

**JOY WELFARE & CHARITY MINISTRY
REPORT AND FINANCIAL STATEMENTS
30 SEPTEMBER 2014**

CONTENTS

PAGE

CORPORATE INFORMATION

3

REPORT OF THE BOARD OF TRUSTEES

4

REPORT OF THE AUDITORS

5

SIGNIFICANT ACCOUNTING POLICIES

6

STATEMENT OF FINANCIAL POSITION

10

STATEMENT OF ACTIVITIES

11

STATEMENT OF CASH FLOWS

12

STATEMENT OF VALUE ADDED

13

NOTES ON THE FINANCIAL STATEMENTS

14 - 16

JOY WELFARE & CHARITY MINISTRY

CORPORATE INFORMATION

3

BOARD OF TRUSTEES

Prophet Gabriel Olubunmi Fakeye
Pastor George Oluwadare Ogunleye
Pastor Benjamin Oladokun Alaka
Pastor Daniel Enike Imoudu
Barr. Laide Osijo
Pastor Wesley Oladini Kafidiya
Pastor Tinu Oyenuga

EXECUTIVE BOARD MEMBERS

Pastor Benjamin O. Alaka
Mr. Emmanuel O. Sanni
Mrs. Agbeke Ogunsanwo
Mr. Kehinde A. Showemimo
Mr. Wesley O. Kafidiya
Mrs. Doyin Kukoyi
Mr. M. A. Adekoya
Mr. Olu Oke
Mr. Femi Ogunwale
Mrs. Tinu Oyenuga
Mr. Femi Olojede
Mrs. O. A. Akiremi
Mr. Leke Quadri
Mrs Toke Jinadu
Mr. M. A. Fowokan
Mrs. Q. O. Akinwumi
Mrs E. A. Bodede
Mr. F. A. Ogunlade
Mr. S. S. Agunbiade
Mr. E. A. Johnson

Chairman
1st Vice Chairman
2nd Vice Chairman
Special Adviser
Chairman, Management Committee
Vice Chairman, Management Committee
Secretary
Director, Finance & Budget
Internal Auditor
Director, Programmes Development & Public Relations
Director, Fund Raising
Treasurer
Head, Education Support
Head, Welfare Services

REGISTERED OFFICE

KM 4, Apapa-Oshodi Expressway
Sanya Bus Stop, Surulere, Lagos
E-Mail: joywelfare.charityministry@gmail.com

BANKERS

Union Bank Plc
Zenith Bank Plc

AUDITORS

Olaiyanu Adeyemi & Co.
[Chartered Accountants]
20 Shingolu Street, Oninani, Lagos

JOY WELFARE & CHARITY MINISTRY
REPORT OF THE BOARD OF TRUSTEES
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

4

With great sense of humility, I stand before you to present the Audited Financial Statements of the Joy Welfare & Charity Ministry for your consideration and approval.

VISION:

Our vision is to work towards a just and equitable society where the less privileged and vulnerable are assisted to be confident, self-reliant to face and overcome life's challenges.

MISSION:

We set out to be the moving force to promote socio-economic, moral and spiritual transformation of society through enhancing the individual economic status, decent living conditions, healthy family cohesion, and inspired personal confidence especially for the less privileged citizens.

ACTIVITIES:

At Joy Welfare & Charity Ministry our activities are concentrated on medical interventions (both curative and preventive, including advocacy as well as post treatment rehabilitation), educational support programs for orphans and indigent students in public schools/institutions as well as relief/alleviation in times of disasters/distress.

Due to limitations of resources, we strive to stretch available ones, by adopting a policy of coopting members of the family and other interest groups to cooperatively, jointly finance the cost of interventions. This also acts as social safeguard protection web of integration for rehabilitation.

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GOVERNANCE:

The Executive Management of our activities is delegated to a Management Board under a Chairman which meets at least quarterly to review activities and performances.

For this purpose, a Management Committee is also in place for day to day running of affairs and it liaises with the Board Chairman for any significant/major decisions even before the quarterly Board meetings. Chairmen of both Management Board and Management Committee are members of Board of Trustees.

FUND RESERVE:

We operate a fund reserve policy to be able to mitigate any unforeseen cash shortage to meet pressing emergency need as a short term cushion to tide over or foreclose any such.

FINANCIAL REVIEW:

Our activities have been made possible by the support of our esteemed "We Care Partners" who have been our main income sources contributing about 35% of total income at ₦1.42M in the year. This is followed by substantial receipts of general donations totaling ₦2.64M from numerous special and general donors. In all, we were able to earn ₦4.06M income to fund our activities for the year.

In line with our mission, our core activities of operations and projects consumed ₦1.79M in expenditure while our administration cost ₦0.80M leaving us with a surplus of ₦1.47M for the year. In the course of the year, education support including collaborations for scholarships to brilliant indigent students cost us ₦365,000, medical support of ₦495,700 and the annual widows program at year end costing ₦358,500 were the major highlights. We also embarked on empowerment & poverty alleviation to the tune of ₦216,000 as well as Workshops & Training for startups of ₦294,000.

BY ORDER OF THE BOARD

SECRETARY



J. OLA ADEYEMI, FCA, ACTI, AMNIM, AAAI, ADV. DIP. (COMP/MANGT)
Managing Partner

J. O. FAKEYE, BSc. FCA FCTI

29, Shipeolu, Street,
2nd Floor, Amoke Shopping Mall,
Onipanu, Lagos.
P. O. Box 6806 Festac Town, Lagos.
Tel: 01-8981773, 08033032148, 08098986007
E-mail: iyanuadeyemi@yahoo.co.uk
olaadeyemi2015@yahoo.com

5

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
JOY WELFARE & CHARITY MINISTRY

We have audited the accompanying Financial Statements of Joy Welfare & Charity Ministry set out on pages 6 to 13, which have been prepared on the basis of the significant accounting policies detailed therein.

Executive Board's Responsibility for the Financial Statements

The Executive Board is responsible for the preparation and fair presentation of these financial statements in accordance with the Constitution and Bye-Laws of Joy Welfare & Charity Ministry and applicable Statements of Accounting Standards. These responsibilities include : 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.

Auditors' Responsibility

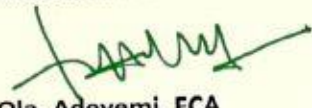
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigerian Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance as to whether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

An audit involves performing procedures to obtain audit evidence about the 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 auditor considers internal control relevant to the entity's preparation and 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 management, 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.

Opinion

In our opinion, the Ministry has kept adequate accounting records and the financial statements are in agreement therewith in all material respects. The financial statements give a true and fair view of the financial position of Joy Welfare & Charity Ministry as at 30 September 2014 and of its financial performance and cash flows for the year then ended in accordance with the provisions of the Constitution and Bye-Laws of the Ministry and the Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria.


J. Ola. Adeyemi, FCA

FRC/2013/ICAN/00000003217

for: Olaiyanu Adeyemi & Co.

Chartered Accountants

Lagos, Nigeria

11-Feb-18



JOY WELFARE & CHARITY MINISTRY
STATEMENT OF ACCOUNTING POLICIES
FOR PERIOD ENDED 30 SEPTEMBER 2014

6

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

1 Basis of Measurement and Presentation

The financial statements are prepared under the historical cost and on a going-concern bases, except Available-for-sale Financial Assets which are measured at fair value. The financial statements are statutory and have been prepared in compliance with provisions of Companies & Allied Matters Act, CAP C20 LFN 2004 and the Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria.

Using the Deferral Method, the statement of financial position is presented based on liquidity while revenue and expenditure have been categorized in accordance with functional classification of the Ministry's activities. In the statement of cash flows, the cash flows from operating activities are reported on the indirect method.

2 Fund Accounting

General reserves are unrestricted funds that are available for use at the Board's discretion for the furtherance of the Ministry's objects.

Designated funds are funds set aside at the discretion of the Board for specific purposes which would otherwise form part of the other unrestricted funds.

Restricted funds are subject to specific restrictions imposed by the donor or grantor.

A final review of the allocation of project expenditure is performed after a project or period of funding has ended, to ensure compliance with the terms of the memorandum of understanding, this can give rise to a transfer between funds. Allocation also includes recovery of overheads where permitted under funding agreements, and designation of funds as agreed through budget processes.

3 Revenue

Revenue is recognised in the period in which entitlement is established, when economic benefit is probable and the value can be measured reliably.

Restricted income relates to specific activities based on the terms of the restriction contained in a Memorandum of Understanding which is signed by the donor or grantor with the Ministry.

Donated services, which include the receipt of pro-bono services, are valued at the price the Ministry estimates it would pay in the open market.

Income received in the year where entitlement is not established, where economic benefit is not probable or where the value cannot be measured reliably will be deferred until the conditions are fulfilled.

4 Expenditure

Expenditure on charitable activities is reported on a functional basis.

Expenditure is charged to the Statement of Activities (SOA) on an accruals basis. Any irrecoverable purchase taxes (including VAT) are charged to the SOA in the period in which they are incurred.

Governance costs are the costs incurred in complying with constitutional, statutory requirements and accountability, such as audit fees, legal fees and meeting costs and memberships of relevant and related organizations.

Communications costs are salaries, direct expenditure and overhead costs incurred in supporting communications which includes facilitation of internet and other systems and platforms, for both internal and external use within the Ministry. It also includes monitoring and responding to the media, and generally raising awareness of the work done by the Ministry.

JOY WELFARE & CHARITY MINISTRY
STATEMENT OF ACCOUNTING POLICIES Cont'd
FOR PERIOD ENDED 30 SEPTEMBER 2014

7

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

5.0 Financial Instruments

5.1 Cash and Cash Equivalents

In the statement of cash flows, Cash and Cash Equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

5.2 Financial Assets

The Ministry recognises a financial asset in the statement of financial position when, and only when, it becomes a party to the contractual provision of the instrument. Available-for-sale financial assets include equity securities. The Ministry classifies as available-for-sale those financial assets that are generally not designated as other category of financial assets, and strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial investments are initially recognised at cost plus any directly attributable transaction costs. Subsequent to initial recognition, Available-for-sale investment securities are carried at cost less any allowance for permanent impairment because the fair value of available for sale unlisted equity could not be reliably determined due to the unavailability of observable market data. When these assets are derecognised (as a result of impairment or sale), the gain or loss is recognised in statement of activities.

Available-for-sale financial assets are considered impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss.

Other receivables and prepayments are carried at amortised cost less any accumulated impairment losses. Prepayments are amortised on a straight line basis to the statement of activities.

5.3 Financial Liabilities

The Ministry recognises financial liabilities, including trade and other payables, bank overdraft and borrowings, in the statement of financial position when, and only when, it becomes a party to the contractual provision of the instrument. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are not usually remeasured, as the obligation is known with a high degree of certainty and settlement is short-term.

6.0 Property, plant & equipment

6.1 Recognition and measurement

On initial recognition, all items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

After initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Subsequent expenditures

capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Ministry. On going repairs and maintenance are expensed as incurred.

JOY WELFARE & CHARITY MINISTRY
STATEMENT OF ACCOUNTING POLICIES Cont'd
FOR PERIOD ENDED 30 SEPTEMBER 2014

8

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

6 Investment Property

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value are included in statement of activities in the period in which they arise. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Transfers are made to or from investment property only when there is a change in use.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized as profit or loss in the statement of activities.

The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each date of the statements of financial position. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount.

6.3 Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using a straight-line basis over their estimated useful lives. The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

	%
Land and building	10
Plant and machinery	10
Motor vehicles	15
Furniture & fittings, Other assets	10

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. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use.

7 Provisions

Provisions are liabilities that are uncertain in amount and timing. A provision is recognised if, as a result of a past event, the Ministry has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

8 Functional and Foreign Currencies

The financial statements are presented in Nigerian Naira which is the functional currency of the Ministry. Transactions in foreign currencies are recorded in naira at the rates of exchange ruling at the date of the transactions. Foreign currency balances are converted to naira at the rates of exchange ruling at the reporting date. All differences arising therefrom are taken to statement of activities.

9 Contingent Liabilities

Contingent liabilities are not recognised because it is not likely that an outflow of resources will be required to settle the obligations or the amounts cannot be reliably estimated, but are disclosed in the financial statements when they arise.

10 Contingent Assets

Contingent assets are not recognised but are disclosed in the financial statements when they arise.

11 Legacy Assets

Legacy assets in cash and other assets from our promoters in the year 2014 are disclosed in the financial statements as unrestricted

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

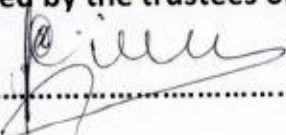
There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Ministry based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Ministry. Such changes are reflected in the assumptions when they occur.

JOY WELFARE & CHARITY MINISTRY
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

10

	NOTES	₦
ASSETS		
Cash and cash equivalents	4	4,435,504
Financial assets:		
Available-for-sale		-
Trade receivables		-
Other receivables and prepayments		-
Property, plant and equipment	2	<u>1,693,084</u>
TOTAL ASSETS		<u>6,128,588</u>
LIABILITIES		
Trade payables		-
Provisions and other payables		150,000
Borrowings		<u>-</u>
TOTAL LIABILITIES		<u>150,000</u>
NET ASSETS		
Unrestricted		3,978,588
Temporarily Restricted		<u>2,000,000</u>
TOTAL NET ASSETS		<u>5,978,588</u>
TOTAL LIABILITIES & NET ASSETS		<u>6,128,588</u>

Approved by the trustees on 11th February 2011 and signed on their behalf by:


.....]

Chairman, Executive Board


.....]

Director, Finance & Budget

JOY WELFARE & CHARITY MINISTRY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR PERIOD ENDED 30 SEPTEMBER 2014

11

	NOTES	UNRESTRICTED N	TEMPORARILY RESTRICTED N	TOTAL N
<u>INCOME</u>				
We Care' Partners Forum		1,422,690	-	1,422,690
Public Donations & Collections		735,065	-	735,065
Charity Shops & Boxes		224,605	-	224,605
Business Support Recovery		1,115,000	-	1,115,000
Other Donations		416,831	-	416,831
Interest & Other Investment Income		<u>144,247</u>	<u>-</u>	<u>144,247</u>
		<u>4,058,438</u>	<u>-</u>	<u>4,058,438</u>
<u>CHARGES</u>				
Operations & Projects	7	1,789,700	-	1,789,700
Administrative Costs	8	<u>800,678</u>	<u>-</u>	<u>800,678</u>
		<u>2,590,378</u>	<u>-</u>	<u>2,590,378</u>
Change in Net Assets		1,468,059	-	1,468,059
Transfer between Funds				
Net Assets at Beginning of Period		<u>2,510,529</u>	<u>2,000,000</u>	<u>4,510,529</u>
NET ASSETS AT END OF YEAR		<u>3,978,588</u>	<u>2,000,000</u>	<u>5,978,588</u>

JOY WELFARE & CHARITY MINISTRY
STATEMENT OF CASH FLOWS
FOR PERIOD ENDED 30 SEPTEMBER 2014

12

CASH FLOW FROM OPERATING ACTIVITIES

Dues, donations and other receipts	4,058,438
Total Charges	(2,590,378)
Depreciation	<u>267,326</u>
Operating Surplus before changes in working capital	1,735,385

Changes in operating assets

Receivables	-
Payables	<u>150,000</u>

Net cash flow from operating activities

1,885,385

INVESTING ACTIVITIES

Purchase of Property, plant & equipment	(1,960,410)
Interest on funds	-

Net cash flow from investing activities

(1,960,410)

FINANCING ACTIVITIES

Endowment Fund received

Net cash flow from financing activities

-

-

NET INCREASE IN CASH & CASH EQUIVALENTS

Cash and cash equivalents at the beginning of period

(75,025)

4,510,529

Cash and cash equivalents at the end of the period

4,435,504

JOY WELFARE & CHARITY MINISTRY
STATEMENT OF VALUE ADDED
FOR PERIOD ENDED 30 SEPTEMBER 2014

	2016	13
	N	%
Income received	4,058,438	
Less: Project and other charges	<u>(2,191,052)</u>	
	<u>1,867,385</u>	<u>100</u>
APPLIED AS FOLLOWS:		
(a) Payments to employees:		
Staff Costs	132,000	7
(b) Payments for maintenance of assets:		
Depreciation	267,326	14
(c) Retained for future development:		
Revenue account	<u>1,468,059</u>	<u>79</u>
	<u>1,867,385</u>	<u>100</u>

* **"Value added"** represents the additional wealth which the Charity has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth among its employees, provider of funds and that retained for future creation of more wealth.

JOY WELFARE & CHARITY MINISTRY
NOTES TO THE FINANCIAL STATEMENTS
FOR PERIOD ENDED 30 SEPTEMBER 2014

14

1 CORPORATE STRUCTURE AND ACTIVITIES

Joy Welfare and Charity Ministry, founded in 2014, is a non-governmental, non-partisan, non-profit, voluntary, poverty alleviation, socio-economic development and educational promotion organisation focusing on enhancement of individual personality, growth of healthy family relationship and support for socio-economic needs of widows, orphans, sick, infirm, disaster victims and other less-privileged or neglected people in the society.

2 PROPERTY, PLANT & EQUIPMENT

	OFFICE BUILDING N	FURNITURE & EQUIPMENT N	TOTAL N
Costs			
At 1 January 2014	-	-	-
Additions	<u>1,415,010</u>	<u>545,400</u>	<u>1,960,410</u>
At 30 September 2014	<u>1,415,010</u>	<u>545,400</u>	<u>1,960,410</u>
Depreciation			
At 1 January 2014	-	-	-
Charge for period	<u>141,501</u>	<u>125,825</u>	<u>267,326</u>
At 30 September 2014	<u>141,501</u>	<u>125,825</u>	<u>267,326</u>
Net book value			
At 30 September 2014	<u>1,273,509</u>	<u>419,575</u>	<u>1,693,084</u>
AT 30 September 2013	<u>-</u>	<u>-</u>	<u>-</u>
			N
3 RECEIVABLES			
Outstanding Donations			-
Provisions for doubtful donations			-
Other receivables and prepayments			<u>-</u>
			<u>-</u>
4 BANK AND CASH BALANCES			
Union Bank			1,930,375
Zenith Bank			505,129
Treasury Bill/Fixed Deposit			<u>2,000,000</u>
			<u>4,435,504</u>

	N
5 PROVISIONS AND OTHER PAYABLES	
Employee costs payable	-
Other payables and accruals	150,000
	<u>150,000</u>
 7 OPERATIONS & PROJECTS	
Education Support	365,000
Medical Support	495,700
Widows & Needies Program	358,500
Economic Empowerment & Poverty Alleviation	216,000
Donations to Other Charities & Homes	35,000
Workshops & Trainings	294,000
Sundry Alms & Donations	25,500
	<u>1,789,700</u>
 8 ADMINISTRATIVE COSTS	
Staff costs	132,000
Depreciation	267,326
Stationery & Printing	154,670
Legal & Audit	150,000
Transportation	54,350
Communication	17,900
Office Expenses	11,765
Bank Charges	12,667
	<u>800,678</u>

9 TAXATION

Joy Welfare & Charity Ministry, being a registered not-for-profit, service organisation, is not subjected to corporate income tax on its charitable activities. Thus no provision is made in the financial statements for any tax obligation.

10 COMMITMENT FOR CAPITAL EXPENDITURE

There were no capital commitment at September 30, 2014.

11 CONTINGENT LIABILITIES

There were no contingent liabilities at September 30, 2014 for which provision ought to be made in the financial statements.

12 EVENTS AFTER THE REPORTING DATE

There are no significant post reporting date events which could have had a material effect on the state of affairs of the Ministry as at statement of financial position date that have not been adequately provided for or disclosed in the financial statements.