CHILD LIFE LINE

FINANCIAL STATEMENTS
31 DECEMBER 2016

BDO

Corporate information

Board of Trustees	Mrs. O. Adekoya, S.A.N- Chairperson Professor M. Oyediran Hajiya F. Wali-Abdurrahman Mrs. Ifeoma Esiri Mr. Rilwan Belo-Osagie
Registered office	8 Lateef Onigemo Street Ifako -Gbagada Lagos State
Auditors	BDO Professional Services 15 CIPM Avenue Central Business District Alausa Ikeja Lagos
Bankers	First Bank of Nigeria Limited 32, Commercial Avenue Sabo, Yaba Lagos Access Bank Plc 211, Muri Okunola Street Victoria Island Lagos Sterling Bank Plc 1 Creek Road, Apapa Lagos Guaranty Trust Bank 178, Awolowo Road Ikoyi Lagos

CHILD LIFE LINE
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2016

The Trustees have pleasure in submitting to the members of Child Life Line, their Report together with the audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The primary mission of the Association is, "To promote the care, well-being and development of children in need, especially the deprived, the abused, the destitute and the homeless, increase comprehensive and integrated care and support for street children and mobilise and strengthen community-based Orphan and Vulnerable Children responses, to take all necessary steps to promote the rehabilitation of Nigeria's street children, wherever possible, to work towards reuniting children with their families and strengthen the capacity of families to cope with their problems, to provide counselling, education and vocational skills training for children and youths in need, enabling them to become self-supporting and independent and to create awareness among the general public of the existence of children and youths in need

Child Life Line carries out its activities through these program areas:

Child Life Line seeks to reintegrate children with their families and with society through its program of transitional support:

Program Entry - when a child is first introduced to Child Life Line, either through the child coming to the Gbagada Reception Centre or through a referral from another organisation or concerned individual, the child goes through an initial screening by staff, and receives counselling and support as appropriate. Where the child is willing to provide the necessary information, and wants or can be persuaded to go home, Child Life Line will contact the child's family and, working with the child and with the relevant member family, will seek to reunite the child with family and follow up with counselling to both child and adult family member, and support to ensure the child goes back to school or other training.
If the Association is unable to return the child to its family, and based on its assessment of need, Child Life Line may refer vulnerable boys to its Ibeshe residential centre, and girls to appropriate organisations within the Child Protection Network that provide residential care for girls.
All referrals are made with the consent of the child concerned, and transfers to Ibeshe or to a female residential centre are voluntary.

At the Ibeshe Centre, children are placed back in school, in one of the local schools, at the appropriate level (Primary, Junior Secondary or Senior Secondary), to continue their education. For those children who cannot be placed back into the formal education system, traineeships and apprenticeships are sought, in order to provide them with the knowledge and skills to become independent adults. Notwithstanding their placement in the Ibeshe Residential Centre, efforts continue to establish contact with their families. Where family members are eventually located and contacted, even if they are not in a position to take the child in, Child Life Line endeavours to ensure that the contact between the child and its family, once established, is maintained. The child may spend holidays with a family member, and family members are encouraged to visit and take on as much responsibility for the child as they can.

CHILD LIFE LINE
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2016

FINANCIAL POSITION FOR THE YEAR

In the opinion of the Trustees, the state of Child Life Line 's affairs is satisfactory and no events have occurred since the date of statement of financial position, which would affect the financial statements as presented.

RESULTS FOR THE YEAR

	2016	2015
	₦	₦
Income	53,032,223	63,918,170
Expenses	24,818,341	25,005,992
Surplus of income over expenses	28,213,882	38,912,178

TRUSTEES

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

Mrs. O. Adekoya, S.A.N (Chairperson)
Professor M. Oyediran
Hajiya F. Wali-Abdurrahman
Mrs. Ifeoma Esiri
Mr. Rilwan Belo-Osagie

Trustees' Interest in Contracts

None of The Trustees notified Child Life Line for the purpose of section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria of any direct or indirect interest in contracts with which the Association is involved during the year under review.

Responsibilities of the Trustees

In accordance with the provisions of sections 334 and 335 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, the Trustees are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of Child Life Line as at the end of the financial year and its operating performance and cash flows for the year.

These responsibilities include ensuring that:
(i) Adequate internal control procedures are instituted to safeguard assets and prevent and detect fraud and other irregularities;
(ii) Proper accounting records are maintained;
(iii) Applicable accounting standards are followed
(iv) Suitable accounting policies are used and consistently applied;
(v) The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

CHILD LIFE LINE
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2016

Employment of Disabled Persons

Child Life Line is an equal opportunity employer.

Auditors

The auditors, BDO Professional Services, Chartered Accountants, were appointed by the Trustees, having expressed their willingness, will continue in office in accordance with section 357(1) and (2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria.

BY ORDER OF THE BOARD OF TRUSTEES

SECRETARY

BDO

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Central Business District
Alausa, Ikeja
P.O.Box 4929, GPO, Marina
Lagos, Nigeria

INDEPENDENT AUDITORS REPORT

TO THE SHAREHOLDERS OF CHILD LIFE LINE

Opinion

We have audited the financial statements of Child Life Line, which comprise, the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended; and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting and Assurance Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, Act No 6, 2011 and the Companies and Allied Matters Act, CAP C20. LFN 2004.

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 attached as an appendix to this report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Trustees' statement, but does not include the financial statements and our auditors report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

BDO

Responsibilities of Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting and Assurance Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN 2004 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.

In preparing the financial statements, the Trustees are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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 a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20, LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit

ii) in our opinion, proper books of account have been kept by the Association, and

iii) the Association's statement of financial position, and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

Olugbemiga A. Akibayo
FRC/2013/ICAN/00000001076
For: BDO Professional Services
Chartered Accountants

Lagos, Nigeria
11 August 2017

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A1 320365

Appendix

Details of Auditors' responsibilities for the audit of the financial statements

As part of an audit in accordance with International Standards on Auditing, 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 Association's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

* Conclude on the appropriateness of Management's 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

CHILD LIFE LINE

STATEMENT OF ACTIVITIES AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 ₦	2015 ₦
Income			
Subscription and donations	7	15,818,540	57,724,790
Other income	8	36,898,396	6,058,107
Finance income	9	315,287	135,273
Total income		53,032,223	63,918,170
Expenses			
Employee benefit expenses	10	9,667,493	9,247,775
Operating expenses	11	15,150,848	15,758,217
Total expenses		24,818,341	25,005,992
Surplus from operations		28,213,882	38,912,178
Total comprehensive income		28,213,882	38,912,178

The accompanying notes and significant accounting policies on pages 7 to 22 and other national disclosures on pages 23 and 24 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

CHILD LIFE LINE

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	2016 ₦	2015 ₦
Non-current assets			
Property, plant and equipment	12	82,648,022	78,823,912
Current assets			
Inventories	13	-	65,000
Receivables and prepayments	14	586,000	742,500
Cash and cash equivalents	15	88,485,844	63,893,674
Total current assets		89,071,844	64,701,174
Total assets		171,719,866	143,525,086
Current liabilities			
Other payables	16	913,360	932,462
Net assets		170,806,506	142,592,624
Funds			
Accumulated fund	17	170,806,506	142,592,624

The financial statements and notes on pages 4 to 24 were approved by the Board of Trustees on 11 August 2017 and signed on its behalf by:

(i) Mrs. O. Adekoya, S.A.N } Trustees
(ii) Mrs. I. Esiri }

The accompanying notes and significant accounting policies on pages 7 to 22 and other national disclosures on pages 23 and 24 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

CHILD LIFE LINE
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED 31 DECEMBER 2016

	Accumulated fund	Total funds
	₦	₦
Balance at 1 January 2015	103,680,446	103,680,446
Comprehensive income:		
Surplus for the year	38,912,178	38,912,178
Other comprehensive income	-	-
Total comprehensive income for the year	38,912,178	38,912,178
Balance at 31 December 2015	142,592,624	142,592,624

	Accumulated fund	Total funds
	N'000	N'000
Balance at 1 January 2016	142,592,624	142,592,624
Comprehensive income:		
Surplus for the year	28,213,882	28,213,882
Other comprehensive income	-	-
Total comprehensive income for the year	28,213,882	28,213,882
Balance at 31 December 2016	170,806,506	170,806,506

The accompanying notes and significant accounting policies on pages 7 to 22 and other national disclosures on pages 23 and 24 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

CHILD LIFE LINE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		₦	₦
Surplus for the year		28,213,882	38,912,178
Adjustment to reconcile net surplus to net cash provided by operating activities			
Depreciation of property, plant and equipment	12	4,016,122	3,444,283
		32,230,004	42,356,461
Change in current assets and liabilities			
Decrease/(Increase) in inventories		65,000	(65,000)
Decrease in receivables and prepayments		156,500	104,334
(Decrease)/Increase in other payables		(19,102)	465,795
		202,398	505,129
Cash generated from operations		32,432,402	42,861,590
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(7,840,232)	(5,250,999)
Net cash outflow from investing activities		(7,840,232)	(5,250,999)
Net Increase in cash and cash equivalents		24,592,170	37,610,591
Cash and cash equivalents at the beginning of the year		63,893,674	26,283,083
Cash and cash equivalents at the end of the year	15	88,485,844	63,893,674

The accompanying notes and significant accounting policies on pages 7 to 22 and other national disclosures on pages 23 and 24 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

1. Corporate information and principal activities

Child Life-Line (CLL) is a non-profit, charitable association funded entirely by voluntary donations from individuals and organisations. It was registered with the Corporate Affairs Commission in Abuja and issued with the Certificate of Registration number 9289 on the 27th March, 1996.

CLL was registered as a charitable NGO with the Ministry of Women Affairs and Poverty Alleviation in 2009, and is a member of the Unicef sponsored, Child Protection Network of NGOs and relevant government organizations

Its registered office is at 8 Lateef Onigemo Street, Ifako-Gbagada Lagos State.

2(a) Basis of preparation and compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for Small and Medium-sized Enitities as issued by the International Accounting and Assurance Standards Board (IAASB) and the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

The financial statements were authorised for issue by the Board of Trustees on 11 August 2017.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Child Life Line's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience. Areas where assumptions and estimates are significant to the financial statements are disclosed in notes 5.

3. **New standards, interpretations and amendments effective from 1 January 2016**

A number of new standards, interpretations and amendments have been issued, but are not mandated for financial year ended 31 December 2016. They have not been adopted in these financial statements. The nature and effect of each new standard, interpretation and possible effect on adoption by the Association is detailed below:

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on Initial Application
IFRS 9 (2014) (issued Jul 2014)	Financial Instruments	**Classification and measurement** Financial assets will either be measured - at amortised cost, - fair value through other comprehensive income (FVTOCI) or - fair value through profit or loss (FVTPL). **Impairment** The impairment model is a more 'forward looking' model in that a credit event no longer has to occur before credit losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income (FVTOCI), an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition. **Hedging** The new hedge accounting model introduced the following key changes: -Simplified effectiveness testing, including removal of the 80-125% highly effective threshold -More items will now qualify for hedge accounting, e.g. pricing components within a non-financial item, and net foreign exchange cash positions -Entities can hedge account more effectively the exposures that give rise to two risk positions (e.g. interest rate risk and foreign exchange risk, or commodity risk and foreign exchange risk) that are managed by separate derivatives over different periods -Less profit or loss volatility when using options, forwards, and foreign currency swaps -New alternatives available for economic hedges of credit risk and 'own use' contracts which will reduce profit or loss volatility.	Annual reporting periods commencing on or after 1 January 2018	The first time application of IFRS 9 will have a wide and potentially very significant impact on the accounting for financial instruments. The new impairment requirements are likely to bring significant changes for impairment provisions for trade receivables, loans and other financial assets not measured at fair value through profit or loss. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.
IFRS 15 Issued in May 2014	Revenue from contracts with customers	IFRS 15 contains comprehensive guidance for accounting for revenue and will replace existing requirements which are currently set out in a number of Standards and Interpretations. The standard introduces significantly more disclosures about revenue recognition and it is possible that new and/or modified internal processes will be needed in order to obtain the necessary information. The Standard requires revenue recognised by an entity to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: (i) Identify the contract(s) with a customer (ii)Identify the performance obligations in the contract (iii)Determine the transaction price (iv)Allocate the transaction price to the performance obligations in the contract (v)Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2018	The Board is currently reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted. Consideration will be given to the following: (i)At what point in time the company recognises revenue from each contract whether at a single point in time or over a period of time; (ii) whether the contract needs to be 'unbundled' into two or more components; (iii)how should contracts which include variable amounts of consideration be dealt with; (iv)what adjustments are required for the effects of the time value of money; (v) what changes will be required to the Association's internal controls and processes.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on Initial Application
IFRS 16 issued in January 2016	Leases	IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. **Accounting by lessees** Upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. After lease commencement, a lessee shall measure the right-of-use asset using a cost model, unless: i) the right-of-use asset is an investment property and the lessee fair values its investment property under IAS 40; or ii) the right-of-use asset relates to a class of PPE to which the lessee applies IAS 16's revaluation model, in which case all right-of-use assets relating to that class of PPE can be revalued. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.	Annual reporting periods beginning on or after 1 January 2019	The Association is still reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted in 2019.
		The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. The lease liability is subsequently re-measured to reflect changes in: o the lease term (using a revised discount rate); o the assessment of a purchase option (using a revised discount rate); o the amounts expected to be payable under residual value guarantees (using an unchanged discount rate); or o future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate). The re-measurements are treated as adjustments to the right-of-use asset. **Accounting by lessor** Lessor shall continue to account for leases in line with the provision in IAS 17.		

4 Significant accounting policies

(a) Income recognition

Income is measures at the fair value of the consideration received or recoverable. The income of the Association include:

(i) **Subscriptions and donations**

Grants and donations are recognised as income on receipt or where there is certainty of future receipt and the value can be measured reliably.

(ii) **Interest income**

Interest income for all interest bearing financial instruments are recognised within 'interest income' in the statement of activities using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability.

(b) Expenses

Expenditures are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of activities is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature.

The Association classifies it expenses as follows:

- Operating expenses;
- Other allowances and amortizations; and,

(c) Employee Benefits

The Association in line with the provisions of the Pension Reform Act, 2004 has instituted a defined contribution pension scheme for its employees. Employees contribute 8% of their pensionable emoluments (basic salary, housing allowance and transport allowance) while the Association contributes 10% of the pensionable emoluments. The Association's contribution is charged to statement of activities.

In addition, a provision is made in the financial statements for liabilities due at the statement of financial position date in respect of employees' terminal gratuities based on employees' length of service and applicable emoluments. The gratuity fund is managed in house.The employer's cost associated with the schemes is charged to the statement of activities for the year.

(d) Repairs and maintenance

All repairs and maintenance costs are written off as incurred.

(e) Foreign currency conversion

Transactions in foreign currencies are converted into Naira at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the rate ruling at the date of statement of financial position. Profits or losses on exchange are taken to statement of activities.

(f) **Property, plant and equipment**

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The costs of the day-to-day servicing and maintainance of an item of property, plant and equipment are recognised in the income statement as incurred.

(iii) De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use . Any gain or loss arising on de-recognition 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 activities in the year the asset is de-recognised.

Depreciation of property, plant and equipment

Depreciation is recognised in the statement of activities on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful life of each part of an item of property, plant and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful life.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. An item of property,plant and equipment held for sale is not depreciated while it is classified as held for sale.

The estimated useful lives for the current and comparative periods are as follows:

Building	100 years
Furniture and equipment	10 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(g) **Inventories**

Inventories are measured at the lower of cost and net realizable value. In estimating net realisable values, management takes into account the most realiable evidence available at the time the estimates were made.

(h) **Impairment of non-financial assets**

The carrying amounts of the Association's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset of the Association that generates cash flows that largely are independent from other assets of the Association. Impairment losses are recognised in the statement of activities. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications 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 asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Financial assets

(i) Recognition

The Association initially recognises receivables and advances, and liabilities on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Association becomes a party to the contractual provisions of the instrument.

(ii) Classification

- Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity, and which are not designated as available for sale and receivables. Where the Association sell more than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for- sale assets and the difference between amortised cost and fair value will be accounted for in other comprehensive income. Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any provision for impairment. Interest on held-to-maturity investments is included in the statement of activities and reported as 'Interest income'. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognised in the statement of activities as 'Net gains/ (losses) on investment securities'.

- Available-for-sale

Financial assets classified by the Association as available-for-sale financial assets are generally those that are not designated as another category of financial assets, or 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 assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in fair value reserve in other comprehensive income until the financial asset is derecognised or impaired. When available-for-sale financial assets are disposed of, the fair value adjustments accumulated in other comprehensive income are recognised in statement of activities. Interest income, calculated using the effective interest method, foreign currency gains and losses on monetary assets classified as available-for-sale is recognised in statement of activities. Dividends received on available-for-sale instruments are recognised in statement of activities when the Association's right to receive payment has been established.

- Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Association 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. Receivables and prepayments are measured at amortised cost using the effective interest method, less any impairment losses. Transaction costs that are integral to the effective rate are capitalised to the value of the loan and amortised through interest income as part of the effective interest rate. All of the Association's advances are included in other receivables category.

- De-recognition

Financial assets are derecognised when and only when:

- The contractual rights to the cash flows from the financial assets expire; or
- The Association transfers the financial asset, including substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of activities.

Investments made by the Association which are classified as available for sale, and are measured at subsequent reporting dates at fair value.

The fair values of quoted investments in active markets are based on current market prices. Since actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of quoted financial instruments.

Fair value hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 'Financial Instruments: Disclosures':

- Level 1: quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.
- Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.
- Level 3: valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

(j) Prepayments

Prepayments are payments made in advance relating to the following year and are recognised and carried at original amount less amounts utilised in the statement of profit or loss and other comprehensive income.

(k) Other financial assets

i) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Association in the management of its short-term commitments.

(l) Financial liabilities

The Association classifies its financial liabilities as measured at amortised cost or fair value through profit or loss. The financial liabilities at fair value through profit or loss are in two sub categories: financial liabilities classified as held for trading and financial liabilities designated at fair value through profit or loss. 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. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Those financial instruments are recognised in the statement of financial position as 'Financial liabilities held for trading'. Where an equity instrument does not have an active market and its fair value cannot be measured reliably using valuation techniques, it is carried at cost less impairment.

i) De-recognition

The Association derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Association is recognised as a separate asset or liability.

The Association derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Association enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include in transactions in which the Association neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Association continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

ii) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) **Fund**

Accumulated Fund

The Child Life Line's past surplus and current year surplus are included in the Accumulated Fund.

(n) Related party transactions

Related parties includes the members of the Board of Trustees, their close family members and any employee who is able to exert significant influence on the operating policies of the Child Life Line. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Committee member (whether executive or otherwise) of that entity. The Child Life Line considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Where there is a related party transaction with the Child Life Line, the transactions are disclosed separately as to the type of relationship that exists with the Child Life Line and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

5 Critical accounting estimates and judgements

The Child Life Line makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as well as 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 include:

i) 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 the management experience and the condition of the assets.

ii) Legal proceedings

The Child Life Line reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Child Life Line's management as to how it will respond to the litigation, claim or assessment.

6 Financial Instruments - Risk Management

The Child Life Line is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
- Liquidity risk.

The Child Life Line is exposed to risks that arise from the use of financial instruments. This note describes the Child Life Line's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantial changes in the Child Life Line's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Child Life Line, from which financial instrument risk arises, are as follows:
- Other receivables
- Cash and cash equivalents
- Other payables

- General objectives, policies and processes

The Board of Trustees have overall responsibility for the determination of the Child Life Line's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensures the effective implementation of the objectives and policies to the President. The President receives monthly reports from all relevant departments through which he reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies set. The President also reviews the risk management policies and processes and reports his findings to the Board of Trustees.

The overall objective of the Board of Trustees is to set policies that seek to reduce risk as far as possible without unduly affecting the Child Life Line's competitiveness and flexibility. Further details regarding these policies are set out below:

- Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Child Life Line. The Child Life Line is primarily exposed to credit risks of borrowings and bank balances denominated in foreign currency.

- Cash at bank and short-term deposits	**2016**	**2015**
	₦	**₦**
Cash in hand	1,500	-
First Bank of Nigeria Limited	87,076,253	63,192,155
Access Bank Plc	555,235	-
Sterling Bank Plc	56,385	-
Guaranty Trust Bank	69,664	-
FSDH Merchant Bank	726,807	701,519
	88,485,844	**63,893,674**

- Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Child Life Line's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

- **Liquidity risk**

Liquidity risk is the current and future risk to the Child Life Line's earnings and capital arising from its ability to meet its financial obligations and commitments as and when due and at a reasonable price. The focus of the liquidity review is on the net financing capacity, being free cash plus available credit facilities in relation to the financial liabilities. The following are the contractual maturities of financial liabilities:

As at 31 December 2016	**Book value**	**Contractual cashflow**	**One year or less**	**1-5 years**	**More than 5 years**
	₦	**₦**	**₦**	**₦**	**₦**
Other payables	913,360	913,360	913,360	-	-
As at 31 December 2015	**Book value**	**Contractual cashflow**	**One year or less**	**1-5 years**	**More than 5 years**
	₦	**₦**	**₦**	**₦**	**₦**
Other payables	932,462	932,462	932,462	-	-

		2016	2015
7	**Subscription and donations**	₦	₦
	Membership subscription	63,000	5,000
	Donation- Cash	15,435,540	57,025,590
	Donation in kind (Note 7(i))	320,000	694,200
		15,818,540	57,724,790

(i) Donation in kind represents value of Double door fridge, Standing fans, Television, Musical instrument, bags of rice, Kegs of ground nut oil and Carton of noodles etc

(ii) Analysis by geographical areas:

		₦	₦
	Within Nigeria	9,527,500	10,767,992
	Outside Nigeria	6,291,040	46,956,798
		15,818,540	57,724,790
8	**Other income**	₦	₦
	Rental income	1,500,000	933,333
	Exchange gain	35,398,396	5,124,774
		36,898,396	6,058,107
9	**Finance income**	₦	₦
	Interest received	315,287	135,273
10	**Employee benefit expenses**	₦	₦
	Salaries and wages	8,692,899	8,328,662
	Medical bill and insurance for staff	435,000	647,613
	Xmas bonus	539,594	271,500
		9,667,493	9,247,775

(i) **Particulars of staff**

The average number of persons employed by the Association during the year was as follows:

	2016		2015	
		Cost		Cost
	Number	₦	Number	₦
Finance department	1	1,102,250	1	1,102,250
Other departments	11	8,565,243	11	8,145,525
Total	12	9,667,493	12	9,247,775

(ii) The table below shows the number of employees who earned over N500,000 in the year and were within the bands stated below:

	2016 No.	2015 No.
N500,001 - 750,000	6	6
	6	6

(iii) Emoluments of management staff:

	2016	2015
a) Aggregate emoluments of the management staff were:	₦	₦
Fees and other emoluments including pension contributions	4,728,000	4,728,000
b) The emoluments of the President (excluding pension contributions) totalled	-	-
c) The emoluments of the highest paid management staff (excluding pension contributions) amounted to	1,500,000	1,500,000

11 Operating expenses

	2016 ₦	2015 ₦
Children expenses (Note 11(i))	3,982,280	5,201,675
Maintenance of furniture and equipment	1,707,820	1,927,025
Rent paid for reception center	750,000	750,000
Motor vehicle running expenses	743,250	593,460
Generator maintenance and fueling	614,850	940,450
Printing and stationery	244,860	225,570
Telephone/Internet /Computer expenses	518,600	460,300
Transport	349,390	420,420
Utilities	202,000	159,345
Depreciation of property, plant and equipment	4,016,122	3,444,283
Miscellaneous expenses	370,050	328,330
Internet subscription	65,000	-
Land use charge	23,500	27,670
Outreach	495,325	262,400
Workshops, seminars and training	20,000	-
Family tracing and reunification	495,325	426,100
Bank charges	396,476	224,543
Insurance expenses	156,000	163,500
Statutory charges	-	24,996
Professional fees	-	160,250
Office expenses	-	17,900
	15,150,848	15,758,217

(i) Children expenses

	2016 ₦	2015 ₦
Clothing	234,110	272,280
Feeding	2,333,690	2,452,865
Education bills and School/Vocational training	517,980	1,736,830
Medical expenses	896,500	739,700
	3,982,280	5,201,675

12 Property, plant and equipment

These comprise:

	Land and Building	Furniture and equipment	Motor vehicles	Total
Cost:	₦	₦	₦	₦
Balance at 1 January 2015	74,811,310	11,640,612	7,239,473	93,691,395
Additions	-	1,274,999	3,976,000	5,250,999
Balance at 31 December 2015	74,811,310	12,915,611	11,215,473	98,942,394
Balance at 1 January 2016	74,811,310	12,915,611	11,215,473	98,942,394
Additions	7,372,232	468,000	-	7,840,232
Balance at 31 December 2016	82,183,542	13,383,611	11,215,473	106,782,626
Accumulated Depreciation				
Balance at 1 January 2015	3,077,841	7,056,895	6,539,463	16,674,199
Charge for the year	1,500,206	775,077	1,169,000	3,444,283
Balance at 31 December 2015	4,578,047	7,831,972	7,708,463	20,118,482
Balance at 1 January 2016	4,578,047	7,831,972	7,708,463	20,118,482
Charge for the year	1,194,042	865,361	1,956,719	4,016,122
Balance at 31 December 2016	5,772,089	8,697,333	9,665,182	24,134,604
Carrying amount as at:				
31 December 2016	N76,411,453	N4,686,278	N1,550,291	N82,648,022
31 December 2015	N70,233,263	N5,083,639	N3,507,010	N78,823,912

		2016	2015
		₦	₦
13	**Inventories**	-	65,000
14	**Receivables and prepayments**	₦	₦
	Staff advances	211,000	367,500
	Prepayments (Note 14(i))	375,000	375,000
		586,000	742,500

i) Prepayment represents rent paid in advance for reception centre

15	**Cash and cash equivalents**	₦	₦
	Cash at bank	66,173,861	51,431,116
	Short term investment (Note 15(i))	22,311,983	12,462,558
		88,485,844	63,893,674

i) Short term investment represents call account and bank placements of maturity period of three months. These include:

		₦	₦
	First Bank of Nigeria Limited	21,585,176	11,761,039
	FSDH Call account	726,807	701,519
		22,311,983	12,462,558
16	**Other payables**	₦	₦
	Rent received in advance	466,667	466,667
	PAYE	28,377	12,560
	Pension contribution	104,853	22,725
	Accrued expenses	313,463	430,510
		913,360	932,462
17	**Accumulated fund**		
	The movement on accumulated fund account is analysed below:	₦	₦
	Balance at the beginning of the year	142,592,624	103,680,446
	Transfer from statement of activities	28,213,882	38,912,178
	Balance at the end of the year	170,806,506	142,592,624

18 **Capital commitments**

There were no capital commitments as at the statement of financial position date (2015 : Nil).

19 **Contingent liabilities**

There were no contingent liabilities at the statement of financial position date (2015 : Nil).

20 Related party Information

(i) Related party relationships

Mrs. O. Adekoya, S.A.N (Chairperson)
Professor M. Oyediran
Hajiya F. Wali-Abdurrahman
Mrs. Ifeoma Esiri
Mr. Rilwan Belo-Osagie

(ii) Loans from related parties

There were no loans from related parties

(iii) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Association, including the members of the Senior Management Team.

(iv) Emoluments of the Senior Management Team	2016	2015
	₦	₦
Short term benefits	3,228,000	3,228,000
Post employment benefits	394,560	394,560
	3,622,560	3,622,560

21 Events After the Reporting Period

There has been no material event after the reporting date that has not been taken into account in the preparation of these financial statements.

CHILD LIFE LINE

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	%	2015	%
	₦		₦	
Subscription and donations	15,818,540		57,724,790	
Other income	36,898,396		6,058,107	
	52,716,936		63,782,897	
Bought in services - Local	(10,819,439)		(12,178,661)	
Value added	41,897,497	100	51,604,236	100
% of Value added	79%		81%	
APPLIED AS FOLLOWS:				
Payment to employees:				
Employee benefit expenses	9,667,493	25	9,247,775	35
Retained for future growth and expansion:				
Depreciation of property, plant and equipment	4,016,122	9	3,444,283	9
Retained surplus	28,213,882	66	38,912,178	56
	41,897,497	100	51,604,236	100

CHILD LIFE LINE
FINANCIAL STATEMENTS, 31 DECEMBER 2016
FIVE YEAR FINANCIAL SUMMARY

	IFRS				NGAAP
Statement of financial position	2016	2015	2014	2013	2012
	₦	₦	₦	₦	₦
Assets	171,719,866	143,525,086	104,147,113	92,626,571	79,984,629
Liabilities	913,360	932,462	466,667	1,003,557	430,158
Net assets	170,806,506	142,592,624	103,680,446	91,623,014	79,554,471
Fund balances					
Accumulated fund	170,806,506	142,592,624	103,680,446	91,623,014	79,554,471
	170,806,506	142,592,624	103,680,446	91,623,014	79,554,471

	IFRS				NGAAP
Statement of activities	₦	₦	₦	₦	₦
Income	53,032,223	63,918,170	32,541,583	29,489,992	5,291,977
Expenses	24,818,341	25,005,992	20,484,151	17,299,920	14,754,599
Surplus/(deficit)	28,213,882	38,912,178	12,057,432	12,190,072	(9,462,622)