



**NURU NIGERIA DEVELOPMENT INITIATIVE LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2020**



LFX & PARTNERS
(Chartered Accountants)
Audit, Tax, Consulting, Advisory.
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Nuru Nigeria Development Initiative Limited by Guarantee
Financial Statements
For the year ended 31st December, 2020

Table of Contents	Page
Corporate Information	1
Statement of Trustees' Responsibilities for the Financial Statements	2
Auditors' Report to the Board of Trustees	3 - 5
Statement of Financial Position	6
Statement of Activities	7
Statement of Functional Expenses	8 - 9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 17

Nuru Nigeria Development Initiative Limited by Guarantee
Corporate Information
For the year ended 31st December, 2020

Reporting Entity: Nuru Nigeria Development Initiative Limited By Guarantee

Trustees: Atherton Elizabeth Ware
Changala Aerie Roy Ranil
Daze Andi David
Harriman Jacob Ryan
Rahlves Marc Oliver

Registered Office: Suite B09, Tsukunda House, Central Business District, FCT-Abuja, Nigeria.

Secretary and Legal Adviser: D & D Partners,
Suite B09 Tsukunda House,
1446 Constitution Avenue,
Central Business District,
FCT-Abuja.

Auditors: LFX and Partners (Chartered Accountants)
B1 Danziyal Plaza, Olusegun Obasanjo Way,
Central Business District,
FCT-Abuja.

Bankers: Zenith Bank Plc.
Union Bank Plc.

Nuru Nigeria Development Initiative Limited by Guarantee
Statement of Trustee's Responsibilities for the Financial Statements
For the year ended 31st December, 2020

The Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act require the Trustees of Nuru Nigeria Development Initiative Limited By Guarantee to prepare financial statements for each financial year that gives a true and fair view of the state of the financial affairs of the entity at the end of the year and of its surplus or deficit. The responsibilities include ensuring that Nuru Nigeria Development Initiative Limited By Guarantee;

- I. Keep proper accounting records that disclose, with reasonable accuracy, financial position of the entity and comply with the requirements of Companies and Allied Matters Act;
- II. Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and errors; and
- III. 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 annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with International Financial reporting Standards and the requirements of the Companies and Allied Matters Act and Financial Reporting Council of Nigeria Act.

The trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as an adequate system of internal control.

Nothing has come to the attention of the Board of Trustees to indicate that Nuru Nigeria Development Initiative Limited By Guarantee will not remain a going concern for at least twelve months from the date of this statement

By Order of the Board of Trustees

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF NURU NIGERIA DEVELOPMENT INITIATIVE LIMITED BY GUARANTEE REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Nuru Nigeria Development Initiative Limited by Guarantee which comprise the statement of financial position as at 31st December, 2020, statement of activities, statement of functional expenses and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position Nuru Nigeria Development Initiative Limited by Guarantee as at 31st December, 2020, and its financial activities and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors responsibilities for the Audit of Financial Statements section of our report. We are independent of Nuru Nigeria Development Initiative Limited by Guarantee in accordance with the International Federation of Accountants (IFAC code) and other independence requirements applicable to perform audits of Nuru Nigeria Development Initiative Limited by Guarantee. We have fulfilled our other ethical responsibilities in accordance with the IFAC Code, and in accordance with other ethical requirements applicable to performing the audit of Nuru Nigeria Development Initiative Limited by Guarantee. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprise of the Trustees Report and Statements of Trustees as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. The other information does not include the financial statements and our auditors 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 those other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation 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.

In preparing the financial statements, the Trustees are responsible for assessing the entity'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 entity or to cease operations or have no realistic alternative but to do so.

Auditor's 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 ISAs 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 an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism through the audit. We also:

- Identify and assess the risk 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal controls 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors 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 auditors report. However, future events or conclusions may cause the entity 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 scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that was identified during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, we confirm that:

- I. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- II. In our opinion, proper books of account have been kept by Nuru Nigeria Development Initiative Limited by Guarantee, so far as appears from our examination of those book; and
- III. The entity's statement of financial position and statement of activities are in agreement with the books of account.

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John Wambushe Tikuri, ACA
FRC/2019/004/00000020088
For: LFX and Partners
Chartered Accountants
Abuja, Nigeria

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Nuru Nigeria Development Initiative Limited by Guarantee
Statement of Financial Position
As At 31st December, 2020

		Year ended 31 st December, 2020	8 months to 31 st December, 2019
	Note	₦	₦
Assets			
Non-current assets			
Property, plant and equipment	9.0	41,578,780	29,098,455
Total non-current assets		41,578,780	29,098,455
Current assets			
Cash & cash equivalent	3.0	37,978,158	6,299,838
Account Receivable	4.0	331,998	135,120
Prepayments	5.0	6,294,704	5,196,206
Total current assets		44,604,860	11,631,164
Total assets		86,183,640	40,729,619
Liabilities			
Current liabilities			
Account Payable	7.0	-	457,629
Other Creditors and Accruals	8.0	6,076,231	1,024,106
Total current liabilities		6,076,231	1,481,735
Total liabilities		6,076,231	1,481,735
Total net assets		80,107,409	39,247,884
Total liabilities and net assets		86,183,640	40,729,619

Approved by:

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Trustees

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The accompanying notes are an integral part of these financial statements.

Nuru Nigeria Development Initiative Limited by Guarantee
Statement of Activities
For the year ended 31st December, 2020

	Note	Year ended 31 st December, 2020	8 months to 31 st December, 2019
		₦	₦
Revenue and Support			
Contribution from Nuru International		296,499,354	96,281,809
Total revenue and support		296,499,354	96,281,809
Expenses			
Program Services			
Country Representative		-	2,416,402
FT Expenses		6,069,607	7,594,973
FT House		1,513,889	2,716,663
FT Security		1,059,081	1,299,732
Impact		86,540,493	20,889,183
Leadership		47,460,615	19,187,902
Monitoring and Evaluation Program		30,863,712	16,628,390
NI Support		-	-
Security		18,808,168	12,854,988
Total program services		192,315,566	83,588,233
Supporting Services			
General and Administration	6.0 6.1	58,555,174	20,600,365
Total supporting services		58,555,174	20,600,365
Total expenses		250,870,740	104,188,597
Change in net assets from operating activities		45,628,613	(7,906,789)
Non operating activities			
Gains/(Loss) on Assets Disposal		(2,115,000)	
Foreign Currency Exchange Gain/(Loss)		(2,654,088)	53,735
Changes in net assets		40,859,525	(7,853,054)
Net assets, beginning of the period		39,247,884	47,100,937.80
Net assets, end of the period		80,107,409	39,247,884

The accompanying notes are an integral part of these financial statements

Nuru Nigeria Development Initiative Limited by Guarantee
Statement of Functional Expenses
For the year ended 31st December, 2020

Expenses	Program Services										Support Services		TOTAL
	Country Rep	FT Expenses	FT House	FT Security	Impact	Leadership	Monitoring and Evaluation	Programme	Security	Total Program Services	General and Administrative	Total Support Services	
	N	N	N	N	N	N	N	N	N	N	N	N	
Gross Pay	-	113,500	-	-	42,397,799	30,371,588	19,749,533	-	6,522,526	99,154,946	33,130,214	33,130,214	132,285,161
Pay-off	-	-	-	-	-	-	-	-	-	-	-	-	-
NSITF Contribution	-	-	-	-	402,653	308,396	201,623	-	67,349	980,022	297,046	297,046	1,277,067
Employer Pension Contribution	-	-	-	-	1,997,440	1,544,582	1,022,524	-	339,786	4,904,332	1,417,766	1,417,766	6,322,098
Relocation Expenses	-	-	-	-	200,000	866,667	400,000	-	83,333	1,550,000	200,000	200,000	1,750,000
Training and Development	-	-	-	-	267,667	-	202,480	-	-	470,147	498,861	498,861	969,008
Business Premises Levy	-	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000
Audit (Statutory) Fees	-	-	-	-	-	-	-	-	-	-	1,028,351	1,028,351	1,028,351
Legal Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Services	-	163,550	-	1,048,981	895,700	480,000	3,413,730	-	3,396,896	9,398,856	1,222,400	1,222,400	10,621,256
Postage and Mailing Service	-	-	-	-	-	8,150	-	-	-	8,150	50,300	50,300	58,450
Stationery and Office Supplies	-	386,432	-	-	1,008,662	763,562	570,137	-	627,187	3,355,978	1,572,392	1,572,392	4,928,370
Repairs and Maintenance	-	92,200	-	-	151,270	140,770	102,270	-	107,770	594,280	2,602,699	2,602,699	3,196,979
Insurance	-	-	-	-	1,076,093	732,005	375,879	-	1,009,332	3,193,310	1,261,542	1,261,542	4,454,851
Conference, Convention, Meeting	-	-	-	-	-	1,365,000	-	-	50,000	1,415,000	1,188,850	1,188,850	2,603,850
Visa and Passport	-	10,000	-	-	-	-	-	-	-	10,000	-	-	10,000
Air - Domestic Nigeria	-	264,109	-	-	216,000	276,000	-	-	-	756,109	743,161	743,161	1,499,270
Hotel Accomodation	-	2,843,671	-	-	599,000	2,524,600	368,400	-	100,700	6,436,371	1,702,290	1,702,290	8,138,661
Meals	-	1,322,779	-	-	518,896	1,116,136	212,486	-	208,516	3,378,814	284,524	284,524	3,663,338
Per Diem	-	-	-	-	1,452,500	801,800	866,300	-	596,800	3,717,400	808,300	808,300	4,525,700
Transport and Travelling	-	90,100	-	-	902,670	305,000	440,215	-	206,500	1,944,485	99,005	99,005	2,043,490
Printing and Copying	-	31,000	-	-	370,556	2,119,994	22,688	-	731,219	3,275,456	340,879	340,879	3,616,335
Telephone and Telecommunication	-	110,500	-	-	557,510	350,302	215,177	-	285,384	1,518,873	1,181,427	1,181,427	2,700,300
Internet Fees	-	20,000	-	-	285,846	208,308	287,538	-	250,308	1,052,000	1,479,643	1,479,643	2,531,643
Furniture, Computer and Equipment (under NGN50,000)	-	136,200	-	10,100	-	-	-	-	-	146,300	135,575	135,575	281,875
Electricity	-	-	-	-	-	-	-	-	-	-	351,400	351,400	351,400
Cleaning	-	-	-	-	-	-	-	-	-	-	30,200	30,200	30,200
Medicals	-	-	-	-	250,800	22,800	22,800	-	29,550	325,950	114,550	114,550	440,500
Agricultural Inputs	-	-	-	-	27,371,536	-	-	-	-	27,371,536	-	-	27,371,536
Bank charges	-	-	-	-	2,000	-	4,000	-	-	6,000	2,161,175	2,161,175	2,167,175
Setup Cost	-	-	-	-	968,745	-	-	-	-	968,745	-	-	968,745
Other Business Expenses	-	65,000	500,000	-	1,281,026	304,986	306,486	-	265,486	2,722,985	500,386	500,386	3,223,371
Rent and Leases	-	416,667	1,013,889	-	446,889	150,000	150,000	-	-	2,177,444	1,619,444	1,619,444	3,796,889
Fuel, Diesel and Oil Expenses	-	3,900	-	-	703,826	534,586	552,558	-	587,377	2,382,246	854,750	854,750	3,236,996
Depreciation	-	-	-	-	2,215,409	2,165,385	1,376,887	-	3,342,150	9,099,832	1,677,044	1,677,044	10,776,875
	-	6,069,607	1,513,889	1,059,081	86,540,493	47,460,615	30,863,712	-	18,808,168	192,315,566	58,555,174	58,555,174	250,870,740

The accompanying notes are an integral part of these financial statements.

Nuru Nigeria Development Initiative Limited by Guarantee
Statement of Functional Expenses
For the year ended 31st December, 2019

Expenses	Program Services										Support Services		Total
	Country Rep	FT Expenses	FT House	FT Security	Impact	Leadership	Monitoring & Evaluation	Programme	Security	Total Program Services	General and Administrative	Total Support Services	
	₦	₦	₦	₦	₦	₦	₦	₦	₦	₦	₦	₦	
Gross Pay	-	-	-	-	11,537,780	13,825,101	8,007,767	-	6,548,234	39,918,882	7,916,667	7,916,667	47,835,548
Pay-off	-	-	-	-	-	-	-	-	-	-	130,000	130,000	130,000
NSITF contribution	-	-	-	-	119,280	138,235	80,093	-	65,488	403,097	79,114	79,114	482,211
Employer Pension Contribution	-	-	-	-	740,513	850,445	532,000	-	432,489	2,555,446	511,700	511,700	3,067,146
Relocation Expenses	-	-	-	-	-	-	-	-	400,000	400,000	400,000	400,000	800,000
Training and Development	-	10,000	-	-	290,700	-	50,000	-	-	350,700	-	-	350,700
Business Premises Levy	-	-	-	-	-	-	-	-	-	-	5,100	5,100	5,100
Audit (Statutory) Fees	-	-	-	-	-	-	-	-	-	-	903,000	903,000	903,000
Legal Fees	-	-	300,000	-	-	-	-	-	-	300,000	-	-	300,000
Contract Services	3,000	219,820	25,500	1,130,232	940,644	264,544	4,199,210	-	935,740	7,718,690	2,118,000	2,118,000	9,836,690
Postage, Mailing Service	30,000	-	-	-	-	-	-	-	-	30,000	700	700	30,700
Stationery and Office Supplies	18,850	66,575	-	-	48,350	41,000	77,400	-	-	252,175	366,790	366,790	618,965
Repairs and Maintenance	17,500	248,150	173,750	-	107,700	82,400	35,600	-	149,400	814,500	701,585	701,585	1,516,085
Insurance	-	-	-	-	358,046	298,022	237,661	-	528,729	1,422,459	421,535	421,535	1,843,993
Conference, Convention, Meeting	85,000	-	-	-	258,000	244,000	-	-	36,000	623,000	110,000	110,000	733,000
Visa and Passport	-	192,550	-	-	-	-	-	-	-	192,550	318,200	318,200	510,750
Air-Domestic Nigeria	822,148	857,691	-	-	-	49,900	-	-	260,000	1,989,739	283,745	283,745	2,273,484
Hotel Accomodation	715,320	3,659,413	3,000	-	96,000	338,500	80,000	-	214,240	5,106,473	127,795	127,795	5,234,268
Meals	183,955	458,462	125,170	-	9,800	-	83,600	-	-	860,987	177,900	177,900	1,038,887
Per Diem	-	-	-	-	932,050	1,166,500	1,310,500	-	1,145,848	4,554,898	1,305,000	1,305,000	5,859,898
Transport & Travelling	155,600	125,400	5,700	160,000	104,370	-	857,000	-	8,080	1,416,150	231,800	231,800	1,647,950
Printing and Copying	-	-	-	-	8,900	309,250	10,450	-	-	328,600	50,200	50,200	378,800
Telephone & Telecommunication	90,729	278,000	42,000	-	171,200	442,000	169,000	-	145,000	1,337,929	281,000	281,000	1,618,929
Internet Fees	75,700	15,000	-	-	-	-	-	-	18,000	108,700	436,557	436,557	545,257
Furniture, Computer and Equipment (under NGN50,000)	25,000	57,000	553,590	9,500	34,400	-	4,500	-	45,000	728,990	51,000	51,000	779,990
Electricity	-	71,200	95,550	-	-	7,000	-	-	-	173,750	20,000	20,000	193,750
Cleaning	1,000	256,330	59,500	-	-	-	-	-	-	316,830	3,150	3,150	319,980
Medicals	2,400	43,050	-	-	-	-	950	-	-	46,400	13,900	13,900	60,300
Agricultural Inputs	-	-	-	-	3,812,480	-	-	-	-	3,812,480	-	-	3,812,480
Bank charges	-	-	-	-	-	-	-	-	-	-	803,229	803,229	803,229
Setup Cost	-	37,000	336,250	-	-	-	-	-	-	373,250	-	-	373,250
Other Business Expenses	80,000	-	84,500	-	92,100	-	105,322	-	14,600	376,522	98,832	98,832	475,354
Rent and Leases	-	240,000	625,000	-	17,000	-	-	-	-	882,000	958,333	958,333	1,840,333
Fuel, Diesels and Oil Expense	110,200	759,332	287,153	-	115,708	36,843	57,895	-	84,538	1,451,670	932,125	932,125	2,383,795
Depreciation	-	-	-	-	1,094,162	1,094,162	729,441	-	1,823,603	4,741,367	843,408	843,408	5,584,775
	2,416,402	7,594,973	2,716,663	1,299,732	20,889,183	19,187,902	16,628,390	-	12,854,988	83,588,233	20,600,365	20,600,365	104,188,597

The accompanying notes are an integral part of these financial statements.

Nuru Nigeria Development Initiative Limited by Guarantee
Statement of Cash Flows
As at 31st December, 2020

	Note	Year ended 31 st December, 2020	8 months to 31 st December, 2019
		₦	₦
Cash flows from operating activities			
Changes in net assets		40,859,525	(7,853,054)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Depreciation	9.2	10,776,875	5,584,775
Loss on sale of Motor Vehicle		2,115,000	-
Net assets before changes in operating assets		53,751,401	(2,268,279)
Changes in current assets and liabilities			
Account receivables		(196,878)	782,235
Prepaid expenses		(1,098,498)	(1,770,603)
Account payables		(457,629)	(55,362)
Other Creditors and Accruals		5,052,125	(846,928)
Total adjustments to reconcile Net Income to Net Cash provided by operations:		3,299,120	(1,890,659)
Net cash provided by operating activities		57,050,521	(4,158,938)
Cashflows from investing activities			
Office furniture, Fittings and Equipment	9.1	(6,589,185)	(3,105,350)
Computer Equipment	9.1	(1,950,665)	(1,824,000)
Motor Vehicle	9.1	(12,545,099)	(3,040,100)
Plant, Equipment and Machinery		(5,687,252)	
Proceeds from Sales of Motor Vehicle		1,400,000	
Net cash provided by investing activities		(25,372,201)	(7,969,450)
Net cash increase/(decrease) for the period		31,678,320	(12,128,388)
Cash and cash equivalent at beginning of period		6,299,838	18,428,226
Cash and cash equivalent at end of period	3	37,978,158	6,299,838

The accompanying notes are an integral part of these financial statements.

Nuru Nigeria Development Initiative Limited by Guarantee
Notes to the Financial Statements
For the year ended 31st December, 2020

1. General Information

Nuru Nigeria Development Initiative Limited by Guarantee (herein referred as "NN") was incorporated in Nigeria on 15th November 2017, under the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria 2004 as a charitable voluntary and non-governmental organization.

NN is established with the principal objectives to promote advocacy for agriculture sustainable development assistance and stakeholders participation for best practice in sustainable farming, encourage sustainable development activities through platforms that empower the poor, distressed and less privileged in the society, do all such other things necessary and incidental to the attaining of its core object and do all such other things as maybe considered incidental or conducive to the attainment of all the above objectives or any of them.

2. Introduction to Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these annual financial statements are set out below. These policies will be consistently applied to all the years following this financial statement except otherwise stated.

A. Statement of Compliance

The financial statements of NN have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB (International Accounting Standards Board). The financial statements are presented in Nigerian Naira.

B. Functional and presentation currency

The financial statements of NN are presented in Naira, which is the functional currency.

Transactions and balances in NN's foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the conversion of USD denominated funds received from NI to functional currency of such transactions and from the translation at year-end closing exchange rates of monetary assets denominated in foreign currencies are recognized in the statement of activities.

C. Basis of measurement

These financial statements have been prepared under the historical cost convention.

D. Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of preparation of the financial statements and reported income and expenses for the period. The management reviews these estimates and assumptions on an ongoing basis, by reference to experience and various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply.

Furthermore, where the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the management applies its judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements

Nuru Nigeria Development Initiative Limited by Guarantee
Notes to the Financial Statements (Cont'd)
For the year ended 31st December, 2020

- ▶ give a true and fair view of the financial position, financial performance and cash flows;
- ▶ reflect the substance of transactions;
- ▶ are neutral;
- ▶ are prepared on a prudent basis; and
- ▶ are complete in all material aspects.

E. Donated non-current assets

The value of non-current assets received as donations should be brought fully into income in the year of receipt. The value of this income shall be the fair value of the donated assets.

F. Property, plant and equipment

Measurement and recognition

All categories of property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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 reliably measured. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to write down their cost over their estimated useful lives, as follows:

Items	Years
Leasehold improvement	5
Office furniture, fittings and equipment	5
Computer equipment	4
Vehicle	4
Plant, Equipment and Machinery	5

Where the cost of a part of an item of property, plant and equipment is significant when compared to the total cost, that part is depreciated separately based on the pattern, which reflects how economic benefits are consumed.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position reporting date. An asset's carrying amount is written down immediately to its estimated recoverable amount; if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the surplus or deficit.

G. Impairment of non-financial assets

All assets are reviewed whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. If assets are determined to be impaired, the carrying amounts of those assets are written down to their recoverable amount, which is the higher of fair value less cost of disposal and value in use, the latter being determined as the amount of estimated risk-adjusted discounted future cash flows. For this purpose,

Nuru Nigeria Development Initiative Limited by Guarantee
Notes to the Financial Statements (Cont'd)
For the year ended 31st December, 2020

assets are classified into cash generating units based on separately identifiable and largely independent cash inflows.

H. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and bank overdrafts, which are not restricted for other long term purposes.

I. Taxation

The provisions of section 23(1)(c) of Companies Income Tax Act, Cap C.21, Laws of the Federation of Nigeria (LFN) 2007 (as amended) ('CITA') provide that the profits of any entity engaged in ecclesiastical, charitable or educational activities of a public character in so far as such profits are not derived from a trade or business carried on by such entity shall be exempt from tax. However, CITA provides for taxation of passive income (dividend, interest, rent or royalty) when earned by such entities. The deficit is therefore exempted from Income Tax.

J. Retirement Benefits

Pension

NN operates a contributory pension scheme covering all eligible employees in accordance with the Pension Reforms Act 2014. Deductions of 8% are made from employees' basic salary, housing and transport allowances and in addition, the organization makes a contribution of 10% of the employees' basic salary, housing and transport allowances. The deductions are charged to the statement of activities.

K. Risk Management

Financial risk management

NN's activities expose it to foreign exchange risk, credit risk and insurgency risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial and operational performance. Its foreign currency are continuously monitored and management has security measures to ensure safety of the operational team.

L. Credit risk

Credit risk consists mainly of cash deposit, cash equivalents and trade receivables. NN only deposits cash with banks with high credit risk standing. Account receivables comprise Advances to Group Health and Group Life Insurance and cash advanced to staff. Management evaluates the credit risk relating to Advance on an ongoing basis.

M. Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows domiciled in USD will fluctuate because of changes in foreign exchange rates.

NN is exposed to foreign exchange risk arising from Grants received in US Dollars; although, NN does not settle its liabilities in foreign currencies. The foreign currency fluctuation will affect the cash balance of NN.

As at 31st December, 2020, NN's bank accounts denominated in US Dollars has a total balance of \$877.68. translated to Naira at the rate of ₦467.63 ruling on the same date.

Nuru Nigeria Development Initiative Limited by Guarantee
Notes to the Financial Statements (Cont'd)
For the year ended 31st December, 2020

N. Net assets

Net assets are classified as restricted or unrestricted based on the existence and or absence of donor-imposed restrictions.

O. Functional expense allocation

The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain cost have been allocated among the programs and supporting services benefited.

P. Operating lease

NN entered into a five year lease agreement with Elder L. D. W. Kwagga on 16th February 2018 to take possession of a seven bedroom bungalow including fixtures and fittings on the building currently used as the office in Michika, Adamawa State, Nigeria for a fixed term of 5 years from 1st April, 2018 to 31st March, 2023 at a fixed rent of ₦500,000.00 per annum.

Q. Revenue and support

Contributions of cash and other assets are reported as with donor or grantor restriction if they are received with donor or grantor stipulations that limit or specify the use of the donated assets, whether by time, period or purpose. When a donor or grantor restriction expires – that is, when a stipulated time restriction ends or the stated purpose restriction is accomplished – donor / grantor restricted net assets are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

Non-monetary contributions of goods and services are recorded at their fair values in the period received. Donated services are recorded at their fair values in the period received, provided that such services either create or enhance non-financial assets or the services are considered “professional” services which Full Circle would otherwise be required to purchase. Donated fixed assets are recorded at fair value when received and reflected in these financial statements as contribution revenue and an addition to fixed assets. Nonmonetary donations are recognized as revenue and offsetting expense or asset, depending on the nature of such support received.

Nuru Nigeria Development Initiative Limited by Guarantee
Notes to the Financial Statements (Cont'd)
For the year ended 31st December, 2020

	Year ended 31st December, 2020	8 months to 31st December, 2019
	₦	₦
3.0 Cash & cash equivalent		
Zenith Bank Plc (USD) - Operating	410,436	2,019,822
Zenith Bank Plc - Payroll	4,907,137	40,893
Zenith Bank Plc - Operating	117,128	903,804
Union Bank Plc	32,543,457	3,335,319
	37,978,158	6,299,838
4.0 Account Receivable		
Petty Cash - Staff.Lee Schofield	145,525	-
Petty Cash - Staff.Emmanuel	178,753	101,100
Petty Cash - Staff.Scott	7,720	14,020
	331,998	115,120
5.0 Prepayments		
Group Health Insurance	3,007,281	1,737,378
Group Life Insurance	216,579	83,827
Rent	3,069,444	3,375,000
Others	1,400	-
	6,294,704	5,196,206

Nuru Nigeria Development Initiative Limited by Guarantee
Notes to the Financial Statements (Cont'd)
For the year ended 31st December, 2020

	Year ended 31st December, 2020	8 months to 31st December, 2019
	₦	₦
6.0 Support Services		
Gross Pay	33,130,214	7,916,667
Pay-off	-	130,000
NSITF Contribution	297,046	79,114
Employer Pension Contribution	1,417,766	511,700
Relocation Expenses	200,000	400,000
Training and Development	498,861	-
Business Premises Levy	1,000	5,100
Audit (Statutory) Fees	1,028,351	903,000
Legal Fees	-	-
Contract Services	1,222,400	2,118,000
Postage and Mailing Service	50,300	700
Stationery and Office Supplies	1,572,392	366,790
Repairs and Maintenance	2,602,699	701,585
Insurance	1,261,542	421,535
Conference, Convention, Meeting	1,188,850	110,000
Visa and Passport	-	318,200
Air - Domestic Nigeria	743,161	283,745
Hotel Accomodation	1,702,290	127,795
Meals	284,524	177,900
Per Diem	808,300	1,305,000
Transport and Travelling	99,005	231,800
Printing and Copying	340,879	50,200
Telephone and Telecommunication	1,181,427	281,000
Internet Fees	1,479,643	436,557
Furniture, Computer and Equipment (under NGN50,000)	135,575	51,000
Electricity	351,400	20,000
Cleaning	30,200	3,150
Medicals	114,550	13,900
Agricultural Inputs	-	-
Bank charges	2,161,175	803,229
Setup Cost	-	-
Other Business Expenses	500,386	98,832
Rent and Leases	1,619,444	958,333
Fuel, Diesel and Oil Expenses	854,750	932,125
Depreciation	1,677,044	843,408
	58,555,174	20,600,365

Nuru Nigeria Development Initiative Limited by Guarantee
Notes to the Financial Statements (Cont'd)
For the year ended 31st December, 2020

	Year ended 31 st December, 2020	8 months to 31 st December, 2019
	₦	₦
7.0 Account Payable		
Petty Cash - Staff:Charlie	-	-
Petty Cash - Staff:Sam	-	-
Petty Cash - Staff:Pauline	-	-
Petty Cash - Staff:Beau	-	457,629
	-	457,629
8.0 Other Creditors and Accruals		
Pay As You Earn (PAYE)	3,467,260	-
Employee Pension Contribution	1,126,390	79,106
Payoff	-	-
Nigeria Social Insurance Trust Funds Remittance (NSITF)	217,636	-
National Housing Funds Remittance (NHF)	89,396	-
Office rent	-	-
Withholding Tax	115,054	-
Value Added Tax	-	42,000
Audit Fee	1,028,351	903,000
Others	32,143	-
	6,076,231	1,024,106

9.0 Property, Plant and Equipment	Leasehold Improvements	Office Furniture, Fittings & Equipment	Computer Equipment	Vehicles	Plant, Equipment and Machinery	Total
	₦	₦	₦	₦	₦	₦
9.1 Cost						
As at 1 st January, 2020	3,999,470	14,106,850	2,302,000	20,540,100		40,948,420
Additions	-	6,589,185	1,950,665	12,545,099	5,687,252	26,772,201
Transfers/Disposal	-	(4,780,000)	-	(5,700,000)	4,780,000	4,780,000
As at 31st December, 2020	3,999,470	15,916,035	4,252,665	27,385,199	10,467,252	62,020,621
9.2 Depreciation						
As at 1 st January, 2020	1,437,859	4,573,010	138,758	5,700,338	1,664,500	13,514,465
Transfers/Disposal	-	(1,664,500)	-	(2,185,000)	-	-
Charge for the period	799,894	2,475,372	1,016,586	5,149,873	1,335,150	10,776,875
As at 31st December, 2020	2,237,753	5,383,882	1,155,344	8,665,211	2,999,650	20,441,841
9.3 Net Book value						
As at 31 st December, 2020	1,761,717	10,532,153	3,097,321	18,719,988	7,467,602	41,578,780
As at 31 st December, 2019	2,561,611	9,533,840	2,163,242	14,839,762	-	29,098,455

