

**HUMANITY AND COMMUNITY DEVELOPMENT
FOUNDATION**

**AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2023**

AL - AHL & ASSOCIATES
CERTIFIED NATIONAL ACCOUNTANTS
GUSAU-NIGERIA

HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

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TRUSTEES

NAME	Designation
Mr. A. A. A. A. A.	Chairperson
Mr. A. A. A. A. A.	Member
Mr. A. A. A. A. A.	Member
Mr. A. A. A. A. A.	Member
Mr. A. A. A. A. A.	Member
Mr. A. A. A. A. A.	Member/Executive Director

HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

TRUSTEE REPORT

The trustees present their reports on the affairs of HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION, together with the financial statement and independent auditor's report for the year ended 31 December 2023.

INCORPORATION AND ADDRESS

The HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION is incorporated in Nigeria under the Companies and Allied Matters Act, 2020 where it is incorporated as a Non-Governmental Organization on 4th December, 2019 and is domiciled in Nigeria. The foundation's registered address is 19, Zakat Plaza 1, Adj. Gusau Water Board, Magami Road, Gusau, Zamfara State.

PRINCIPAL ACTIVITY AND OPERATIONS REVIEW

The HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION is a not-for-profit organization founded by Dalhatu Musa Liman with a mission to empower individuals and communities, emphasizing human dignity, community engagement, and holistic development.

The HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION'S principal activities is to provide sustainable solutions to the critical areas of sustainable development that include access to clean water, good health, quality education, peace and ensuring accountability and social justice.

There have been no material changes to the nature of the foundation's business during the year under review.

The financial statements have been prepared in accordance with international Financial Reporting Standard as issued by the International Accounting Standards Board (ASB) and with the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) as adopted by the Federal Republic of Nigeria. The foundation's functional and presentation currency is the Nigerian Naira.

TRUSTEE

The following are the Trustees of the foundation who served during the period:

Name	Designation
Hadiza Ahmad Janyau	Chairperson
Abdulhamid Imam Modibbo	Member
Saifullahi Mu'azu Moriki	Member
Nasiru Lawali Balarabe	Member
Sufiyau Labaran	Member
Dalhatu Musa Liman	Founder/Executive Director

TRUSTEE INTEREST IN CONTRACT

None of the Trustee have notified the Foundation for the purpose of section 303 of the Companies and Allied Matter Act of Nigeria, 2020 of their direct or indirect interest in contract or proposed contract with the Foundation during the year.

PROPERTY AND EQUIPMENT

Information relating to changes in property and equipment is given in Note 12 to the financial statements.

EMPLOYMENT OF PERSONS WITH DISABILITY

The foundation operates a non-discriminatory policy on recruitment. Applications by persons with disability are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the foundation continues, and that appropriate training is arranged. It is the policy of the foundation that the training, career development and promotion of persons of disability should, as far as possible, be identical with those of other employees.

HEALTH, SAFETY AND WELFARE AT WORK

The foundation's employees are adequately insured against occupational hazards. In addition, medical facilities at specified limits are provided to employees and their immediate families at the foundation's expense.

EMPLOYEE INVOLVEMENT AND TRAINING

The foundation places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and the various factors affecting the performance of the foundation. This is achieved through regular meetings between management and staff of the foundation.

TAXATION

Under the current system of taxation in Nigeria, not for profit organizations and companies limited by guarantees, are exempted from company income tax.

RELATIONSHIPS WITH INTERNATIONAL AND LOCAL ORGANIZATIONS

The foundation received donations and grant from the following during the year under review:

In Kind Donation

Albarka Printing Press	Graphics Design
Digital Empire ICT Solutions	Website Maintenance

31/12/2023

N

100,000

250,000

350,000

Program/Operation Sponsored

Aiki Services Distribution of Food Items to IDPs in
Shinkafi LGA

Nakalage Drilling of Water Borehole in Janyau II
Integrated Farms

31/12/2023

1,150,000

1,000,000

2,150,000

ATTENDANCE OF BOARD MEETING

Trustees' attendance at the Board of Trustees meeting is as shown below:

NAMES OF TRUSTEES

December 31, 2023

Hadiza Ahmad Janyau	3
Abdulhamid Imam Modibbo	2
Saifullahi Mu'azu Moriki	2
Nasiru Lawali Balarabe	3
Sufiyanu Labaran	2
Dalhatu Musa Liman	3

EVENT AFTER REPORTING DATE

As at date of approval of these financial Statements, there were no post-balance sheet events affecting the Statement of affairs as at 31st December, 2023 of the foundation for the year ended 31st December, 2023.

AUDITORS

The foundation's auditors, **Al-Ahl and Associates**, continue in office in accordance with Section 401 of the Companies and Allied Matters Act. 2020, the auditors will be re-appointed at the next Annual General Meeting of the Foundation without any resolution being passed.

BY ORDER OF THE BOARD



Board Secretary

Dalhatu Musa Liman

19, Zakat Plaza 1,
Adj. Gusau Water Board,
Gusau.

15 January, 2024

HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENT OF BOARD OF TRUSTEES' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The Companies and Allied Matters Act 2020 requires the Trustees to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Foundation at the end of the year and of its profit or loss. The responsibilities include ensuring that the Foundation:

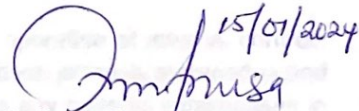
- i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Foundation and comply with the requirements of the Companies and Allied Matters Act 2020;
- ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities, and

The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the foundation. 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 adequate systems of internal financial control.

Nothing has come to the attention of the trustees to indicate that The HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION will not remain a going concern for at least twelve (12) months from the date of this statement.



Hadiza Ahmad Janyau
Board Chairperson

 15/01/2024

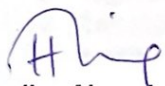
Dalhatu Musa Ilman
Board Secretary

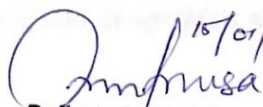
HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENT OF CORPORATE RESPONSIBILITY

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Executive Director and Head of Finance, hereby certify the financial statements of The HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION for the year ended 31 December 2023

- a) That we have reviewed the audited financial statements of the Foundation for the year ended 31 December 2023.
- b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited financial statements and all other financial information included in the statements are fairly present, in all material respects, the financial condition and results of operation of the Foundation as of and for, the year ended 31 December 2023.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Foundation is made known to the officer by other officers of the foundation, during the period end 31 December 2023.
- e) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- f) That we have disclosed the following information to the Foundation's Auditors and Board of Trustees:
 - i. There are no significant deficiencies in the design or operation of internal controls which could adversely affect the Foundation ability to record, process, summaries and report financial data, and have identified for the auditors any material weaknesses in internal controls, and
 - ii. There is no fraud that involves management or other employees who have a significant role in the Foundation Internal control.


Hadiza Ahmad Janyau
Chairperson


Dalhatu Musa Liman
Secretary



AL-AHL & ASSOCIATES

ZA677

CERTIFIED NATIONAL ACCOUNTANTS

(EXTERNAL AUDITORS, TAX PRACTITIONERS, & MANAGEMENT CONSULTANTS)

HEAD OFFICE:

Suite 35 & 36, Zamfara Plaza,
Gusau, Zamfara State.

BRANCHES:

No. 1 Ibadan Street,
By Kano Road, Kaduna,
Kaduna State.

No. 1 Unity Bank Road,
Maiduguri, Borno State.

Suite MMP 13, Makera
Modell Plaza, Close To FIRS Office
Sokoto Road, Funtua, Katsina State.
Tel: 08024987877

AHL/GS/AUDA/OL 1/2024
08024987877, 0802694260, 08038095630,

15/01/2024
e-mail: info@alahlassociates.com

Ref: _____

Date: _____

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION

Our Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of the Foundation's financial affairs at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, LFN, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

What we have audited

The HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION Financial Statements comprise:

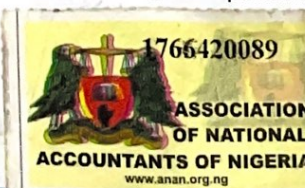
- The statements of financial position as at 31 December 2023
- The statements of income and expenditure for the year ended 31 December 2023
- The statements of changes in funds balance for the year then ended
- The statements of cash flows for the year then ended
- The notes to the financial statements, which include a summary of significant accounting policies

Independence

We are independent of the foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants' (IESBA Code), we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Managing Partner: M. L Bawa Maru B.Sc, MBA, Msc, FCMA, ACTI, FCMA, CFA, CPFA

Other Information

The directors are responsible for the other information. The other information comprises: Directors' report, Corporate Governance report, Statement of directors responsibilities, (But does not include the financial statements and our Auditor's report thereon) which we obtained prior to the date of this auditor's report,

chairman's statement and chief executive review, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standard and the requirements of the companies and allied matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are reasonable for assessing the foundation'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 directors either intend to liquidate the foundation or to cease operations or have no realistic alternative but to do so.

Those charged with governance are responsible for the foundation's financial process.

Auditor's responsibilities 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 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 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks 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 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors 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 foundation's ability 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the foundation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the foundation's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards,

Report on other legal and regulatory requirements

Compliance with the requirements of schedule 6 of the Companies and Allied Matters Act of Nigeria. In our opinion, proper books of account have been kept by the foundation, so far as appears from our examination of those books and the statement of financial position and the statement of income and expenditure are in agreement with the books of account.



For: Al-Ahl and Associates (Chartered Accountants)
Gusau, Zamfara - Nigeria
Certified National Accountants
FRC/2013/ANAN/0004835

15 January, 2024

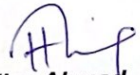
HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST
DECEMBER, 2023

	NOTES	<u>2023</u> N
<u>REVENUE</u>		
Individual Donations	4	1,400,000
Corporate Donations	5	2,150,000
Grants	6	-----
In-Kind Donations	7	<u>350,000</u>
Operating Income		<u>3,900,000</u>
Other Income	8	<u>1,500,000</u>
Total Revenue		<u>5,400,000</u>
Employee Benefit	9	200,000
Program Implementation Expenses	10	3,649,900
Administrative & Other Operating Expenses	11	<u>735,000</u>
Total Expenses		<u>(4,584,900)</u>
Surplus of Income over expenditure		<u>815,100</u>

HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

	NOTES	<u>2023</u>
		<u>N</u>
NON – CURRENT ASSETS		
Property, plant and Equipment	12	2,534,700
Financial Assets at Amortized Cost		-----
Total Non-current Assets		<u>2,534,700</u>
CURRENT ASSETS		
Cash & Cash Equivalent	13	861,852
Receivable & Prepayment		----
Total Current Assets		<u>861,852</u>
TOTAL ASSETS		<u>3,396,552</u>
EQUITY & LIABILITIES		
LIABILITIES		
Current Liabilities		
Creditors & Other Payables		2,487,848
Total Liabilities		<u>2,487,848</u>
Equity		
Represented By		
Accumulated Surplus	14	<u>908,704</u>
TOTAL EQUITY & LIABILITIES		<u>3,396,552</u>

The financial statements were approved by the Board of Trustees of the Humanity and Community Development Foundation on 15th January, 2024 and signed on its behalf by:


Hadiza Ahmad Janyau
 Board Chairperson


Dalhatu Musa Liman
 Board Secretary/Executive Director

HUMANITY AND COMMUNITY DEVELOPMENT FOUNDATION
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2023

	<u>2023</u>
Cash Flows from Operation Activities	N
Surplus/Deficit	815,100
Adjustment for non-cash Income and Expenses:	
Depreciation	497,050
Deferred Taxes	---
Amortization	-----
Cash flow before changes in working capital	1,312,150
Changes in Working Capital:	
Debtors and other Receivables	-----
Creditors and other Payables	(450,298)
Cash Generated from Operations	861,852
Income Tax Paid	-----
Net cash from Operating Activities	861,852
Cash Flows from Investing Activities:	
Interest received	-----
Dividend received	-----
Acquisition of property, plant and equipment	-----
Proceeds from sale of property, plant and equipment	-----
Net Cash Used in Investing Activities	-----
Cash Flows from Financing Activities:	
Proceeds from issue of share capital	-----
Proceeds from Borrowings	-----
Repayment of borrowings	-----
Dividend paid	-----
Net Cash Used in Financing Activities	0
Net Increase/(Decrease) in Cash and Cash Equivalents	861,852
Cash and Cash Equivalents as at 1 st January	-----
Cash and Cash Equivalents as at 31 st December	861,852

NOTES TO THE FINANCIAL STATEMENT

1. GENERAL INFORMATION

Humanity and Community Development Foundation (HUCOMDEF) was incorporated in Nigeria on December 4, 2019 as a Not-For-Profit Organization. The foundation's registered address is 19, Zakat Plaza 1, Adjacent Gusau Water Board, Magami Road, Gusau, Zamfara State.

The principal activities are to provide sustainable solutions to the critical areas of sustainable development that include access to clean water, good health, quality education, peace and ensuring accountability and social justice.

No significant or material changes occurred that altered the nature of these activities during the period ended 31 December, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of Preparation

The financial statements for the year ended 31st December 2022 have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Additional information required by national regulations is included where appropriate.

The financial statements comprise the statement of comprehensive income, statement of financial position, the statement of changes in equities, the statement of cash flows and the related notes. The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for investment properties. The financial statements are presented in Naira and kobo, which is the foundation's functional currency.

The preparation of the financial statements in conformity with IFRS required the use of certain critical accounting estimates. It also requires directors to exercise their judgment in the process of applying the foundation'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 5.

B. Basis of Measurement

These financial statements have been prepared on the historical cost basis except for the following:

- I. Derivative financial instruments which are measured at fair value.
- II. Non-Derivative financial instruments, carried at fair value through profit or loss, are measured at fair value.
- III. The comprehensive income financial assets are measured at fair value through equities.
- IV. Liabilities for cash-settled share-based payment arrangements are measured at fair value.
- V. The liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the fair value of the plan assets.
- VI. The plan assets for defined benefit obligations are measured at fair value.

- VII. Assets and Liabilities held for trading are measured at fair value
- VIII. Assets and Liabilities held to maturity are measured at amortized cost.
- IX. Loans and Receivables are measured at amortized cost.

C. Financial Period

These Financial Statements cover the financial year ended 31 December 2023 and comparative figures for the 2022 financial year ended.

D. Property and Equipment

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it's probable that future economic benefits associated with the item will flow to the foundation and the cost of the item will be measured reliably. The carrying amount of the replaced asset is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed annually and adjusted if appropriate. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in 'other operating expenses' in profit or loss.

Depreciation is calculated on a straight-line basis to write down the cost of fixed assets to their residual values over their estimated useful lives as follows:

Office Equipment	-	5 Years
Furniture and fittings	-	5 Years
Computer Equipment	-	5 Years

It is the policy of Humanity and Community Development Foundation to have the residual value of all class of asset at 5% of cost.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 costs to sell and value in use.

E. Intangible assets

Software licenses

Intangible assets comprise of acquired software licenses. Software acquired by the foundation is stated at cost less accumulated impairment losses. These are capitalized on the basis of the cost incurred to acquire and bring to use the specific software. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected

pattern of consumption of the future economic benefits embodied in the asset. The maximum useful life of software based on the foundation policy is 3 years.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

At each date of the statement of financial position, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analyzed to assess whether their carrying amount is fully recoverable.

An impairment loss is recognized if the carrying amount exceeds the recoverable amount. Software is derecognized on disposal or when no future economic benefits are expected from its use or disposal.

F. Financial Assets and Liabilities

All financial assets and liabilities are recognized in the statement of financial position and measured in accordance with their assigned category.

a. Initial recognition and measurement

Financial instruments are initially recognized at fair value while the treatment of directly attributable transaction cost depends on the classification accorded the instrument.

b. Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortized cost depending on their classification.

c. Classification and related measurement

Management determines the classification of its financial instruments at initial recognition. Reclassification of financial assets are permitted in certain instances as discussed below;

d. Financial Assets

IFRS 9 requires financial assets to be classified into one of three measurement categories:

- i. Fair Value Through Profit or Loss
- ii. Fair Value through other comprehensive income
- iii. Held at Amortized Cost

Financial assets will be measured at amortized cost if they are held within a business model with the objective of which is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest. Financial assets not meeting either of these two business models; and all equities instruments (Unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss. An entity may, at initial recognition, designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. Directors determine the classification of its financial instruments at initial recognition. The foundation financial assets are measured at Amortized cost.

Initial recognition and measurement

Financial instruments are initially recognized at fair value while the treatment of directly attributable transaction cost depends on the classification accorded the instrument.

Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortized cost depending on their classification.

Classification and related measurement

Management determines the classification of its financial instruments at initial recognition. Reclassification of financial assets are permitted in certain instances as discussed below;

Held at Amortized Cost

Investments at Amortized are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: those that the foundation intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as fair value through profit or loss; those that the foundation upon initial recognition designates as available-for-sale; or those for which the holder may not recover substantially all of its initial investment other than because of credit deterioration.

Investments held at amortized cost are initially recognized at fair value- which is the cash consideration to originate or purchase the loan including any transaction cost- are subsequently measured at amortized cost using the effective interest rate method. Loans and receivables are reported in the statement of financial position as loans and advances to customers, interest income is included in the income statement.

In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognition in the Income statement as loan impairment charges.

Financial Assets at Fair Value through profit or loss

A financial asset at fair value through profit or loss are financial assets held for trading. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorized as held for trading unless they are designed and effective as hedging instruments. Financial assets held for trading consist of debt instruments including money market paper, traded corporate and bank loans, and equities instruments as well as financial assets with embedded derivatives.

Financial instruments included in this category are recognized initially at fair value; transaction costs are taken directly to profit or loss.

Gains and losses arising from changes in fair value are included directly in the income statement and are reported as 'Net gain / (loss) on financial instruments classified as held for trading' Interest income and expense and dividend income and expenses on financial assets held for trading are included in 'Net interest income' or 'dividend income' respectively.

The instruments are derecognized when the rights to receive cash flows have expired or the foundation has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognition.

Recognition

The foundation uses settlement date accounting for regular way contracts when recording financial assets transactions. Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets Pledged as collateral', if the transferee has the right to sell or repledge them.

e. financial liabilities

Financial liabilities are classified as fair value through profit and loss (including financial liabilities held for trading and those designated at fair value through profit or loss) and financial liabilities at amortized cost. The foundation has only financial liabilities at amortized cost.

Financial Liabilities at Amortized Cost

Financial liabilities that are not classified as fair value through profit or loss are measured at amortized cost using the effective interest method. Interest expense is included in 'interest expenses' in the statement of comprehensive income. Financial liabilities at amortized cost comprise account payable balances included in "other liabilities".

Financial Liabilities at fair value through profit or Loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Gains and losses arising from changes in fair value of financial liabilities held for trading are included in the income statement and are reported as "Net gains / '(losses) on financial instruments classified as held for trading" Interest expenses on financial liabilities held for trading are included in "Net Interest Income".

f. Derivative Financial Instrument

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognized amounts and the parties intend to settle the cash flows on a net basis or realize the assets and settle the liabilities simultaneously.

g. Embedded Derivatives

Hybrid contract contain both a derivative and a non-derivative component in such cases, the derivative component is termed an embedded derivative where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract, and the host contract itself is not carried at fair value through profit or loss, the embedded derivative is bifurcated and measured at fair value with gains and losses being recognized in the income statement.

h. Determination of fair Value

For financial instruments traded in an active market, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equities securities and quoted debt instruments on major exchanges (for example, NSE) and broker quotes from Bloomberg and Reuters.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arms length basis.

If the above criteria are not met, the market is regarded as being active. Indications that a market is active are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair value estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (For example, LIBOR yield curve, FX rates, volatilities and counterparty spread) existing at the dates of the statements of financial position. The foundation uses widely recognized valuation models for determining fair values of non-standardized financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market-observable.

For more complex instruments, the foundation uses internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value derivatives transacted in the over-the-counter market, unlisted securities (including those with embedded derivatives) and other instruments for which the market were or have become illiquid. Some of the input to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the foundation holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk. Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are

generally reviewed carefully and adjusted, if necessary, particularly in view of the current market developments.

The estimated fair value of loans and receivables represents an estimation of the value of the loans using average benchmark lending rates which were adjusted for specific entity risk based on history of losses.

i. Derecognition of financial instruments

Financial assets are de-recognized when the contractual right to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the foundation tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are de-recognized when they have been redeemed or otherwise extinguished.

j. Reclassification of financial assets

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortized cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increase in estimates of cash flows adjust effective interest rates prospectively. The foundation may reclassify a financial instrument when its intentions and the characteristics of the financial instrument changes.

k. Offsetting financial instruments

Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously.

l. Impairment of Financial Assets

The IFRS 9 impairment model will be applicable to all financial assets at amortized cost, debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantees not measured at fair value through profit or loss.

IFRS 9 replaces the existing 'incurred loss' impairment with an Expected Credit Loss ('ECL') model, resulting in earlier recognition of credit losses compared with IAS 39. Expected credit losses are the unbiased probability weighted average credit losses determined by evaluating a range of possible outcomes and future economic conditions. The ECL model has three stages. Entities are required to recognize a 12-month expected loss allowance on initial recognition (Stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (Stage 2). Stage 3 requires objective evidence that an asset is credit-impaired, which is similar to the guidance on incurred losses in IAS 39.

The requirement to recognize lifetime ECL for investment / loans which have experienced a significant increase in credit risk since origination, but which are not credit impaired, does not exist under IAS 39. The assessment of whether an asset is in stage 1 or 2 considers the relative change

in the probability of default occurring over the expected life of the instrument, not the change in the amount of expected credit losses. Reasonable and supportable forward-looking information will also be used in determining the stage allocation. In general, assets more than 30 days past due, but not credit impaired will be classed as stage 2. IFRS 9 requires the use of more forward-looking information including reasonable and supportable forecasts of future economic conditions.

m. Impairment of Non-Financial Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

An impairment loss is recognized for the amount by which the assets carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset fair value less cost to sell and value in use for the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows (Cash generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying value does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

G. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, current accounts with banks and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the cash flow statement, cash and cash equivalents include cash and non-restricted balances with banks.

H. Retirement benefit costs

define contribution scheme

The foundation operates a defined contribution plan. A defined contribution plan is a pension plan under which the foundation pays fixed contributions into a separate entity.

The foundation has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee's service in the current and prior periods for defined contribution plans, the foundation pays contributions to publicly or privately administered pension insurance plans on a contractual basis. The foundation contributes 10% of basic salary, rent and transport allowances, with the employee contributing a further 8%.

The foundation has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

I. Provisions

Provisions are recognized when the foundation has a present or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates of the amount of the obligation can be made.

J. Investment property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the foundation, are classified as investment properties.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the foundation and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

K. Revenue recognition

Revenue consists of grants and donations (cash and in-kind) received by the Foundation specifically for operating activities and special events, as well as fees and other income generated from the Foundation's investment.

i. Grants

Revenue from grant is recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

A grant is recognized only when there is reasonable assurance that:

- The entity will comply with any conditions attached to the grant and
- the grant will be received.

Deferred revenue from grants is included in other liabilities

ii. Donations

Donations, whether cash or in-kind are measured at fair value and recognized as revenue in the period they are received or receivable when the following conditions are satisfied.

- The Foundation obtains control of the donation or right to receive the donation.

- It is probable that the economic benefits comprising the benefits will flow to the Foundation.
- The amount of the donation can be measured reliably.

iii. Other Income

Other income comprises income of a secondary nature in relation to the Foundation's activities. This investment income such as income on money market investments.

Program Implementation Expenses

Expenses are recognized in the statement of income and expenditure as they are incurred unless they create an asset from which future economic benefit will flow to the Foundation.

Expenses are measured at historical cost. Assets are recorded as the amount of cash or cash equivalents paid or the fair value of consideration given. Liabilities are recorded as the amount of proceeds received in exchange for the obligation. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.

Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming.

L. Exchange Differences

Exchange differences which arise on the settlement of monetary items, or on the transaction of monetary items as exchange rate which are different from those used at initial recognition should be recognized as income or expenses when calculating the foundation's income and expenditure for the period. If a gain or loss on a non-monetary item is recognized in the calculation of the entity's income or expenditure (e.g. on disposal) then any exchange component of that gain or loss is also recognized in the calculation of income and expenditure. Item is recognized in other comprehensive but if a gain or a loss on a non-monetary income (e.g. on a valuation) than any exchange component of that gain or loss is also recognized in other comprehensive income.

M. Borrowing Cost (Finance Cost)

The finance cost includes interest expense on borrowings. Finance costs also include other finance expenses such as exchange differences on loans and borrowings and unwinding of the discount on provisions.

N. Foreign Currency

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rate at the date of the transactions. monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the rate of exchange prevailing at that date. Foreign currency differences arising on translation are

recognized in the profit or loss. 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.

3. USE OF ESTIMATES AND JUDGEMENTS

These disclosures supplement the commentary on financial risk management.

Critical accounting judgements in applying the foundation's accounting policies

Critical accounting judgements made in applying the foundation's accounting policies.

Financial asset and liability classification

The foundation's accounting policies provide scope for assets and liabilities to be designated at inception into different accounting categories.

Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

Determination of impairment of property and equipment, and intangible assets.

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, remaining useful lives of assets, projected cash flows and net realizable values.

NOTE 4: INDIVIDUAL DONATION:

Alhaji Musa Liman Shinkafi
Victor Okwudili
Late Ahmad Janyau Family

NOTE 5: CORPORATE DONATION:

AIKI Services
Nakalage Integrated Farms

NOTE 6: GRANT:

Grant

NOTE 7: IN-KIND DONATIONS FROM CORPORATE ENTITIES:

Albarka Printing Press

2023
N
1,000,000
150,000
<u>250,000</u>
<u>1,400,000</u>
1,150,000
<u>1,000,000</u>
<u>2,150,000</u>

100,000

Digital Empire ICT Solutions

250,000
350,000

NOTE 8: OTHER INCOME:

Fundraising Activities
BOT Contributions

1,000,000
500,000
1,500,000

NOTE 9: EMPLOYEE BENEFIT:

Transport Allowances for Volunteers
In-House Capacity Trainings

150,000
50,000
200,000

NOTE10: PROGRAM IMPLEMENTATION EXPENSES:

Distribution of Food Items to IDPs in Shinkafi LGA
Construction of Water Borehole in Janyau II
Educate A Child Project
Distribution of Clothes to IDPs Project

1,150,000
1,000,000
559,900
940,000
3,649,900

NOTE11: ADMINISTRATIVE AND OTHER OPERATING EXPENSES:

Rent
Professional Fee
Website Expenses
Audit Fee
Repair and Maintenance
Organization Expenses
Electricity and Internet Charges
Traveling Expenses
Bank Charges
Software
Consumables
Membership and Subscription
Legal Fees
Telephone Expenses

300,000

50,000

29,500

20,000

195,200

45,000

10,300

30,000

50,000

5,000

TOTAL

735,000

NOTE12: PROPERTY AND EQUIPMENTS:

Details	Computer Equipment	Furn. & Fittings	Office Equipment	Total
	N	N	N	N
Cost/Valuation				
As at 1/1/2023	392,000	1,134,950	1,504,800	3,031,750
Addition	-----	-----	-----	-----
Total	<u>392,000</u>	<u>1,134,950</u>	<u>1,504,800</u>	<u>3,031,750</u>
Dep. Acc.				
Depreciation				
Charge for the				
Year	<u>72,000</u>	<u>187,750</u>	<u>237,300</u>	<u>497,050</u>
Total	72,000	187,750	237,300	497,050
Net Book				
Value				
31/12/2023	<u>320,000</u>	<u>947,200</u>	<u>1,267,500</u>	<u>2,534,700</u>

NOTE 13: CASH AND CASH EQUIVALENT:

Sterling Bank Plc

861,852

861,852

NOTE14: ACCUMULATED FUNDS:

As at start of year

Surplus transfer during the year

46,852

861,852

908,704

15. EMPLOYEES

The classification of persons volunteering for the organization during the year was as follows:

Management	-	9
Non-Management	-	31
Total (Number)	-	40

16. Events after Reporting Period

As of the date of approval of these financial statements, there were no post-balance sheet events affecting the Statement of Financial Position as at December 31,2023 or the Profit or Loss for the year ended December 31,2023.

17. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

18. Contingent liabilities

The organization does not have any contingent liabilities as at the reporting date. The Humanity and Community Development Foundation in her normal course of operations did not involve in any act capable of creating any unknown liability. The Trustees of Humanity and Community Development Foundation are not in the know of any unforeseen claims or liability that might be material to the Financial statement on the date of approval.

19. Capital commitments

The organization does not have any capital commitments as at the reporting date.

20. Infringement

As of the date of approval of these financial statements, the management and Board of Trustees of Humanity and Community Development Foundation are not aware of any circumstances of contravention with the regulations of any regulatory authority during the year under review.

21. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Trustees believe that the organization has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Trustees have satisfied himself that the organization is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Trustees are not aware of any new material changes that may adversely impact the organization. The Trustees is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organization.