

**CARING FRIENDS FOUNDATION**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2020**

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**REPORT OF THE INDEPENDENT AUDITORS**

**TO THE MANAGEMENT OF**

**CARING FRIENDS FOUNDATION**

**Report on the Audit of the Financial Statements**

We have audited the Financial Statements of the company which comprise the Statements of Financial position at 31st December, 2020, the income statement and statements of cash flows for the year ended, and notes to the financial statements, including summary of significant accounting policies.

**Opinion**

In our opinion, the accompanying Financial Statements give a true and fair view of the State of Affairs of the Company as at 31st December, 2020, its financial performance and its cash flows for the year ended in accordance with the provisions of both Companies and Allied Matters Act, Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria (FRCN) Act No. 6 of 2011

**Basis of opinion**

We have obtained all the information and explanations considered necessary for the purpose of our audit. Proper books of account have been kept by the company and the statements of affairs are in agreement with the books of account.

.....  
**Olufemi Oluwole**  
FRC/2013/ICAN/0000002750

**Lagos, Nigeria**  
**11 May, 2021**



**CARING FRIENDS FOUNDATION**

**STATEMENT OF OPERATING ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER, 2020**

	Note	2020 ₱	2019 ₱
<b>Revenue:</b>			
Funds received from Donors		<u>597,485</u>	<u>1,395,127</u>
<b>Expenses:</b>			
Direct program expenses	5	519,450.	805,504
Other administrative expenses	6	127,438	16,625
		-----	-----
<b>Total expenses</b>		<u>646,888</u>	<u>822,129</u>
<b>(Deficit)/Surplus for the year</b>		<u>(49,403)</u>	<u>572,998</u>

The accounting policies and notes on pages 5 to 7 form part of these financial statements

**CARING FRIENDS FOUNDATION**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER, 2020**

<b>Assets</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>₦</b>	<b>₦</b>
<b>Current assets</b>			
Cash and cash equivalents	3	<u>529,345</u>	<u>572,998</u>
<b>Total assets</b>		<u><b>529,345</b></u>	<u><b>572,998</b></u>
<b>Liabilities</b>			
Accrued expenses		5,750	-
<b>Equity</b>			
Accumulated fund	4	<u>523,595</u>	<u>572,998</u>
<b>Total equity and liabilities</b>		<u><b>529,345</b></u>	<u><b>572,998</b></u>



.....  
**Temitope Osobu**  
Chairman, Board of Trustees



.....  
**Olalekan Adekoya**  
Secretary, Board of Trustees

The accounting policies and notes on pages 5 to 7 form part of these financial statements

**CARING FRIENDS FOUNDATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED, 2020**

	Note	2020	2019
		₦	₦
<b>Cash flow from operating activities -</b>			
Operating surplus before working capital charges		(49,403)	572,998
Working capital changes		<u>5,750</u>	<u>-</u>
-		(43,653)	572,998
Cash flow from investing activities		-	-
Cash flow from financing activities		<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalent</b>		(43,653)	572,998
Cash and cash equivalent brought forward		<u>572,998</u>	<u>-</u>
<b>Cash and cash equivalent at the end of the year</b>		<u>529,345</u>	<u>572,998</u>
		=====	=====

The accounting policies and notes on pages 5 to 7 form part of these financial statements

**CARING FRIENDS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2020**

**1. General information**

**(a) Reporting Entity**

Caring Friends Foundation (“Foundation”) is a private independent charity organisation that supports people with special needs. The Foundation is set up to care for and give to those with special needs. It also engages in activities that impact the lives of the needy, orphans and hospitalized.

It was founded in 2011 and registered with Corporate Affairs Commission in November 2018.

**(b) Statement of Compliance**

The financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) as adopted by the Federal Republic of Nigeria.

The Office’s functional and presentation currency is the Nigerian Naira.

**2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are as set out below.

**a. Basis of preparation of the financial statements**

The Office’s financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

*Use of estimates and judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is made if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

**b. Financial assets and liabilities**

Financial assets and financial liabilities are initially recorded at fair value (plus any directly attributable transaction costs where applicable). For those financial

instruments that are not subsequently held at fair value, the Office assesses whether there is any objective evidence of impairment at each balance sheet date.

*i) Financial assets:*

Financial assets are rights in or other access to economic benefits. Such assets include cash, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are recognised when there is a contractual right to the asset or instrument.

*Cash and cash equivalents*

Cash and cash equivalents include cash held by the Office for use in its operations and in the current account with the commercial bank.

*ii) Financial liabilities*

Financial liabilities are either a contractual obligation to deliver cash or similar financial asset to another entity or a potentially unfavourable exchange of financial assets or obligations with another entity. Financial liabilities are recognized when it is probable that any future economic benefit associated with the obligation will flow from the Office and the value can be reliably measured. This usually occurs initially on the trade date, which is the date that the Office becomes a party to the contractual provisions of the instrument. Such financial liabilities are recognised initially at fair value and include any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are amortised using the effective interest method.

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

*c. Income recognition*

The Foundation is funded by contributions from the members of Trustee and donations from friends and families.

**3. Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and at the bank.  
Balance held with banks in Nigeria:

	<b>2020</b>	<b>2019</b>
	₦	₦
Cash at bank	529,345	572,998
	=====	=====
<b>4. Accumulated fund</b>		
As at 1 January	572,998	-
(Deficit)/Surplus for the year	(49,403)	572,998
	523,595	572,998
	=====	=====



**5. Direct Program expenses**

This represents the donations of materials and financial support to the vulnerables and various less prividedged outlets.

	2020	2019
	₦	₦
<b>6. Other administrative expenses</b>		
Audit expenses	52,500	-
Statutory filing expenses	58,000	-
Transport and Travelling	15,000	-
Bank Charges	<u>1,938</u>	<u>16,625</u>
	<u>127,438</u>	<u>16,625</u>

**7. Responsibilities of the management on the financial statements**

In accordance with the provisions of the Companies and Allied Matters Act CAP C20 LFN 2004, the management of the Foundation is responsible for the preparation of the annual financial statements which give a true and fair view of the financial position of the Foundation as at 31 December, 2020 and of its operating surplus and cash flows for the financial year ended on that date.

Management's responsibilities also include ensuring that:

- (a) Appropriate internal controls are established both to safeguard the assets of the Foundation and to prevent and detect any other irregularities;
- (b) The Foundation keeps accounting records which disclose with reasonable accuracy, the financial position of the Foundation and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004.;
- (c) The Foundation has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

**Going Concern**

The Foundation's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless Management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Management has considered the consequences of COVID 19 and other events and conditions and it has determined that they do not create a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern.

The impact of COVID 19 on the future operations and therefore on the Foundation's liquidity position might be significant and might therefore require disclosure in the financial statements but management has determined that they do not create a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern