Company Secretary
Lagos, Nigeria.

Independent Auditor's Report

To the Incorporated Trustees of Special Olympics Nigeria

Report on the Financial Statements

Opinion

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Special Olympics Nigeria (Incorporated Trustees) as at 31st December, 2019 and its financial performance and cash flows for the year 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 Financial Reporting Council of Nigeria Act No. 6 2011

We have audited the financial statements of Special Olympics Nigeria (Incorporated Trustees), set out on pages 8 to 25 which comprise the statement of financial position as at 31st December, 2019, and the statement of comprehensive income, Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statement including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Trustees' Responsibilities for the audit of the Financial Statements

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.

In preparing the Financial Statements, the Trustees are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

The Trustees are also responsible for other information which comprise the Trustees' Report as required by the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004 of Nigeria, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We, however have nothing to report in this regard.

Auditors' Responsibility for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of our audit in accordance with International Standards on Auditing, we exercised professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that any material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


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 are in agreement with the books of account.

Abax-OOSA Professionals
(Chartered Accountants)

Lagos, Nigeria
30th June, 2020

Signed 
Bababode Osunkoya
Partner
FRC/2013/ICAN/00000002054

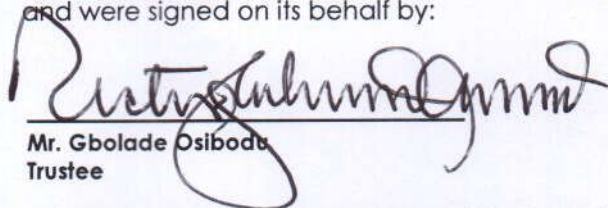


Special Olympics Nigeria (Incorporated Trustees)

Statement of Financial Position as at 31st December, 2019

	Note(s)	2019 N.	2018 N.
Assets			
Non-Current Assets			
Property, plant and equipment	2	23,784,548	20,912,714
Current Assets			
Other financial assets	3	2,230,729	2,548,891
Prepayments	4	3,698,272	7,302,909
Cash and cash equivalents	5	13,974,497	10,051,588
		19,903,498	19,903,388
Total Assets		43,688,046	40,816,102
Equity and Liabilities			
Equity			
Reserves		303,899	622,061
Accumulated surplus		42,884,147	39,133,170
		43,188,046	39,755,231
Liabilities			
Current Liabilities			
Other financial liabilities	6	-	241,436
Accounts payable and other current liabilities	7	500,000	819,435
		500,000	1,060,871
Total Equity and Liabilities		43,688,046	40,816,102

The financial statements and the notes on pages 8 to 25, were approved by the board on 30th June 2020 and were signed on its behalf by:


Mr. Gbolade Osibodu
Trustee


Mrs. Funmito Augusto
Trustee

The accounting policies on pages 12 to 19 and the notes on pages 20 to 24 form an integral part of the financial statements.

Special Olympics Nigeria (Incorporated Trustees)

Statement of Activities and other Comprehensive Income For the Year Ended 31st December, 2019

	Note(s)	2019 N.	2018 N.
Receipts	8	184,207,850	123,140,565
Direct Expenses	9	(110,855,303)	(96,711,562)
		73,352,547	26,429,003
Other income	10	1,913,372	11,516,372
Administrative expenses	11	(33,032,957)	(27,459,556)
Employee cost	13	(38,476,504)	(29,444,718)
Surplus/(Deficit) for the period		3,756,458	(18,958,899)
Finance costs	12	(5,481)	(512,779)
Surplus/(Deficit) for the year		3,750,977	(19,471,678)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income		303,899	622,061
Other comprehensive income for the year net of taxation		303,899	622,061
Total comprehensive income surplus/(deficit) for the year		4,054,876	(18,849,617)

The accounting policies on pages 12 to 19 and the notes on pages 20 to 24 form an integral part of the financial statements.

Special Olympics Nigeria (Incorporated Trustees)

Statement of Changes in Equity For the Year ended 31st December, 2019

	Fair value adjustment assets- available-for- sale reserve N.	Retained income N.	Total equity N.
Balance at 1 January 2018	958,736	58,604,848	59,563,584
Loss for the year	-	(19,471,678)	(19,471,678)
Other comprehensive income	(336,675)	-	(336,675)
Total comprehensive Loss for the year	(336,675)	(19,471,678)	(19,808,353)
Balance at 1 January 2019	622,061	39,133,170	39,755,231
Profit for the year	-	3,750,977	3,750,977
Other comprehensive income	(318,162)	-	(318,162)
Total comprehensive income for the year	(318,162)	3,750,977	3,432,815
Balance at 31 December 2019	303,899	42,884,147	43,188,046

The accounting policies on pages 12 to 19 and the notes on pages 20 to 24 form an integral part of the financial statements.

Special Olympics Nigeria (Incorporated Trustees)

Statement of Cash Flows

For the Year ended 31st December, 2019

	Note(s)	2019 N.	2018 N.
Cash flows from operating activities			
Cash generated from operations	14	13,911,765	(22,908,053)
Finance costs		(5,481)	(512,779)
Net cash from operating activities		13,906,284	(23,420,832)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(10,364,000)	(17,680,963)
Financial assets at fair value		318,162	336,675
Net cash from investing activities		(9,741,939)	(16,722,227)
Cash flows from financing activities			
Repayment of other financial liabilities		(241,436)	(2,452,534)
Net cash from financing activities		(241,436)	(2,452,534)
Total cash movement for the year		3,922,909	(42,595,593)
Cash at the beginning of the year		10,051,588	52,647,181
Total cash at end of the year	5	13,974,497	10,051,588

The accounting policies on pages 12 to 19 and the notes on pages 20 to 24 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 of Nigeria, CAP C20 LFN 2004 as an Incorporated Trustee of Special Olympics Nigeria with an overriding vision to be a catalyst that elevates the profile and influence of Special Olympics in Nigeria. The address of its registered office is 368, Ikorodu Road, Maryland, Lagos.

B) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No. 6, 2011 and the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004.

C) Basis of Measurement

The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below.

D) Functional and Presentation Currency

These financial statements are presented in Nigerian Naira which is the Organisation's functional currency.

E) Accounting Standards and Interpretations issued but not yet effective

The following standards have been issued but not yet effective:

Standard	Content	Effective Year
IFRS 16	Leases	-Jan-2019
IFRS 17	Insurance contracts	-Jan-2021

IFRS 16: Leases

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard was issued on 13 January 2016 and will become applicable on 1 January 2019.

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

IFRS 17: Insurance Contracts

IFRS 17 specifies the principles for recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The standard ensures that an entity provides relevant information that faithfully represents those contracts. These information allows a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, its performance and cash flows. IFRS 17 is meant to replace IFRS 4, Insurance contract. This standard was issued on 18 May 2017 and will be effective for periods beginning on or after 1 January 2021

F) Application of New and Revised Standards

IFRS 9 Financial Instruments

IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a five step approach to revenue recognition:

- Step 1 Identify the contract with a customer
- Step 2 Identify the performance obligations in the contract.
- Step 3 Determine the transaction price.
- Step 4 Allocate the transaction price to the performance obligations in the contract
- Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, the Foundation recognises revenue when (or as) a performance obligation is satisfied, that is, "control" of the goods and services underlying the particular obligation is transferred to the customer

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for its own use and
- are expected to be used during more than one year.

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.1 Property, plant and equipment (continued)

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Special Olympics Nigeria, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate. Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Organisation.

Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.2 Financial instruments

Financial instruments held by the Organisation are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Organisation, as applicable, are as follows:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair Value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and when the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated as at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch)

Financial Liabilities:

- Amortised Cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading) ; or
- Designated as at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Equity instruments (Note 3) are classified as financial assets subsequently measured at fair value through other comprehensive income. They have been classified in this manner because the equity instruments are not held for trading in the ordinary course of business.

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.2 Financial instruments (continued)

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the investments have expired or on the trade date when they have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss

Accounts Receivable and other current assets

Accounts receivable and other current assets, excluding when applicable, Directors current account, withholding tax receivable, value added tax receivable and prepayments, are classified as financial assets subsequently measured at amortised cost.

The Organisation had no Accounts receivable as at year end.

Accounts Payable and other current liabilities

Accounts payable and other current liabilities (note 7) are classified as financial liabilities and are subsequently measured at amortised cost. Accounts payable and other current liabilities of the Organisation are finance lease and accruals.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances which are deemed to be stated at fair value.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.3 Leases (continued)

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

The Organisation operates a defined contributory pension scheme, the Organisation and employees pay the stipulated respective contributions into a separate entity (Pension Fund Administrator) chosen by the employee. Once paid, the Organisation does not retain any legal or constructive obligation to pay further contributions if the Organisation (i.e the PFA) does not hold sufficient assets to finance benefits accruing under the scheme.

The payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Retirement benefit plans for members of staff are structured through a defined contributory pension scheme, which is independent of the Organisation's finances. The scheme, which is funded by contributions from both employees and employer at 8% and 10% respectively, is consistent with the Pension Reforms Act 2014.

1.5 Provisions and contingencies

Provisions are recognised when:

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

1.5 Provisions and contingencies (continued)

- the organisation has an obligation at the reporting date as a result of a past event;
- it is probable that the Organisation 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 and grants received from individuals and corporate bodies. Receipts shall be recorded on cash basis. These receipts are considered as revenue.

1.8 Direct Expenses

Direct Expenses represent amounts spent during the period on programs for which grants and donations were received for e.g the Coaches Training and Local competitions.

Special Olympics Nigeria (Incorporated Trustees)

Accounting Policies

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.

Special Olympics Nigeria (Incorporated Trustees)

Notes to the Financial Statements

				2019 N.	2018 N.
2. Property, plant and equipment					
	2019			2018	
	Cost / Valuation	Accumulate d depreciati on	Carrying value	Cost / Valuation	Accumulate d depreciati on
Plant and machinery	3,592,800	(1,344,117)	2,248,683	3,592,800	(445,917)
Furniture and fixtures	6,580,850	(2,169,338)	4,411,512	5,122,850	(1,369,086)
Motor vehicles	11,350,000	(9,689,990)	1,660,010	11,350,000	(8,029,990)
Office equipment	8,376,863	(4,756,900)	3,619,963	6,385,863	(3,664,177)
Leasehold improvements	8,475,963	(2,624,643)	5,851,320	8,475,963	(505,652)
Health equipment	6,915,000	(922,000)	5,993,000	-	-
Sport equipment	707,735	(707,675)	60	707,735	(707,675)
Total	45,999,211	(22,214,663)	23,784,548	35,635,211	(14,722,497)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciatio n	Total
Plant and machinery	3,146,883	-	(898,200)	2,248,683
Furniture and fixtures	3,753,764	1,458,000	(800,252)	4,411,512
Motor vehicles	3,320,010	-	(1,660,000)	1,660,010
Office equipment	2,721,686	1,991,000	(1,092,723)	3,619,963
Leasehold improvements	7,970,311	-	(2,118,991)	5,851,320
Health equipment	-	6,915,000	(922,000)	5,993,000
Sport Equipment	60	-	-	60
	20,912,714	10,364,000	(7,492,166)	23,784,548

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciatio n	Total
Plant and machinery	-	3,592,800	-	(445,917)	3,146,883
Furniture and fixtures	768,979	3,470,000	-	(485,215)	3,753,764
Motor vehicles	4,980,020	-	(10)	(1,660,000)	3,320,010
Office equipment	1,252,853	2,142,200	-	(673,367)	2,721,686
Leasehold improvements	-	8,475,963	-	(505,652)	7,970,311
Other property, plant and equipment	60	-	-	-	60
	7,001,912	17,680,963	(10)	(3,770,151)	20,912,714

3. Other financial assets

Fair value through other comprehensive income

Listed shares	2,230,729	2,548,891
Value as at the beginning of the year	2,548,891	2,885,566
Fair value gain/(loss)	(318,162)	(336,675)
	2,230,729	2,548,891

Special Olympics Nigeria (Incorporated Trustees)

Notes to the Financial Statements

	2019 N.	2018 N.
3. Other financial assets (continued)		
Listed shares	2,230,729	2,548,891

Listed equity instruments are measured at fair value through other comprehensive income.

Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

Level 1

Stanbic ibtc	1,622,736	1,843,499
Citi Investment Capital Limited	607,993	705,392
	2,230,729	2,548,891

4. Prepayments

Prepaid Rent	2,406,813	6,912,500
Prepaid Generator maintenance fee	180,000	165,700
Prepayment for Insurance	1,111,459	224,709
	3,698,272	7,302,909

5. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, bank accounts(current) balances.

Cash on hand	25,814	342,675
Bank balances	13,948,683	9,708,913
	13,974,497	10,051,588

Special Olympics Nigeria (Incorporated Trustees)

Notes to the Financial Statements

	2019 N.	2018 N.
6. Other financial liabilities		
At fair value through profit or loss		
As at January 1, 2019	241,436	2,693,970
Finance Lease charged to income statement	(241,436)	(2,452,534)
	-	241,436

A vehicle lease facility was obtained from Access Bank Plc in 2016 financial year.

7. Accounts payable and other current liabilities

Pension Payable	-	420,435
Accrued Audit Fee	500,000	399,000
	500,000	819,435

8. Revenue

Donations in Kind	1,545,955	1,820,000
Cash donations	19,908,000	12,320,000
Grants	162,753,895	109,000,565
	184,207,850	123,140,565

9. Direct Expenses

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

Exxon Mobil Malaria Initiative Expenditure	33,975,295	27,867,486
Coaches Training	3,672,895	1,454,429
Competition Expenses	2,937,725	1,941,415
Games	37,595,263	18,463,132
Healthy Family Expenses	12,130,231	27,920,620
Regional competition	945,150	-
SOI Anniversary Celebration	19,598,744	19,064,480
	110,855,303	96,711,562

10. Other income

Other Income are generated outside the normal course of the business. These are

Exchange gain	1,913,372	11,516,372
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Special Olympics Nigeria (Incorporated Trustees)

Notes to the Financial Statements

	2019 N.	2018 N.
11. Administrative expense		
The following items are included within operating expenses:		
Advert and Publicity	21,916	1,600,500
Auditors remuneration	500,000	380,000
Bank charges	777,632	817,697
Legal and Secretarial Fees	-	321,000
Depreciation	7,492,167	3,770,150
Entertainment	160,350	34,230
Office General Expense	1,692,758	1,234,185
Repairs and Maintenance	1,390,320	1,092,137
Fuel Allowance for staff	1,825,000	1,487,500
Committee Meetings Expenses	172,227	282,450
Family Awareness and Training	518,000	-
Other tax borne	-	19,000
Gifts and Public Relations	171,700	550,420
Insurance	569,250	726,085
Motor Running Expenses	1,870,306	1,059,951
Employer's contribution	4,821,621	2,314,817
Printing and stationeries	721,350	1,493,767
Loss on sale of asset	-	10
Repairs and maintenance	-	109,249
Office Rent	5,537,803	3,887,500
Staff Training and Development	40,000	436,500
Telephone and Postages	2,507,080	1,981,425
Travel & Accommodation- International	2,243,477	3,860,983
	33,032,957	27,459,556

12. Finance Cost

Interest	5,481	512,779
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Outstanding interest on car lease paid.

13. Employee costs

The following items are included within employee benefits expense:

Basic	36,930,764	28,140,668
Leave Allowances	345,900	599,800
13th Month Salary	1,199,841	704,250
Total employee cost	38,476,505	29,444,718

Special Olympics Nigeria (Incorporated Trustees)

Notes to the Financial Statements

	2019 N.	2018 N.
14. Cash generated from operations		
Profit before taxation	3,750,977	(19,471,678)
Adjustments for:		
Depreciation and amortisation	7,492,167	3,770,150
Loss/(Profit) on sale of assets	-	10
Finance costs	5,481	512,779
Changes in working capital:		
Trade and other receivables	2,982,575	(8,261,643)
Prepayments	-	152,894
Trade and other payables	(319,435)	389,435
	13,911,765	(22,908,053)

Special Olympics Nigeria (Incorporated Trustees)

Value Added Statement

	2019 N.	2018 N.
VALUE ADDED		
Turnover: Local	184,207,850	123,140,565
Other income	1,913,372	11,516,362
Bought - in materials and services	(136,396,093)	(120,400,958)
Total Value Added	49,725,129	14,255,969

VALUE DISTRIBUTED

To Pay Employees		
Salaries, wages, medical and other benefits	38,476,505	29,444,718
	38,476,505	29,444,718
To be retained in the business for expansion and future wealth creation:		
Depreciation, amortisation and impairments	7,492,167	3,770,150
Accumulated Surplus	3,870,976	(19,471,678)
	11,363,143	(15,701,528)
Total Value Distributed	49,845,129	14,255,969

The Value Added Statement does not form part of these IFRS financial statements.

Special Olympics Nigeria (Incorporated Trustees)

Five Year Financial Summary

	2019 N.	2018 N.	2017 N.	2016 N.	2015 N.
Statement of Financial Position					
Assets					
Non-current assets	23,784,548	20,912,714	7,001,912	8,824,647	2,066,779
Current assets	19,903,498	19,903,387	55,685,641	31,152,707	19,289,478
Total assets	43,688,046	40,816,101	62,687,553	39,977,354	21,356,257
Liabilities					
Current liabilities	500,000	1,060,871	3,123,970	4,990,024	1,527,460
Equity					
Reserves	303,899	622,061	958,736	562,551	-
Retained income	43,004,147	39,133,169	58,604,847	34,424,779	19,828,797
Total equity	43,308,046	39,755,230	59,563,583	34,987,330	19,828,797
Total equity and liabilities	43,808,046	40,816,101	62,687,553	39,977,354	21,356,257
Profit and loss account					
Revenue	184,207,850	123,140,565	122,942,751	66,177,204	112,254,806
Cost of sales	(110,855,303)	(96,711,562)	(92,261,298)	(50,924,822)	(91,303,321)
Gross profit	73,352,547	26,429,003	30,681,453	15,252,382	20,951,485
Other income	1,913,372	11,516,372	37,207,735	33,732,800	10,746,111
Operating expenses	(71,509,462)	(56,904,274)	(42,735,899)	(33,290,937)	(24,079,612)
Operating profit (loss)	3,756,457	(18,958,899)	25,153,289	15,694,245	7,617,984
Finance costs	(5,481)	(512,779)	(973,218)	(1,098,264)	-
Profit (loss) before taxation	3,750,976	(19,471,678)	24,180,071	14,595,981	7,617,984
(Loss) profit after taxation	3,750,976	(19,471,678)	24,180,071	14,595,981	7,617,984
Profit (loss) for the year	3,750,976	(19,471,678)	24,180,071	14,595,981	7,617,984
Retained income (loss) for the year	3,750,976	(19,471,678)	24,180,071	14,595,981	7,617,984
Cash flow					
Cash flow from operating activities	13,906,284	(23,420,832)	992,968	-	-
Cash flow from investing activities	(9,741,939)	(16,722,227)	(846,185)	-	-
Cash flow from financing activities	(241,436)	(2,452,534)	(1,627,054)	-	-
Cash movement for the year	3,922,909	(42,595,593)	(1,480,271)	-	-

The Five Year Financial Summary does not form part of the IFRS financial statements.