CENTER FOR FISCAL TRANSPARENCY AND INTEGRITY WATCH

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

AS AT 31st DECEMBER 2020

UMUHEFE & CO.
(Chartered Accountants)

Abuja, Nigeria

Contents	Page

Corporate Information

Board of Trustees:	Obot Udofia Angela Ifeyinwa Nworgu Umar Yakubu Hon.Kayode Oladele Nelson Aluya
Registered Office:	21, First Floor, Off Adetunbo, Ademola Crescent, Wuse II, Abuja - Nigeria.
Business Office:	21, First Floor, Off Adetunbo Ademola Crescent, Wuse II, Abuja – Nigeria
Independent Auditor:	Umuhefe & Co. Suite 2.04, Willands Plaza, Plot 511 Herbert Macaulay Way, Zone 4, Wuse Abuja
Banker:	Stanbic IBTC Bank Plc
Registration number	CAC/IT/No84478

Trustees' Report

1. Financial Statements

The Trustees submit their report together with the financial statements of the Entity for the year ended 31st December 2020.

2. Legal Form

Center for Fiscal Transparency and Integrity Watch (the Organization) was incorporated in Nigeria on the 4th February 2016 in Pursuant of the Provision contained in the Companies and Allied Matters Act 1990 with Registration Number CAC/IT/NO 84478.

3. Results For The Year

The results for the year are set out on page 10 of the Audited Financial Statements.

4. Principal Activities

To carry on activities as contained in its Memorandum and Articles of Association and the Constitution

5. Trustees

The names of the Trustees who held office during the year and as at the date of this report are as follows:

Obot Udofia

Angela Ifeyinwa Nworgu

Umar Yakubu

Hon.Kayode Oladele

Nelson Aluya

6. Trustees' Responsibilities

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004 and the relevant provisions of the Financial Reporting Council of Nigeria Act No 6, 2011. In doing so they ensure that:

a. Proper accounting records are maintained;
b. Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets and prevent and detect fraud and other irregularities
c. Applicable accounting standards are followed;
d. Suitable accounting policies are adopted and consistently applied;
e. Judgments and estimates made are reasonable and prudent; and

f. The going concern basis is used, unless it is inappropriate to presume that the Entity will continue in business.

7. **Property, Plant and Equipment**

Movements in property, plant and equipment during the year are shown in Note 12. In the opinion of the Trustees, the market value of the Entity's properties is not less than the value shown in the financial statements.

8. **Donations and Gifts**

In accordance with Section 38(2) of the Companies and Allied Matters Act CAP C20 LFN, 2004, the Entity did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

9. **Employment and Employees**

a. **Employment of disabled persons**
It is the policy of the Entity that there is no discrimination in consideration of applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers.

b. **Health, Safety and Welfare**

Health and safety regulations are in force within the Entity's premises and employees are encouraged to ensure adherence. The employees who are covered by appropriate insurance and health care schemes designed to secure and protect them. The Entity provides subsidies to all levels of employees for transportation, housing, etc. in line with the industry standards.

c. **Employee Involvement and training**
Realising that employees are one of the most important assets of the Entity, efforts are made to enhance their skills, knowledge and productivity through a range of skill development schemes including in- house on-the-job training courses provided by various professional associations as well as educational institutions were deemed necessary.

10. **Events after Reporting Date**

There were no significant subsequent events, which could have had a material effect on the state of affairs of the Entity as at 31 December, 2020 and the operating result for the year then ended which have not been adequately provided for or disclosed in the financial statements.

11. Auditors

The Entity's auditors Umuhefe & Co. (Chartered Accountants) have indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004. A resolution will be proposed authorising the Trustees to fix their remuneration.

By Order of the Board

....
Secretary
Abuja, Nigeria

Date:................

Statement of Trustees' Responsibilities in Relation to Financial Statements for the Year ended 31st December, 2020.

The Companies and Allied Matters Act 1990 requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the Entity at the end of the period and of its profit or loss for the period ended on that date. The responsibilities include ensuring that the Entity:

a. Keeps proper accounting records that disclose with reasonable accuracy the financial position of the Entity and comply with the requirements of the Companies and Allied Matter Act;

b. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates and are consistently applied.

The Trustees accept responsibility for the preparations of the annual financial statements set out on pages 10 to 32 that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act CAP C20, LFN 2004.

The Trustees further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act CAP C20, LFN 2004 and for such internal controls as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Trustees have made an assessment of the Entity's ability to continue as a going concern and have no reason to believe the Entity will not remain a going concern in the year ahead.

Signed on Behalf of the Board of Trustees by:

....	....
Signature	Signature
Trustees	**Trustees**
..........................., 2021	....................,2021

UMUHEFE & CO.

Independent Auditor's Report to the Members of Center for Fiscal Transparency and Integrity Watch

We have audited the accompanying financial statements of Center for Fiscal Transparency and Integrity Watch for the financial year ended 31st December, 2020 which comprises the statement of statement of Income and Expenditure, statement of financial position, statement of changes in equity, statement of cash flows for the year then ended and, a summary of significant accounting policies and other explanatory notes.

Respective responsibilities of Trustees and Independent Auditors

As described in the Statement of Trustees' Responsibilities in relation to the financial statements, the Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No. 6, 2011 and the Companies and Allied Matters Act, CAP C20, LFN 2004. This responsibility also includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

It is our responsibility to express an independent opinion based on our audit, on the financial statements prepared by the Trustees.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit involves performing procedures to obtain and examine, on a test basis, audit evidence about 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 auditors consider 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 opinion on the effectiveness of the company's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees in the preparation of the financial statements as well as evaluating the overall presentation of the financial statements.

Suite 2.04, Willands Plaza, Plot 511, Herbert Macaulay Way, Zone 4, Wuse, Abuja - Nigeria
Phone: +234 806 120 9159, +234 803 294 6496.
www.uc-ng.com email: info@uc-ng.com, umuhefeandco@gmail.com

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We also confirm that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

Opinion

In our opinion,

i. Proper books of account have been kept by the company;
ii. the financial statements referred to above, which are in agreement with the books of account, give a true and fair view of the state of affairs of the company as at 31st December, 2020 and of its financial performance and cash-flows for the year then ended in accordance with International Financial Reporting Standards and the relevant provisions of the Financial Reporting Council of Nigeria Act No. 6, 2011 and the Companies and Allied Matters Act, CAP C20, LFN 2004.
iii. the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Chartered Accountants

Abuja, Nigeria
June 2020
FRC/2014/ICAN/00000008012

Statement of Income and Expenditure and Other Comprehensive Income for the Year Ended 31st December 2020

	Notes	2020 ₦'000	2019 ₦'000
Un-Restricted Income	6	101	106,620
Direct Operating activities	7	(5,958)	(80,005)
Surplus of income over expenditures		(5,857)	26,615
Administrative expenses	8	(1,811)	(25,392)
Profit from operations		(7,668)	1,223
Finance expenses	9	(1)	(165)
Surplus/(Deficit) for the year after Finance Charge		(7,669)	1,058
Tax expense	10	-	-
Surplus/(Deficit) for the year		(7,669)	1,058

The accompany notes and significant accounting policies on pages 14 to 30 form an integral part of these financial statements.

Statement of Financial Position as at 31st December 2020

	Notes	31st December 2020 ₦'000	31st December 2019 ₦'000
Non-current assets			
Property, plant and equipment	12	1,540	3,080
		1,540	3,080
Current assets			
Inventories	10	348	593
Cash and cash equivalents	11	131	6,015
		479	6,608
Total assets		2,019	9,688
Equity			
Accumulated Funds		8,630	9,688
Retained earnings		(6,611)	-
Total equity		2,019	9,688

The financial statements and notes to the financial statements were approved by the Board of directors on ……………. and signed on its behalf by:

Director | **Director**

The accompany notes and significant accounting policies on pages 14 to 30 form an integral part of these financial statements.

Statement of Changes in Equity for the Year Ended 31st December 2020

	Accumulated Fund ₦'000	Retained Earnings ₦'000	Total equity ₦'000
Balance at 1 January 2020	8,630	1,058	9,688
Profit for the year	-	(7,669)	(7,669)
Balance at 31 December 2020	**8,630**	**(6,611)**	**2,019**

	Accumulated Fund ₦'000	Retained Earnings ₦'000	Total equity ₦'000
Balance at 1 January 2019	8,630	-	8,630
Profit for the year	-	1,058	1,058
Balance at 31 December 2019	**8,630**	**1,058**	9,688

Statement of Cash Flows for the Year Ended 31st December 2020

	31st December	31st December
	2020	**2019**
	₦'000	**₦'000**
Cash flows from operating activities		
Profit/(loss) before taxation	(7,669)	1,058
Adjustment to reconcile net income to net cash provided by operating activities:		
Finance expense	1	165
Depreciation of property, plant and equipment	1,540	1,540
	(6,128)	**2,763**
Decrease/ (Increase) in inventories	245	**82**
Increase/ (decrease) in accruals	-	**(9,687)**
Cash generated in operating activities	**(5,883)**	**(6,843)**
Finance expense paid	(1)	(165)
Net cash outflows from operating activities	**(5,884)**	**(7,008)**
Total comprehensive profit		
Purchase of property, plant and equipment	-	-
Net cash outflows from investing activities	-	-
Cash flow from financing activities		
Accumulated Funds	-	9,688
	-	**9,688**
Net increase in cash and cash equivalents	**(5,884)**	**2,681**
Cash and cash equivalent at the beginning of the year	6,015	3,335
Cash and cash equivalents at the end of the year	**131**	**6,015**

1. **Reporting Entity**

Center for Fiscal Transparency and Integrity Watch (the Organization) was incorporated in Nigeria on the 4th February 2016 in Pursuant of the Provision contained in the Companies and Allied Matters Act 1990 with Registration Number CAC/IT/NO 84478. To carry on activities as contained in its Memorandum and Articles of Association and the Constitution.

2. **Basis of preparation**

a. **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

b. **Basis of measurement**

The financial statements have been prepared under the historical cost concept except for certain financial instruments measured at fair value.

c. **Functional and presentation currency**

Items included in these financial statements of the Entity are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (" the functional currency"). These financial statements are presented in Nigerian Naira (N), which is the Entity's functional currency. The financial information has been rounded to the nearest thousands, except as otherwise indicated.

d. **Going concern**

The Trustees assesses the Entity's future performance and financial position on a going concern basis and has no reason to believe that the Entity will not be a going concern in the year ahead. For this reason, the financial statements have been prepared on a going concern basis.

e. **Use of significant estimates, assumptions and management judgement**

The presentation of the Entity's financial statements requires management to make estimates and judgement that affect the reported amount of assets and liabilities at the reporting date and the reported amount of income and expenses during the year ended. The Entity makes estimates and assumptions about the future that affect the reported amounts of assets, liabilities, income, expenses and equity. Estimates and judgments are continually re- evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The effect of a change in an accounting estimate is recognized prospectively by including it in statement of profit or loss in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the Note to the financial statements.

3. **Standard, amendments and interpretations to existing standard that are not yet effective and have not been adopted early by the Entity**

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Entity. The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the financial year ended 31st December 2020. They have not been adopted in preparing the financial statements for the year ended 31st December 2020 and are expected to affect the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

Standards and amendments issued but yet to take effect

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
Interest Rate Benchmark Reform	Amendments to IFRS 9 and IFRS 7	modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform;	Annual reporting periods beginning on or after 1 January 2020	
		Mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform Require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments		
Definition of Material	Amendments to IAS 1 and IAS 8	The amendment relates to the change in definition of "Material". The amendment defines material as: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.	Annual reporting periods beginning on or after 1 January 2020	

b) Changes in accounting policies and disclosures

i) New and amended standards and interpretations

IFRS 16 Income from contracts with customers

IFRS 16 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. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. Accounting by lessees upon lease commencement, a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. After lease commencement, a lessee shall measure the right-of-use asset using a cost model, unless: i) the right-of-use asset is an investment property and the lessee fair values its investment property under IAS 40; or ii) the right-of-use asset relates to a class of PPE to which the lessee applies IAS 16's revaluation model, in which case all right of-use assets relating to that class of PPE can be revalued. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

4. Critical accounting estimates and judgements

The Entity makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

a. Income and deferred taxation

The Entity usually incurs significant amounts of income taxes payable, and also recognises significant changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management's ability to properly apply at times a very complex sets of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

b. Impairment of property, plant and equipment

The Entity assesses assets or Entitys of assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write- down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Entity's estimated value in use.

The estimated future cash flows applied are based on reasonable and supportable assumptions over the remaining useful life of the cash flow generating assets.

c. Legal proceedings

The Entity reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or

d. Views of legal advisers, experience on similar cases and any decision of the Entity's management as to how it will respond to the litigation, claim or assessment.

5. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

a. Foreign currency

In preparing the financial statements of the Entity, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period , monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

b. Income

Income represents the fair value of the consideration received or receivable for goods and services delivered to third parties in the ordinary course of the Entity's business. Income is stated net of taxes, rebates and discounts. The Entity recognises Income when: the amount of Income can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Entity's business.

c. Expenditure

Expenditures are recognized as they accrue during the course of the year. Analysis of expenses recognized in the statement of statement of profit or loss is presented in classification based on the function of the expense as this provides information that is reliable and more relevant than their nature.

The Entity classifies it expenses as follows:

- Cost of sales
- Administrative expenses;
- Finance costs/Bank Charges

d. **Taxation**

The tax for the period comprises current such as PAYE

Current income tax

The income tax expense for the year comprises current. Tax is recognised in the statement of profit or loss and other statement of profit or loss except to the extent that it relates to items recognised in other statement of profit or loss or directly in equity. In this case, the tax is also recognised in other statement of profit or loss or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the reporting date in Nigeria where the Entity operates and generates taxable income. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years, but it further excludes items that are never taxable or deductible. The Entity is subject to the following types of current income tax:

- Entity Income Tax - This relates to tax on Income and profit generated by the Entity during the year, to be taxed under the Companies Income Tax Act, CAP C21, LFN 2004 as amended to date
- Tertiary Education Tax - Tertiary education tax is based on the assessable income of the Entity and is governed by the Tertiary Education Trust Fund (Establishment) Act, LFN 2011 (Amended)

e. **Property, plant and equipment**

Recognition and measurement

Items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred. Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Motor Vehicles	20%
Furniture and Fittings	20%
Office Equipment	20%
Plant and Machinery	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income' in the profit or loss.

f. **Impairment of non-financial assets**

Non-financial assets other than inventories are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are Entity at the lowest levels for which they have separately identifiable cash flows (cash-generating units). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

g. **Financial instruments**

Financial assets

Financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent remeasurement of financial assets is determined by their designation that is revisited at each reporting date. The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Entity's financial assets comprise of 'available for sale financial assets' and 'loans and receivables'. At each reporting date, the Entity assesses whether its financial assets have been impaired. Impairment losses are recognised in the statement of profit or loss and other statement of profit or loss where there is objective evidence of impairment.

i. **Fair value through other comprehensive income**

This category comprises principally the Entity's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value, other than those arising due to exchange rate fluctuations and interest calculated using the effective interest rate, recognised in other comprehensive income statement and accumulated in the available-for-sale reserve. Exchange differences on investments denominated in a foreign currency and interest calculated using the effective interest rate method is recognised in profit or loss. Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of the full amount of the impairment, including any amount previously recognised in other statement of profit or loss, is recognised in profit or loss. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available-for-sale reserve. On sale, the cumulative gain or loss recognised in other comprehensive income is reclassified from the available-for-sale reserve to profit or loss.

ii. **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Financial assets classified as loans and receivables are subsequently measured at amortized cost using the effective interest method less any impairment losses. The Entity's loans and receivables comprise trade and other receivables and cash and cash equivalents.

Trade receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Discounting is ignored if insignificant. A provision for impairment of trade and other receivables is established when there is objective evidence that the Entity will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment, are the indicators that a trade and other receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of statement of profit or loss within the administrative costs. The amount of the impairment provision is the difference between the asset's nominal value and the recoverable value, which is the present value of estimated cash flows, discounted at the original effective interest rate. Changes to this provision are recognised under administrative costs. When a trade receivable is uncollectable, it is written off against the provision for trade receivables.

iii. **Cash and cash equivalents**

For the purposes of statement of cash flows, cash comprises cash in hand and deposits held at call with banks and other financial institutions. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Entity in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

iv. **Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held-for-trading, and those designated at fair value through profit or loss at inception. Financial assets are designated at fair value through profit or loss or as held-for-trading if the Entity manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Entity documented risk management or investments are carried at fair value, with gains and losses arising from changes in their value recognised in the statement of profit or loss and other comprehensive income in the period in which they arise. Such investments are the Entity's investments in quoted equities.

v. **Derecognition of financial assets**

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other statement of profit or loss and accumulated in equity is recognised in the profit or loss.

h. **Unquoted investment**

For the purpose of these financial statements, investment in unquoted equities represents investment in related entities. These are entities over which the Entity, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities. The Entity accounts for investment in related entities at cost.

i. **Inventories**

Inventories are stated at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Entity's financial assets comprise of mainly 'loans and receivables'. Loans and receivables is made up of cash and cash equivalents and trade receivables.

j. **Prepayments**

Prepayments are payments made in advance relating to the following year and are recognised and carried at original amount less amounts utilised in the statement of profit or loss. At each reporting date, the Entity assesses whether its financial assets have been impaired. Impairment losses are recognised in the profit or loss where there is objective evidence of impairment.

k. **Financial liabilities**

Financial liabilities are initially recognised at fair value when the Entity becomes a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method or invoice price where discounting is not significant. The Entity's financial liabilities include trade payables and borrowings. Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date, or if they are held for the purpose of being traded. Other financial liabilities which contractually will be settled in more than

12 months after the reporting date are classified as non-current.

i. **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

ii. **Borrowings**

Borrowings are recognised initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortised cost. Finance charges, including premiums payable on settlement or redemption, are accounted for the in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

iii. **De-recognition of financial liabilities**

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss

l. **Impairment of financial instruments**

The Entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or Entity of financial assets is impaired. A financial asset or a Entity 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 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 Entity of financial assets that can be reliably estimated. The Entity first assesses whether objective evidence of impairment exists. For the 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 profit or loss If a loan 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 Entity 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 customer's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss

m. **Offsetting of financial instruments**

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.

n. **Employee benefits**

Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. The Entity recognises wages, salaries, bonuses and other allowances for current employees in the statement of profit or loss as the employees render such services. A liability is recognised for the amount expected to be paid under short - term benefits if the Entity has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

o. **Provisions**

Provisions are recognised when the Entity has a present legal or constructive obligation as a result of a past event, and it is probable that the Entity will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs are recognised when the Entity has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

p. Related party transactions

Related parties include the related companies, the Trustees and any employee who is able to exert significant influence on the operating policies of the Entity. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustees (whether executive or otherwise) of that entity. The Entity considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Where there is a related party transactions with the Entity, the transactions are disclosed separately as to the type of relationship that exists with the Entity and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

q. Share capital, reserves and dividends

i. Share capital

Share capital represents the nominal value of shares that have been issued. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds (share premium).

ii. Retained earnings

This includes all current and prior period retained earnings.

iii. Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Entity's shareholders. Interim dividends are deducted from equity when they are declared or paid and no longer at the discretion of the Entity. Dividends for the year that are approved after the end of the reporting period are disclosed as an event after the end of the reporting date.

r. Financial risk management

The Entity is exposed through its operations to the following financial risks:
- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price risk, and
- Liquidity risk.

In common with all other businesses, the Entity is exposed to risks that arise from its use of financial instruments. This note describes the Entity's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

s. **Financial instruments not measured at fair value**

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximate their fair values.

General objectives, policies and processes

The Executive Board has overall responsibility for the determination of the Entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Entity's finance department. The Board receives periodic reports from the Entity's Finance Manager through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Entity's Finance Manager also reviews the risk management policies and processes and reports their findings to the Board. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Entity's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Entity is mainly exposed to credit risk from services rendered on credit. It is Entity policy to assess the credit risk of new customers before entering contracts. The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Entity's standard payment and delivery terms and conditions are offered. The Entity's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Management. The Management determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit services are made only with approval of the Management, otherwise payment in advance is required. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Entity for business transactions. The Management monitors the utilisation of the credit limits regularly and at the reporting date does not expect any losses from non-performance by the counterparties.

Market risk

Market risk arises from the Entity's use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (Currency risk) or other market factors (other price risk).

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Borrowings obtained at variable rates give rise to interest rate risk. The Entity's variable interest loans are short term and as such impact on changes will not be significant on the financial statement. The Entity's long term borrowings have fixed interest rate.

Foreign exchange risk

Foreign exchange risk arises when the Entity enters into transactions denominated in a Currency other than its functional Currency and this is very significant considering that the Entity has liabilities denominated in foreign currency.

Liquidity risk

Liquidity risk arises from the Entity's management of working capital, the finance charges and principal repayments on its debt instruments. It is the risk that the Entity will encounter difficulty in meeting its financial obligations as they fall due.
The Entity's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 60 days. The liquidity risk of the Entity is managed by the Entity's Finance Manager

Price risk

The Entity is exposed to financial risks arising from changes in commodity prices. These risks are managed through an established process whereby the various conditions which influenced commodity prices are monitored on a daily basis. Decisions on the procurement of raw materials as well as the utilisation of derivative instruments to hedge against these risks are taken by executive management within board approved mandates.

Capital Disclosures

The Entity monitors "adjusted capital" which comprises all components of equity (i.e. share capital, and retained earnings).

The Entity's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Entity sets the amount of capital it requires in proportion to risk. The Entity manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		2020	2019
		₦'000	₦'000
6	**Unrestricted Funds and Donations**	101	106,620
		101	**106,620**

The figure for revenue represents donations from individuals and corporate bodies including government agencies.

		2020	2019
7.	**Direct Cost**	₦'000	₦'000
	Activities which involes Direct Trainings and Sensitization	5,958	80,005
		5,958	**80,005**

Direct cost represents the value of bought in goods and services used in generating for the company during the year

		2020	2019
8	**Administrative expenses**	₦'000	₦'000
	Trustees meeting expenses	-	9,450
	Auditor's remuneration	-	500
	Internet expenses	115	1,135
	Local and overseas tours and other activities	-	8,950
	Printing & stationeries	156	1,056
	Vehicle running expenses	-	1,240
	Insurance	-	300
	Travelling expenses	-	685

Other expenses	-	536
Depreciation	1,540	1,540
	1,811	25,392

		2020	2019
		₦'000	₦'000
9	**Finance Expenses**	1	165

The figure for finance charges represents bank charges and other account maintenance fees deducted by the bank for the business activities for the year under review

		2020	2019
10	**Inventory**		
		₦'000	₦'000
	Balance as at 1st of January	593	593
	Training and other Sensization Materials - Additions (Various donated)	-	
	Materials consumed during the year under review	(245)	
	Balance as at 31st of December	**348**	**593**

		2020	2019
11	**Cash and cash equivalents**		
		₦'000	₦'000
	Cash at bank	131	6,015
		131	6,015

12 Property, plant and equipment

(a) Details of the Company's property, plant and equipment and their carrying amounts are as follows:

Cost	Motor Vehicles ₦'000	Furniture and fittings ₦'000	Office Equipment ₦'000	Total ₦'000
At 1 January 2020	1,360	440	1,280	3,080
Additions	-	-	-	-
At 31 December 2020	1,360	440	1,280	3,080
Depreciation	**₦'000**	**₦'000**	**₦'000**	**₦'000**
At 1 January 2020	1,360	440	1,280	3,080
Charge for the year	680	220	640	1,540
At 31 December 2020	2,040	660	1,920	4,620
Carrying amount as at:				
31 December 2020	680	220	640	1,540
31 December 2019	1,360	440	1,280	3,080

(b) No Entity's property, plant and equipment have been pledged as securities for facilities.

(c) There was no impairment losses recognised during the year.

(d) In the opinion of the Trustees, there was no capital commitment as at 31st December 2020 (2019:Nil).