

**LESOTHO NATIONAL OLYMPIC COMMITTEE**  
**Annual Financial Statements**  
**for the year ended 31 March 2015**

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

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# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## GENERAL INFORMATION

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<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	Lesotho
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	The LNOC is established in terms of the Olympic Charter and the Commonwealth Games Federation's Constitution and in accordance with the provisions of the law governing associations in Lesotho as a non-profit making and non governmental organisation
<b>MANAGEMENT</b>	M Moiloa Ramoqopo (President) Dr L Khomari (Treasurer) T Rampooane (Vice president administration) L Ntsibolane (Vice secretary general) Adv.T Ntaopane (Vice president finance) M Molapo (Public relations officer) Dr M Mosotho (Member) L Moholo (Athletes representative) T Mokhehle (Member) J Maketela (Honorary member) S Mphaka (Honorary member) M Raleaka (Chief executive officer)
<b>REGISTERED OFFICE</b>	Lesotho National Olympic Committee PO Box 756 Maseru 0100
<b>BANKERS</b>	Nedbank Lesotho, Standard Lesotho Bank
<b>AUDITORS</b>	New Dawn Chartered Accountants Thetsane Industrial PO Box 15369 2nd Floor Thetsane Office Park Maseru 0100

## **INDEPENDENT AUDITOR'S REPORT**

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### **To the Executive Board of Lesotho National Olympic Committee**

We have audited the annual financial statements of Lesotho National Olympic Committee set out on pages 6 to 14 which comprise the statement of financial position at 31 March 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management Committee's Responsibility for the Financial Statements**

The management committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and for such internal control as the management committee determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditors' responsibility**

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

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

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

### **Opinion**

In our opinion, the annual financial statements fairly present, in all material respects, the financial position of Lesotho National Olympic Committee at 31 March 2015, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

**New Dawn Chartered Accountants**

**13 May 2016**

*New Dawn Chartered Accountants*

**Per:**

**Registered Auditors**

**Thetsane Industrial**

**PO Box 15369**

**2nd Floor Thetsane Office Park**

**Maseru**

**0100**

Partners: T. Pitso CA (L), CIRM (M), M. Pheko CA (L)

**NEWDAWN CHARTERED ACCOUNTANTS**



# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## MANAGEMENT RESPONSIBILITIES AND APPROVAL

The management is required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

The management acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the management to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The management is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The financial statements have been audited by the independent auditing firm, New Dawn Chartered Accountants, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. The management believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 3.

The annual financial statements as set out on pages 6 to 14 were approved by the board on 13 May 2016 and were signed on its behalf by:



M Moiloa Ramoqopo (President)

  
Dr L. Kgomoari (Treasurer)

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## MANAGEMENTS' REPORT

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The management committee present their report for the year ended 31 March 2015.

### 1. Review of activities

#### **Main business and operations**

The principal activity of the organisation is the Inoc is established in terms of the olympic charter and the commonwealth games federation's constitution and in accordance with the provisions of the law governing associations in lesotho as a non-profit making and non governmental organisation and there were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. Going concern

The annual 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 realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

### 4. Directors

The directors of the company during the year and to the date of this report are as follows:

M Moiloa Ramoqopo (President)  
Dr L Khomari (Treasurer)  
T Rampooane (Vice president administration)  
L Ntsibolane (Vice secretary general)  
Adv.T Ntaopane (Vice president finance)  
M Molapo (Public relations officer)  
Dr M Mosotho (Member)  
L Moholo (Athletes representative)  
T Mokhehle (Member)  
J Maketela (Honorary member)  
S Mphaka (Honorary member)  
M Raleaka (Chief executive officer)

### 5. Auditors

New Dawn Chartered Accountants were the auditors for the year under review.

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements as at 31 March 2015

## Statement of Financial Position

Figures in M	Note(s)	2015	2014
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1,716,979	1,530,610
<b>Current Assets</b>			
Trade and other receivables	4	69,165	421,093
Cash and cash equivalents	5	850,358	854,702
		<b>919,523</b>	<b>1,275,795</b>
<b>Total Assets</b>		<b>2,636,502</b>	<b>2,806,405</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Capital grants		282,903	282,903
Retained earnings		1,950,176	2,034,310
		<b>2,233,079</b>	<b>2,317,213</b>
<b>Non-Current Liabilities</b>			
Deferred revenue		282,987	282,987
<b>Current Liabilities</b>			
Provisions		108,062	93,254
Trade and other payables	6	11,671	112,248
Bank overdraft	5	703	703
		<b>120,436</b>	<b>206,205</b>
<b>Total Reserves and Liabilities</b>		<b>2,636,502</b>	<b>2,806,405</b>

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Statement of Comprehensive Income

Figures in M	Note(s)	2015	2014
Revenue	7	12,148,989	4,296,103
Operating costs		(11,883,303)	(4,335,629)
<b>Operating surplus/(deficit)</b>		<b>265,686</b>	<b>(39,526)</b>
Finance income	8	469	1,399
Finance costs		-	(24)
<b>Surplus/(deficit) for the year</b>		<b>266,155</b>	<b>(38,151)</b>
Retained income at 1 April 2014		2,034,310	2,072,461
surplus/(loss) for the year		266,155	(38,151)
Retained income at 31 March 2015		<b>2,300,465</b>	<b>2,034,310</b>



# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Statement of Changes in Reserves

Figures in M	Capital grants	Accumulated surplus	Total
<b>Balance at 1 April 2013</b>	282,903	2,072,461	2,355,364
<b>Total comprehensive income for the year</b>			
Deficit for the year		(38,151)	(38,151)
<b>Total comprehensive income for the year</b>	-	(38,151)	(38,151)
<b>Balance at 31 March 2014</b>	<b>282,903</b>	<b>2,034,310</b>	<b>2,317,213</b>
<b>Balance at 1 April 2014</b>	282,903	2,034,310	2,317,213
<b>Total comprehensive income for the year</b>			
Surplus for the year		266,155	266,155
<b>Total comprehensive income for the year</b>	-	266,155	266,155
Prior year adjustments		(350,289)	(350,289)
<b>Balance at 31 March 2015</b>	<b>282,903</b>	<b>1,950,176</b>	<b>2,233,079</b>

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Statement of Cash Flows

Figures in M	Note(s)	2015	2014
<b>Cash flows from operating activities</b>			
Surplus/(deficit) for the year		266,155	(38,151)
<i>Adjustments for:</i>			
Finance costs		-	24
Depreciation of Tangible assets		149,390	174,707
Investment income		(469)	(1,399)
Deferred revenue		-	-
Prior year adjustments		(350,289)	-
<b>Operating cash flow before working capital changes</b>		<b>64,787</b>	<b>135,181</b>
<i>Working capital changes</i>			
Decrease /(increase) in trade and other receivables		351,928	(64,365)
(Decrease)/Increase in trade and other payables		(85,769)	62,611
<b>Cash generated by operating activities</b>		<b>330,946</b>	<b>133,427</b>
Investment income		469	1,399
Finance costs		-	(24)
<b>Net cash from operating activities</b>		<b>331,415</b>	<b>134,802</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired	3	(335,759)	(222,561)
<b>Net cash generated by investing activities</b>		<b>(335,759)</b>	<b>(222,561)</b>
Decrease in cash and cash equivalents		(4,344)	(87,759)
Cash and cash equivalents at beginning of the year		853,999	941,758
<b>Cash and cash equivalents at end of the year</b>	5	<b>849,655</b>	<b>853,999</b>

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Accounting Policies

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### 1. General information

Lesotho National Olympic Committee is a non-profit organisation.

### 2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied 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.

These financial statements have been prepared under the historical cost convention and are presented in Lesotho Maloti.

#### 2.1 Income recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the organisation's activities. Revenue is shown net of value-added tax, returns, and discounts.

The organisation recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organisation's activities, as described below:

##### 2.1.1 Interest income

Interest income is recognised using the effective interest method.

#### 2.2 Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the organisation has complied with all attached conditions. Grants received where the organisation has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

#### 2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Accounting Policies

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Land and buildings	5.00%
Motor vehicles	20.00%
Furniture and fittings	20.00%
IT equipment	33.00%

### 2.4 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

### 2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### 2.6 Trade payables

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

### 2.7 Provisions

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Notes to the Annual Financial Statements

Figures in M

2015

2014

### 3. Property, plant and equipment

	Cost	Accumulate d depreciation	2015 Carrying value	Cost	Accumulate d depreciation	2014 Carrying value
<i>Owned assets</i>						
Land and buildings	1,831,159	495,982	<b>1,335,177</b>	1,531,159	441,499	1,089,660
Motor vehicles	515,135	386,469	<b>128,666</b>	515,166	354,332	160,834
Furniture and fittings	305,019	151,665	<b>153,354</b>	294,453	117,628	176,825
Office equipment	570,618	470,836	<b>99,782</b>	544,985	441,694	103,291
	<b>3,221,931</b>	<b>1,504,952</b>	<b>1,716,979</b>	<b>2,885,763</b>	<b>1,355,153</b>	<b>1,530,610</b>

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2015 Carrying value at end of year
<i>Owned assets</i>					
Land and buildings	1,089,660	300,000	-	(54,483)	1,335,177
Motor vehicles	160,834	-	-	(32,168)	128,666
Furniture and fittings	176,825	10,118	-	(33,589)	153,354
Office equipment	103,291	25,641	-	(29,150)	99,782
	<b>1,530,610</b>	<b>335,759</b>	<b>-</b>	<b>(149,390)</b>	<b>1,716,979</b>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2014 Carrying value at end of year
<i>Owned assets</i>					
Land and buildings	973,326	165,000	-	(48,666)	1,089,660
Motor vehicles	201,005	-	-	(40,171)	160,834
Furniture and fittings	183,958	36,316	-	(43,449)	176,825
Office equipment	124,466	21,246	-	(42,421)	103,291
	<b>1,482,755</b>	<b>222,562</b>	<b>-</b>	<b>(174,707)</b>	<b>1,530,610</b>

### 4. Trade and other receivables

Sundry customers	-	356,728
National federations receivables	69,165	64,365
	<b>69,165</b>	<b>421,093</b>

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Notes to the Annual Financial Statements

Figures in M

2015

2014

### 4.1 Items included in trade and other receivables not classified as financial instruments

-	-
<u>69,165</u>	<u>421,093</u>

### Net trade and other receivables classified as financial instruments

### 5. Cash and cash equivalents

#### Favourable cash balances

Cash on hand	162	131
Nedbank	793,420	826,704
Standard bank	231	231
Standard bank	54,545	25,636
Standard bank	2,000	2,000
	<u>850,358</u>	<u>854,702</u>

#### Overdraft

Prior year adjustment	703	703
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Current assets	850,358	854,702
Current liabilities	(703)	(703)
	<u>849,655</u>	<u>853,999</u>

### 6. Trade and other payables

Other accruals	-	100,574
General Ledger Take-on	11,671	11,671
Supplier control account	-	3
	<u>11,671</u>	<u>112,248</u>

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Notes to the Annual Financial Statements

Figures in M

2015

2014

### 7. Revenue

An analysis of revenue is as follows:

International Olympic committee	2,996,669	2,574,467
National Federations Affiliation fees	4,800	4,800
GOL grants received	7,566,690	419,812
ANOCA grants	719,438	41,659
Commonwealth	576,618	1,085,165
OlympAfrica	-	65,067
Other Income	284,774	105,133
	<u>12,148,989</u>	<u>4,296,103</u>

### 8. Finance income

#### Interest income

Interest received

469

1,399

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Detailed Income Statement

Figures in M	2015	2014
<b>Gross Revenue</b>		
ANOCA grants	719,438	41,659
Commonwealth	576,618	1,085,165
GOL grants received	7,566,690	419,812
International Olympic committee	2,996,669	2,574,467
National Federations Affiliation fees	4,800	4,800
OlympAfrica	-	65,067
Other Income	284,774	105,133
	<u>12,148,989</u>	<u>4,296,103</u>
<b>Other Income</b>		
Investment income	469	1,399
	<u>469</u>	<u>1,399</u>
	<u><b>12,149,458</b></u>	<u><b>4,297,502</b></u>
<b>Expenditure</b>		
Accommodation	59,255	17,420
Accommodation, meals and refreshments	1,746,083	232,488
Advertising, promotions & corporate gifts	82,933	182,696
Air travel fares	1,965,835	365,211
Audit and accounting fees	-	5,730
Bank charges	62,783	14,084
Cleaning and staff welfare	19,772	30,000
Consultancy fees	-	163,295
Courier and postage	5,581	3,190
Depreciation - Tangible assets	149,390	174,707
Donations	-	8,000
Electricity	27,000	24,000
Entertainment expenses	-	21,000
Fuel and other lubricants	222,126	130,408
I.T and computer expenses	78,482	135,273
Interest paid	-	24
Insurance	16,376	1,880
Lease rental on operating lease	7,820	125,532
Legal and other professional fees	-	9,048
Licence and insurance	-	19,076
Magazines and journals	-	13
Meals and refreshments	601,588	501,480
Medical costs	107,273	48,353
Office repairs & maintenance	26,162	33,199
Olympic youth ambassadors	-	12,345

The supplementary information presented does not form part of the annual financial statements and is unaudited



# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2015

## Detailed Income Statement

Figures in M	2015	2014
Perdiems and subsistence allowance	2,962,220	367,175
Printing and stationery	163,861	117,607
Rent expenses	41,030	-
Road travel fares	249,960	210,524
Salaries	1,291,288	801,778
Sports trainings and equipments	216,874	126,022
Sports/team attire	1,352,449	131,761
Staff expenses	-	1,950
Subscription and affiliation costs	29,970	18,415
Subscriptions-other	9,585	3,715
Sundry expenses	58,744	28,443
Telephone and fax	110,208	131,214
Tollgate fees	7,800	2,040
Travelling documnets	48,387	38,685
Vehicle repairs and maintenance	61,718	32,435
Wages - casual	89,176	46,980
Water and sewerage	11,574	18,457
	<u>11,883,303</u>	<u>4,335,653</u>
<b>Surplus/(deficit) for the year</b>	<b><u>266,155</u></b>	<b><u>(38,151)</u></b>

The supplementary information presented does not form part of the annual financial statements and is unaudited