

REGALO HOPE FOUNDATION

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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CORPORATE INFORMATION

Company's Registration Number: IT 99371

BOARD OF TRUSTEES

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

Mr. Nnamdi Peter Onuorah	Trustee
Mrs Edith Nwago Agha	Trustee
Mrs Ngozi Mary-Anne Osemeka	Trustee
Mrs IbehChiemezie Jennifer	Trustee
Mr Nkem Onyeabor Obi	Trustee
Mrs Chinenye Ebele Onuorah	Trustee
Mrs Ukah Sarah Nkem	Trustee

REGISTERED OFFICE

45, Akinyemi Street,
Behind Stanbic IBTC Bank
Igando Phase one Lagos State

AUDITORS

LOGIC PROFESSIONAL SERVICES

(Chartered Accountants)
17/19 Allen Avenue
Ikeja,
Lagos.

BANKERS

First Bank of Nigeria Plc
Guaranty Trust Bank Plc

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Trustees have pleasure in submitting to the members of the company their report together with the Audited Financial Statements for the year ended 31 December, 2023.

1 LEGAL FORM

The Company was incorporated in Nigeria under the Companies and Allied Matters Act as a non profit organization on 7 August, 2017.

2 PRINCIPAL ACTIVITIES

The principal activity of the organization during the year was to provide for less privileged, advance social welfare, capacity building and promote human right within Nigeria.

3 OPERATING RESULTS

The operating results for the year are as follows:

	2023 =N=	2022 =N=
Result for the year		
Deficit of income over income	(8,700,682)	(12,213,816)
	-	-
Deficit of income over income	<u>(8,700,682)</u>	<u>(12,213,816)</u>

6 EMPLOYMENT OF DISABLED PERSONS

The Organization did not employ any disable person(s) during the year. It is however, the Organization's policy not to discriminate against disabled persons for employment if academically qualified and medically fit.

7 EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date which could have a material effect on the financial position of the Organization as at 31 December 2023 which have not been recognised or disclosed.

8 AUDITORS

Messrs Logic Professional Services (Chartered Accountants) have been appointed as External Auditors in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020.

By order of the Board



.....
Company Secretary
8 February 2024
Lagos, Nigeria.

Statement of Trustees' Responsibilities in relation to the Financial Statements for the year ended 31 December 2023

The Trustees of Regalo Hope Foundation accept responsibility for the preparation of the annual Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria Act, 2011.

The Trustees further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, 2020, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatements whether due to fraud or error.

Going Concern

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

Signed on behalf of the Board of Trustees on 8 February, 2024 by:



.....

Trustee



.....

Trustee

INDEPENDENT AUDITORS' REPORT

To the Members of REGALO HOPE FOUNDATION

Report on the financial statements

We have audited the accompanying financial statements of Regalo Hope Foundation, which comprise the Statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 11.

Trustees' responsibility for the financial statements

The Organization's Trustees are responsible for the consolidated and separate financial statement that gives a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, and for such internal control 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.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

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



Rear Wing, 4th Floor,
Oshopey Plaza,
17/19, Allen Avenue, Ikeja, Lagos.
Tel: 07089997034, 08056107469, 08056085288
www.logicprofessionalservices.com
info@logicprofessionalservices.com
(Member-Public Practice Section of ICAN)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Regalo Hope Foundation (“the organization”) as at year ended 31 December, 2023 and of the Organization’s income and expenditure and cash flows for the year then ended in accordance with International Financial Reporting Standards and in manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011

Report on Other Legal and Regulatory Requirements

Compliance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria

In our opinion, proper books of account have been kept by the Organization, so far as appears from our examination of those books and the Organization’s statement of financial position and consolidated and separate statement of income and expenditure are in agreement with the books of account.

Signed:

For: **Logic Professional Services**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: **Ijiola Olatunde**
FRC/2014/ICAN/00000006297



9 February, 2024

**Statement of Financial Position
As at 31 December 2023**

Assets	Notes	2023 =N=	2022 =N=
Non Current Assets			
Property, plant & equipment	6	2,788,800	3,324,520
		-	-
		<u>2,788,800</u>	<u>3,324,520</u>
Current Assets			
Cash and cash equivalent	5	4,333,445	38,146
Prepayments	7	-	250,000
		<u>4,333,445</u>	<u>288,146</u>
Total Assets		<u><u>7,122,245</u></u>	<u><u>3,612,666</u></u>
Liabilities			
Other payables	8	56,384,889	44,174,628
Total current liabilities		<u>56,384,889</u>	<u>44,174,628</u>
Funds			
Accumulated Fund		(40,561,962)	(28,348,146)
Deficit of Income over Expenditure		<u>(8,700,682)</u>	<u>(12,213,816)</u>
Total fund		<u><u>(49,262,644)</u></u>	<u><u>(40,561,962)</u></u>
Total fund and liabilities		<u><u>7,122,245</u></u>	<u><u>3,612,666</u></u>

The financial statements and the accompanying notes were approved and authorised by the board of directors on 8 February, 2024 and signed on its behalf

Trustee

Trustee

The accounting policies and the accompanying notes to the financial statements form an integral part of these financial statements.

**Statement of Income and Expenditure
For the year ended 31 December 2023**

	Notes	2023 =N=	2022 =N=
Income	9	85,353,450	78,691,279
Expenditure	10	(94,032,884)	<u>(90,900,732)</u>
Deficit of Income over Expenditure		(8,679,434)	(12,209,453)
		-	-
Finance cost	11	<u>(21,248)</u>	<u>(4,363)</u>
Net Deficit of Income over Expenditure		<u><u>(8,700,682)</u></u>	<u><u>(12,213,816)</u></u>

The accounting policies and the accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Changes in Funds
For the year ended 31 December 2023

	Accumulated Fund =N=	Deficit of income over expenditure =N=	Total =N=
Balance as at 1 January 2023	(40,561,962)	-	(40,561,962)
Adjustment on Opening Balance	-		-
Deficit of Income over expenditure for the year	-	(8,700,682)	(8,700,682)
Balance as at 31 December 2023	<u>(40,561,962)</u>	<u>(8,700,682)</u>	<u>(49,262,644)</u>

	Accumulated Fund =N=	Deficit of income over expenditure =N=	Total =N=
Balance as at 1 January 2022	(28,348,146)		(28,348,146)
			-
Deficit of Income over expenditure for the year		(12,213,816)	(12,213,816)
Balance as at 31 December 2022	<u>(28,348,146)</u>	<u>(12,213,816)</u>	<u>(40,561,962)</u>

Statement of cashflows
For the year ended 31 December 2023

		2023	2022
		=N=	=N=
Deficit of income over expenditure		(8,700,682)	(12,213,816)
Add back:			
Depreciation	8a	535,720	535,720
Net cash flows from operating activities		(8,164,962)	(11,678,096)
Changes in working capital			
(Increase)/Decrease in Other Receivables & prepayments		250,000	50,000
Operating loss after working capital changes		(7,914,962)	(11,628,096)
Net Cashflow used in Operating Activities		(7,914,962)	(11,628,096)
Investing activities			
Purchase of fixed assets		-	(82,000)
Net cash from investing activities		-	(82,000)
Financing activities			
Trustees current account		12,210,261	11,727,718
Net cash from financing activities		12,210,261	11,727,718
Net changes in cash and cash equivalent		4,295,299	17,622
Cash and cash equivalent at the beginning of year		38,146	20,524
Cash and cash equivalent at end of year	5	4,333,445	38,146

The accounting policies and the accompanying notes to the financial statements form an integral part of these financial statements.

Notes to the Financial Statements

1) Corporate information and principal activities

Regalo Hope Foundation was incorporated in Nigeria under the Companies and Allied Matters Act, CAP C20 LFN, 2020 as a non for profit organization on August 7, 2017.

The Organization was established to provide for less privileged, advance social welfare, capacity building and promote human right within Nigeria. Its registered office is at 9, Dabiri Street , Ejigbo, Lagos.

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, 2020. Where the provisions of IFRS are in conflict with the requirements of the Companies and Allied Matters Act, 2020, IFRS supersedes.

The financial statements were authorized for issue by the Board of Trustees on 8 February, 2024.

b) **Basis of Measurement**

The financial statements have been prepared under the historical cost concept, except for certain financial instrument that are measured at fair value at the end of each reporting period as explained in the accounting policies below.

c) **Functional and presentation currency**

The organization's functional and presentation currency is the Nigerian Naira. The financial statements are presented in Nigerian Naira.

d) **Use of estimates and judgment**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgment in the process of applying the organization's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3) Critical accounting estimates and judgements

The Organization makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and 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:

ii) Impairment of property, plant and equipment

The Organization assesses assets or groups 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 Company's estimated value in use. The estimated future cash flows applied are based on reasonable and supportable assumptions and represent management's best estimates of the range of economic conditions that will exist over the remaining useful life of the cash flow generating assets.

iii) Estimates of useful lives and residual value

The estimates of useful lives and residual values of property, plant and equipment impact the annual depreciation charge. The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to management's intended usage policy for the assets in the future and potential market prices of similar assets.

4) 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 company, 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 and any exchange differences arising are included in the statement of profit or loss and other comprehensive income of the reporting year.

At the end of each reporting period, monetary items denominated in foreign currencies are translated 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 translated using the exchange rate at the date of the transaction (i.e. not retranslated). Foreign currency differences on loans and other borrowings are recognized as finance income and expenses. Other foreign currency differences as a result of transactions are recognized in the related items within the operating results.

Income

Income represents the fair value of the consideration received or receivable from donations, in the ordinary course of the Organization's activities.

Revenue is recognized when all the following conditions are satisfied;

- (a) Identify contracts with Customers;
- (b) Identify performance obligations in the contracts;
- (c) Determine the transaction price;
- (d) Allocate transaction price to the performance obligations in the contract the costs incurred on the transaction and or to be incurred can be measured reliably; and
- (e) Recognise revenue when the entity satisfies the performance obligation.

c) Finance income and expenses

Finance income comprises interest income on short term deposits with banks and changes in the fair value of financial assets at fair value through profit and loss where the Company holds such financial assets. Interest income on short-term deposits is recognized by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is recognized in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. Finance expenses are recognised in the statement of profit or loss and other comprehensive income.

d) Property, plant and equipment

i) Recognition and Measurement

Property, plant and equipment are measured at cost price less accumulated depreciation calculated from the date of commissioning and any accumulated impairment losses. The cost price is based on the purchase price and/or expenditures that are directly attributable to the acquisition of the asset. Items of property, plant and equipment under construction are disclosed as capital work in progress. The cost of construction recognized includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

ii) Subsequent costs

Modifications and capacity enhancing investments on any asset are capitalized as cost and amortised over the remaining life of the asset. Also, the cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing and maintenance of an item of property, plant and equipment are recognized as an expense in the statement of profit or loss and other comprehensive income during the period in which they are incurred.

iii) Depreciation

Depreciation is calculated on items of property, plant and equipment to write down the cost of each asset to its residual value over its estimated useful life. No depreciation is charged on items of property, plant and equipment until they are brought into use. Where property, plant and equipment consist of components with different useful lives, they are accounted for as separate items.

The principal annual rates used to write down the cost of the assets are as follows:

Types of asset

Furniture & Fittings	10 years
Office Electrical Equipment	10 years
Computer Equipment	10 years
Plant & Machinery	10 years

The assets depreciable methods, useful lives and residual values are reviewed annually and adjusted if necessary. The 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.

iv) Derecognition

An item of property, plant and equipment is upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss within 'Other income or operating expenses' in the year that the asset is derecognised.

e) Impairment of non-financial assets

Non-financial assets other than inventories and deferred tax assets 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 recognized 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 grouped 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 recognized immediately in the statement of profit or loss and other comprehensive income, 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 recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

f) Financial Instruments

a) Financial assets

Financial assets are initially recognized at fair value plus directly attributable transaction costs. Subsequent re-measurement 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 Company's financial assets comprise of 'loans and receivables'.

At the reporting date, the Company assesses whether its financial assets have been impaired. Impairment losses are recognized in the statement of profit or loss and other comprehensive income where there is objective evidence of impairment.

REGALO HOPE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5 Cash and Cash Equivalents

	2023 =N=	2022 =N=
First Bank Plc	56,611	20,224
First Bank Domiciliary account	4,167,596	17,922
Guaranty Trust Bank	6,216	
Guaranty Trust Bank Domiciliary	103,022	
	<u>4,333,445</u>	<u>38,146</u>

6 Property, Plant and Equipment (2023)

	Furniture & Fittings =N=	Office Equipment =N=	Computer Equipment =N=	Plant & Machinery =N=	Total =N=
Cost					
At 1 January 2023	4,215,700	659,500	340,000	142,000	5,357,200
Adjustment				-	-
Additions					-
At 31 December 2023	<u>4,215,700</u>	<u>659,500</u>	<u>340,000</u>	<u>142,000</u>	<u>5,357,200</u>
Accumulated depreciation					
At 1 January 2023	1,566,680	263,800	170,000	32,200	2,032,680
Charge for the year	421,570	65,950	34,000	14,200	535,720
At 31 December 2023	<u>1,988,250</u>	<u>329,750</u>	<u>204,000</u>	<u>46,400</u>	<u>2,568,400</u>
Carrying value					
At 31 December 2023	<u>2,227,450</u>	<u>329,750</u>	<u>136,000</u>	<u>95,600</u>	<u>2,788,800</u>

6(a). Property, Plant and Equipment (2022)

	Furniture & Fittings =N=	Office Equipment =N=	Computer Equipment =N=	Plant & Machinery =N=	Total =N=
Cost					
At 1 January 2022	4,215,700	659,500	340,000	142,000	5,357,200
Additions			-	-	-
At 31 December 2022	<u>4,215,700</u>	<u>659,500</u>	<u>340,000</u>	<u>142,000</u>	5,357,200
Accumulated depreciation					
At 1 January 2022	1,145,110	197,850	136,000	18,000	1,496,960
Charge for the year	421,570	65,950	34,000	14,200	535,720
At 31 December 2022	<u>1,566,680</u>	<u>263,800</u>	<u>170,000</u>	<u>32,200</u>	2,032,680
Carrying value					
At 31 December 2022	<u>2,649,020</u>	<u>395,700</u>	<u>170,000</u>	<u>109,800</u>	<u>3,324,520</u>

7 Prepayments

	2023 =N=	2022 =N=
Prepaid Rent	-	250,000
	<u>-</u>	<u>250,000</u>

8 Other payables and provisions	2023	2022
	=N=	=N=
Trustee Current Account	56,384,889	44,104,628
Audit fee	-	70,000
	<u>56,384,889</u>	<u>44,174,628</u>
9 Income	2023	2022
	=N=	=N=
Income	85,353,450	78,691,279
	<u>85,353,450</u>	<u>78,691,279</u>
10 Expenditure	2023	2022
	=N=	=N=
Personnel cost (note 16a)	6,252,800	6,252,800
Administrative expenses (note 16b)	87,244,364	84,112,212
Depreciation (note 8)	535,720	535,720
	<u>94,032,884</u>	<u>90,900,732</u>
10(a) Personnel cost	2023	2022
	=N=	=N=
Salary and wages	6,252,800	6,252,800
	<u>6,252,800</u>	<u>6,252,800</u>

10(b) Administrative expenses	2023	2022
	=N=	=N=
Utility	2,068,641	1,973,894
Logistics	2,909,740	3,879,654
Groceries	3,264,647	3,796,101
Stationeries	2,793,532	4,297,742
Volunteers Stipends	2,734,480	2,415,618
Vediography & Photography	2,541,829	2,269,490
Repairs & Maintenance	788,697	973,700
Audit Fee	70,000	74,713
Entertainment	3,528,533	3,425,760
Advertisement	1,344,408	1,242,521
Rent	278,000	278,000
Donations	27,104,676	24,708,000
Scholarship Fund	35,088,000	32,250,000
Branded Materials	2,729,182	2,527,020
	<u>87,244,364</u>	<u>84,112,212</u>
11 Finance Charges	2023	2022
	=N=	=N=
Bank Charges	21,248	4,363
	<u>21,248</u>	<u>4,363</u>

