

LESOTHO NATIONAL OLYMPIC COMMITTEE

**Annual Financial Statements
for the year ended 31 March 2014**

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

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LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE

Lesotho

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Prepagation of the fundamental principles of the Olympism in Lesotho within the framework of sports activity and otherwise contribute to the diffusion of Olympism in the teaching of programmes of physical education and sports in schools and other institutions of higher learning, to ensure the observance of the Olympic Charter in Lesotho and to encourage the development of high performance sports as well as sport for all in Lesotho

REGISTERED OFFICE

Olympafrica House
Lepereng Maseru
P. O. Box 756
Maseru
0100

BANKERS

NedBank Lesotho and Standard Lesotho Bank

AUDITORS

New Dawn Chartered Accountants
2nd Floor, Thetsane Office Park
Thetsane Industrial Area
P.O Box 15369
Maseru 100
0100

INDEPENDENT AUDITOR'S REPORT

To the members of Lesotho National Olympic Committee

We have audited the annual financial statements of Lesotho National Olympic Committee set out on pages 5 to 13 which comprise the statement of financial position at 31 March 2014, 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 2014, 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

23 June 2015



Per:
Registered Auditors

2nd Floor, Thetsane Office Park
Thetsane Industrial Area
P.O Box 15369
Maseru 100
0100

Partners: T. Pitso CA (L), CIRM (UK), L. Pekane CA (L)

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

MANAGEMENT RESPONSIBILITIES AND APPROVAL

The management is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his 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 he is 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 annual financial statements as set out on pages 5 to 13 were approved by the Executive Committee on 23 June 2015 and were signed on its behalf by:


TREASURER
LEBOHANG KHOMARI


PRESIDENT
MATLOHANG MOLEA-RAMOOFO

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

MANAGEMENTS' REPORT

The management committee presents their report for the year ended 31 March 2014.

1. Review of activities

Main business and operations

The principal activity of the organisation is propagation of the fundamental principles of the olympism in lesotho within the framework of sports activity and otherwise contribute to the diffusion of olympism in the teaching of programmes of physical education and sports in schools and other in 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 my 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. Executive Committee

The executive committee of LNOC during the year and to the date of this report is as follows:

M. M. Ramoqopo	-President
Adv. T. Ntaopane	-Vice President Finance
T. Rampooane	-Vice President Admin
L. Ntsibolane	-Vice Secretary General
L. Khomari	-Treasurer
M. Mokake	-Public Relations Officer
Dr. M. Mosotho	-Member
T. Ramakhula	-Member
T. Mokhele	-Member
J. Maketela	-Honourary Member
S. Mphaka	-Honourary Member
M. Raleaka	-Secretary General

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 2014

Statement of Financial Position

Figures in M	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	3	1,530,609	1,482,755
Current Assets			
Trade and other receivables	4	64,365	-
Cash and cash equivalents	5	854,702	941,758
		919,067	941,758
Total Assets		2,449,676	2,424,513
Reserves and Liabilities			
Reserves			
Capital Grants		282,903	282,903
Accumulated Funds		1,677,576	1,715,727
		1,960,479	1,998,630
Non-Current Liabilities			
Deferred revenue		282,987	282,987
Current Liabilities			
Provisions		93,254	36,656
Trade and other payables	6	100,582	100,581
General Ledger Take-on	8	11,671	5,659
Bank overdraft	5	703	-
		206,210	142,896
Total Reserves and Liabilities		2,449,676	2,424,513

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Statement of Comprehensive Income

Figures in M	2014	2013
Income	4,296,103	5,591,370
Operating costs	(4,335,629)	(4,566,547)
Operating (deficit)/surplus	(39,526)	1,024,823
Finance income	1,399	25
Finance costs	(24)	-
(Deficit)/surplus for the year	(38,151)	1,024,848
Retained income at 1 April 2013	1,715,727	690,879
(Loss)/surplus for the year	(38,151)	1,024,848
Retained income at 31 March 2014	1,677,576	1,715,727

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Statement of Changes in Reserves

Figures in M	Capital Grants	Accumulated surplus	Total
Balance at 1 April 2012	282,903	1,404,335	1,687,238
Prior year Adjustment		(356,728)	(356,728)
Balance at 30 March 2012	<u>282,903</u>	<u>1,047,607</u>	<u>1,330,510</u>
Balance at 1 April 2012	282,903	690,879	973,782
Total comprehensive income for the year			
Surplus for the year		1,024,848	1,024,848
Total comprehensive income for the year	<u>-</u>	<u>1,024,848</u>	<u>1,024,848</u>
Balance at 31 March 2013	<u>282,903</u>	<u>1,715,727</u>	<u>1,998,630</u>
Balance at 1 April 2013	282,903	2,072,455	2,355,358
Prior year Adjustment		(356,728)	(356,728)
Balance at 31 March 2013	<u>282,903</u>	<u>1,715,727</u>	<u>1,998,630</u>
Balance at 1 April 2013	282,903	1,715,727	1,998,630
Total comprehensive income for the year			
Deficit for the year		(38,151)	(38,151)
Total comprehensive income for the year	<u>-</u>	<u>(38,151)</u>	<u>(38,151)</u>
Balance at 31 March 2014	<u>282,903</u>	<u>1,677,576</u>	<u>1,960,479</u>

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Statement of Cash Flows

Figures in M	Note(s)	2014	2013
Cash flows from operating activities			
(Deficit)/surplus for the year		(38,151)	1,024,848
<i>Adjustments for:</i>			
Finance costs		24	-
Depreciation of Tangible assets		174,707	170,702
Investment income		(1,399)	(25)
Deferred revenue		-	-
Movement in Provisions		-	12,854
Prior year Adjustment		-	(356,728)
Operating cash flow before working capital changes		135,181	851,651
<i>Working capital changes</i>			
(Increase)/decrease in trade and other receivables		(64,365)	385,332
Increase/(decrease) in trade and other payables		62,611	(93,301)
Cash generated by operating activities		133,427	1,143,682
Investment income		1,399	25
Finance costs		(24)	-
Net cash from operating activities		134,802	1,143,707
Cash flows from investing activities			
Property, plant and equipment acquired	3	(222,561)	(297,852)
Proceeds on disposals of property, plant and equipment		-	-
Net cash generated by investing activities		(222,561)	(297,852)
(Decrease)/increase in cash and cash equivalents		(87,759)	845,855
Cash and cash equivalents at beginning of the year		941,758	95,903
Cash and cash equivalents at end of the year	5	853,999	941,758

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

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 Generally Accepted Accounting Practices. 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

Income represents the gross inflow of economic benefits during the period arising in the course of ordinary activities of LNOC and is recognised when it is probable that the economic benefits will flow to LNOC and when the revenue can be measured reliably. Revenue is recognised on the following basis:

Donations:

Grant income received /recognised from the Government of Lesotho, International Olympic Committee or development partners is taken to income when received.

2.2 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 reducing balance method. The following rates are used for the depreciation of property, plant and equipment:

Land	5.00%
Buildings	5.00%
Motor vehicles	20.00%
Computer Equipment	33.00%
Furniture & Fittings	20.00%

2.3 Trade and other receivables

Trade receivables are recognised initially at the transaction price. 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.

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

2.4 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.

2.5 Trade payables

Trade payables are recognised initially at the transaction price.

2.6 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 expense.

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Figures in M

2014

2013

3. Property, plant and equipment

	Cost	Accumulated depreciation	2014 Carrying value	Cost	Accumulated depreciation	2013 Carrying value
<i>Owned assets</i>						
Land and buildings	1,531,159	441,499	1,089,660	1,366,159	392,833	973,326
Motor vehicles	515,166	354,332	160,834	515,166	314,161	201,005
Furniture and fittings	294,475	117,628	176,847	258,137	74,179	183,958
Office equipment	544,962	441,694	103,268	523,739	399,273	124,466
	2,885,762	1,355,153	1,530,609	2,663,201	1,180,446	1,482,755

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

	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	36,338	-	(43,449)	176,847
Office equipment	124,466	21,223	-	(42,421)	103,268
	1,482,755	222,561	-	(174,707)	1,530,609

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2013 Carrying value at end of year
<i>Owned assets</i>					
Land and buildings	992,804	42,300	-	(61,777)	973,327
Motor vehicles	310,826	-	(46,413)	(63,407)	201,006
Furniture and fittings	29,695	168,409	-	(14,147)	183,957
Office equipment	68,693	87,143	-	(31,371)	124,465
	1,402,018	297,852	(46,413)	(170,702)	1,482,755

4. Trade and other receivables

National Federations Receivables

64,365

-

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Figures in M	2014	2013
5. Cash and cash equivalents		
Favourable cash balances		
Cash on hand	131	-
Standard Lesotho Bank- 0122028031501	231	231
Nedbank 091000000577	826,704	911,669
Standard Lesotho Bank 0122803601	25,636	23,887
Standard Lesotho Bank 0140028031501	-	3,056
Standard Lesotho Bank 01400977562301	2,000	2,915
	<u>854,702</u>	<u>941,758</u>
Overdraft		
Bank overdraft	<u>703</u>	<u>-</u>
Current assets	854,702	941,758
Current liabilities	(703)	-
	<u>853,999</u>	<u>941,758</u>
Additional details		
6. Trade and other payables		
Other Accruals	100,574	100,574
Trade creditors	8	7
	<u>100,582</u>	<u>100,581</u>
Additional details if required		
7. Prior Year Adjustment		
Prior Year Adjustment	-	-
8. General Ledger Take-on		
General Ledger Take-on	11,671	5,659

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Figures in M

2014

2013

9. Event after the balance sheet date

No events occurred between the 31st March 2014 and the date the Executive Committee approved the financial statements that would have a material impact on the results as disclosed in the financial statements as set out on page 6 to 16 or the continued existence of the company as a going concern.

10. Going Concern

The members believe that the organisation will be a going concern in the year ahead. For this reason we continue to adopt the going concern basis in preparing the annual financial statements.

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Detailed Income Statement

Figures in M	2014	2013
Gross Revenue		
ANOCA Grants	41,659	1,319,968
CGC/ OYAP	-	153,184
Commowearth	1,085,165	16,395
Deffered Income Movement	-	42,300
GOL Grants Received	419,812	2,151,734
International Olympic Committee	2,574,467	1,260,368
National Federation Affiliation Fees	4,800	4,600
OlympAfrica	65,067	-
Other income	105,133	642,821
	<u>4,296,103</u>	<u>5,591,370</u>
Other Income		
Investment income	1,399	25
	<u>1,399</u>	<u>25</u>
	<u>4,297,502</u>	<u>5,591,395</u>

LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2014

Detailed Income Statement

Figures in M	2014	2013
Expenditure		
Accommodation, Meals and Refreshments	751,388	566,554
Accounting and Audit fees	5,730	64,510
Advertising and Promotions	182,696	167,681
Air Travel Fares	365,211	466,246
Bad debts	-	25,400
Bank charges	14,084	16,024
Cleaning	30,000	14,510
Computer expenses	135,273	68,852
Consulting fees	163,295	-
Depreciation - Tangible assets	174,707	170,702
Donations	8,000	-
Electricity and water	42,457	32,059
Entertainment	21,000	-
Equipment Repairs and maintenance	33,199	33,298
Finance costs	24	-
Insurance	1,880	-
Leasing and Hiring	125,532	24,660
Legal and Other Professional Fees	9,048	19,964
Motor vehicle expense	183,959	167,621
Olympic Youth Ambassadors	12,345	23,622
Perdiems and Susistance allowances	367,175	955,727
Postage and Courier	3,190	64,471
Printing and stationery	117,607	91,849
Road Travel Fares	210,524	77,939
Salaries and Wages	786,823	455,457
Severance Payments	56,598	12,854
Sitting Allowances	15,550	-
Sports Training and Equipment	257,783	876,465
Staff and Board Welfare	30,140	1,050
Staff Training	8,000	-
Subscriptions and Affiliations Fees	22,130	27,266
Sundry Expenses	30,406	1,538
Telephone and fax	131,214	128,264
Travelling Documents	38,685	11,964
	<u>4,335,653</u>	<u>4,566,547</u>
(Deficit)/surplus for the year	(38,151)	1,024,848