

# **LNOC**

**Audited Financial Statements  
for the year ended 31 March 2016**

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## GENERAL INFORMATION

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### COUNTRY OF INCORPORATION AND DOMICILE

Lesotho

### NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

LNOC is established in terms of the Olympic Charter and the Commonwealth Games Federation's constitution and in accordance with the provisions of the governing associations in Lesotho as a non-profit making and non-governmental organisation.

### EXECUTIVE BOARD

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

### REGISTERED OFFICE

Leesotho National Olympic Committee  
PO Box 756  
Maseru  
0100

### BANKERS

Standard Lesotho Bank, Nedbank  
Lesotho

### AUDITORS

New Dawn Chartered Accountants  
Thetsane Industrial  
Thetsane Office Park  
PO Box 15369  
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 6 to 14 which comprise the statement of financial position at 31 March 2016, 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.

### **Executive Board Committee's Responsibility for the Financial Statements**

The Executive Board 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 Executive Board 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 2016, 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**

**8 July 2016**

*New Dawn chartered Accountants*

**Per:**

**Registered Auditors**

**Thetsane Industrial  
Thetsane Office Park  
PO Box 15369**

**0100**

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

**NEWDAWN CHARTERED ACCOUNTANTS**

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## EXECUTIVE BOARD RESPONSIBILITIES AND APPROVAL

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The Executive Board 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 Executive Board 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 Executive Board 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.

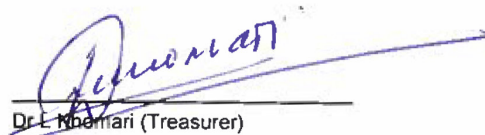
The Executive Board is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 Executive Board 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 Executive Board 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 to 4.

The annual financial statements as set out on pages 7 to 15 were approved by the board on 8 July 2016 and were signed on its behalf by:



M Moiloa Ramoqopo (President)



Dr L. Khumari (Treasurer)

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## MANAGEMENTS' REPORT

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The management committee present their report for the year ended 31 March 2016.

### 1. Review of activities

#### Main business and operations

The principal activity of the organisation is Inoc is established in terms of the olympic charter and the commonwealth games federation's constitution and in accordance with the provisions of the 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)  
Adv.T Ntaopane (Vice president finance)  
L Ntsibolane (Vice secretary general)  
M Molapo (Public relations officer)  
T Mokhehle (Member)  
M Maketela (Honorary member)  
Dr M Mosotho (Member)  
M Lekomola (Athletes representative)  
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 2016

## Statement of Financial Position

Figures in M	Note(s)	2016	2015
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1,657,392	1,716,979
<b>Current Assets</b>			
Trade and other receivables	4	72,565	69,165
Cash and cash equivalents	5	1,053,987	850,358
		<b>1,126,552</b>	<b>919,523</b>
<b>Total Assets</b>		<b>2,783,944</b>	<b>2,636,502</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Capital grants		282,903	282,903
Retained earnings		2,097,615	1,950,176
		<b>2,380,518</b>	<b>2,233,079</b>
<b>Non-Current Liabilities</b>			
Deferred revenue		282,987	282,987
<b>Current Liabilities</b>			
Provisions		108,062	108,062
Trade and other payables	6	11,674	11,671
Bank overdraft	5	703	703
		<b>120,439</b>	<b>120,436</b>
<b>Total Reserves and Liabilities</b>		<b>2,783,944</b>	<b>2,636,502</b>

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## Statement of Comprehensive Income

Figures in M	Note(s)	2016	2015
<b>Revenue</b>	7	12,556,212	12,148,989
Operating costs		(12,409,034)	(11,883,303)
<b>Operating surplus</b>		<b>147,178</b>	<b>265,686</b>
Finance income	8	261	469
<b>Surplus for the year</b>		<b>147,439</b>	<b>266,155</b>
Retained income at 1 April 2015		1,950,176	1,684,021
surplus for the year		147,439	266,155
Retained income at 31 March 2016		<b>2,097,615</b>	<b>1,950,176</b>



# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## Statement of Changes in Reserves

Figures in M	Capital Grants	Accumulated surplus	Total
<b>Balance at 1 April 2014</b>	282,903	1,684,021	1,966,924
<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
<b>Balance at 1 April 2015</b>	<b>282,903</b>	<b>1,950,176</b>	<b>2,233,079</b>
<b>Balance at 1 April 2015</b>	282,903	1,950,176	2,233,079
<b>Total comprehensive income for the year</b>			
Surplus for the year		147,439	147,439
<b>Total comprehensive income for the year</b>	-	147,439	147,439
<b>Balance at 31 March 2016</b>	<b>282,903</b>	<b>2,097,615</b>	<b>2,380,518</b>



# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## Statement of Cash Flows

Figures in M	Note(s)	2016	2015
<b>Cash flows from operating activities</b>			
Surplus for the year		147,439	266,155
<i>Adjustments for:</i>			
Depreciation of Tangible assets		179,424	149,390
Investment income		(261)	(469)
Deferred revenue		-	-
Prior year adjustments		-	(350,289)
<b>Operating cash flow before working capital changes</b>		<b>326,602</b>	<b>64,787</b>
<i>Working capital changes</i>			
(Increase)/decrease in trade and other receivables		(3,400)	351,928
Increase/(decrease) in trade and other payables		3	(85,769)
<b>Cash generated by operating activities</b>		<b>323,205</b>	<b>330,946</b>
Investment income		261	469
<b>Net cash from operating activities</b>		<b>323,466</b>	<b>331,415</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired	3	(119,837)	(335,759)
<b>Net cash generated by investing activities</b>		<b>(119,837)</b>	<b>(335,759)</b>
Increase/(decrease) in cash and cash equivalents		203,629	(4,344)
Cash and cash equivalents at beginning of the year		849,655	853,999
<b>Cash and cash equivalents at end of the year</b>	5	<b>1,053,284</b>	<b>849,655</b>

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## 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 2016

## 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 2016

## Notes to the Annual Financial Statements

Figures in M

2016

2015

### 3. Property, plant and equipment

	Cost	Accumulate d depreciation	2016 Carrying value	Cost	Accumulate d depreciation	2015 Carrying value
<i>Owned assets</i>						
Land and buildings	1,826,983	495,982	<b>1,331,001</b>	1,831,159	495,982	1,335,177
Motor vehicles	489,402	386,469	<b>102,933</b>	515,135	386,469	128,666
Furniture and fittings	294,393	151,665	<b>142,728</b>	305,019	151,665	153,354
Office equipment	551,566	470,836	<b>80,730</b>	570,618	470,836	99,782
	<b>3,162,344</b>	<b>1,504,952</b>	<b>1,657,392</b>	<b>3,221,931</b>	<b>1,504,952</b>	<b>1,716,979</b>

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2016 Carrying value at end of year
<i>Owned assets</i>					
Land and buildings	1,335,177	80,000	-	(84,176)	1,331,001
Motor vehicles	128,666	-	-	(25,733)	102,933
Furniture and fittings	153,354	21,477	-	(32,103)	142,728
Office equipment	99,782	18,360	-	(37,412)	80,730
	<b>1,716,979</b>	<b>119,837</b>	<b>-</b>	<b>(179,424)</b>	<b>1,657,392</b>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2015 Carrying value at end of year
<i>Owned assets</i>					
Land and buildings	1,089,661	299,999	-	(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>1,530,611</b>	<b>335,758</b>	<b>-</b>	<b>(149,390)</b>	<b>1,716,979</b>

### 4. Trade and other receivables

National federations receivables

72,565

69,165

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## Notes to the Annual Financial Statements

Figures in M	2016	2015
<b>4.1 Items included in trade and other receivables not classified as financial instruments</b>		
	-	-
<b>Net trade and other receivables classified as financial instruments</b>	<b>72,565</b>	<b>69,165</b>
<b>5. Cash and cash equivalents</b>		
<b>Favourable cash balances</b>		
Cash on hand	1,081	162
Nedbank	1,033,361	793,420
Standard bank	231	231
Standard bank	17,314	54,545
Standard bank	2,000	2,000
	<b>1,053,987</b>	<b>850,358</b>
<b>Overdraft</b>		
Bank overdraft	703	703
Current assets	1,053,987	850,358
Current liabilities	(703)	(703)
	<b>1,053,284</b>	<b>849,655</b>
<b>6. Trade and other payables</b>		
General ledger taken-on	11,671	11,671
Trade creditors	3	-
	<b>11,674</b>	<b>11,671</b>
<b>6.1 Items included in trade and other payables not classified as financial instruments</b>		
	-	-
<b>Net trade and other payables classified as financial instruments</b>	<b>11,674</b>	<b>11,671</b>
Additional details if required		

# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## Notes to the Annual Financial Statements

Figures in M	2016	2015
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### 7. Revenue

An analysis of revenue is as follows:

International Olympic Committee	4,637,312	2,996,669
National Federations Affiliation fees	4,800	4,800
GOL grants received	3,095,395	7,566,690
ANOCA grants	1,784,469	719,438
Commonwealth	329,000	576,618
OlympAfrica	73,011	-
Other income 1	2,632,225	284,774
	<u>12,556,212</u>	<u>12,148,989</u>

### 8. Finance income

#### Interest income

Interest received	<u>261</u>	<u>469</u>
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# LESOTHO NATIONAL OLYMPIC COMMITTEE

Annual Financial Statements for the year ended 31 March 2016

## Detailed Income Statement

Figures in M	2016	2015
<b>Gross Revenue</b>		
ANOCA grants	1,784,469	719,438
Commonwealth	329,000	576,618
GOL grants received	3,095,395	7,566,690
International Olympic Committee	4,637,312	2,996,669
National Federations Affiliation fees	4,800	4,800
OlympAfrica	73,011	-
Other income 1	2,632,225	284,774
	<u>12,556,212</u>	<u>12,148,989</u>
<b>Other Income</b>		
Investment income	261	469
	<u>261</u>	<u>469</u>
	<u><b>12,556,473</b></u>	<u><b>12,149,458</b></u>

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 2016

## Detailed Income Statement

Figures in M	2016	2015
<b>Expenditure</b>		
Accommodation	607,504	59,255
Accommodation meals and refreshments	1,605,512	1,746,083
Accounting fees	22,900	-
Advertising	173,499	82,933
Bank charges	58,040	62,783
Cleaning	26,276	19,772
Computer expenses	188,441	78,482
Consulting fees	431,670	-
Depreciation - Tangible assets	179,424	149,390
Electricity	32,200	27,000
Entertainment	34,300	-
Fuel and other lubricants	171,383	222,126
Gifts	43,475	89,176
Hire - Equipment	80,590	107,273
Insurance	13,253	16,376
Lease rental on operating lease	240,284	7,820
Legal expense	22,125	-
Magazines and books	300	-
Meals and refreshments	882,987	601,588
Office repairs and maintenance	136,945	26,162
Sports team at	214,592	1,352,449
Perdiems and subsistence allowance	2,858,982	2,962,220
Postage	13,466	5,581
Printing and stationery	191,179	163,861
Air travel	1,822,714	1,965,835
Rent expenses	90,030	41,030
Road travel fares	287,743	249,960
Salaries	1,348,729	1,291,288
Sports trainings and equipments	182,645	216,874
Staff expenses	2,143	-
Subscriptions	14,572	29,970
Subscriptions-other	27,085	9,585
Sundry expenses	108,061	58,744
Telephone and fax	162,868	110,208
Tollgate fees	7,990	7,800
Travel - overseas	77,450	48,387
Vehicle repairs and maintenance	39,161	61,718
Water and sewage	8,516	11,574
	<u>12,409,034</u>	<u>11,883,303</u>
<b>Surplus for the year</b>	<b><u>147,439</u></b>	<b><u>266,155</u></b>

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

## APPENDICES

### LNOC MEMBERS

		Name of the National Federation	Accronym	Total # NFs
S/N	No.	Olympic Sports		15
1	1	Lesotho Association of Gymnastics	LAGYM	
2	2	Lesotho Basketball Association	LBA	
3	3	Lesotho Football Association	LeFA	
4	4	Lesotho Golf Union	LGU	
5	5	Lesotho Lawn Tennis Association	LLTA	
6	6	Lesotho National Handball Association	LNHA	
7	7	Lesotho Taekwondo Association	LTA	
8	8	Lesotho Volleyball Association	LVA	
		<b>Olympic and Commonwealth Sports</b>		
9	1	Federation of Lesotho Rugby	FLR	
10	2	Lesotho Amatuer Athletics Association	LAAA	
11	3	Lesotho Boxing Association	LeBA	
12	4	Lesotho Cycling Association	LeCA	
13	5	Lesotho Swimmers Association	LeSA	
14	6	Lesotho Table Tennis Association	LTTA	
15	7	Lesotho Weightlifting Federation	LWF	
		<b>Commonwealth Sports</b>		9
16	1	Lesotho Netball Association	LNA	
17	2	Lesotho National Squash Association	LNSA	
		<b>Recognised Sports</b>		6
18	1	Lesotho Baseball & Softball Association	LBSA	
19	2	Lesotho Criket Association	LCA	
20	3	Lesotho Dance Sport Association	LeDASA	
21	4	Lesotho Darts Association	LDA	
22	5	Lesotho Snooker & Pool Association	LeSPA	
23	6	Chess Federation of Lesotho	CFL	
		<b>Multi Sports</b>		3
24	1	Lesotho Institutions Sport Association	LISA	
25	2	Lesotho Primary Schools Sports Association	LePSSA	
26	3	Lesotho Universties & Colleges Sports Association	LUCSA	
		<b>Others</b>		2
27	1	National Paralympic Committee of Lesotho	NPCL	
28	2	Special Olympics Lesotho	SOL	
29	3	Winter Sports Federation	WSF	Provisional

## LNOC IMMEDIATE FAMILY MEMBERS PLACED INTERNATIONALLY



**Mrs. Matlohang**  
MOILOA- RAMOQOPO  
**President**  
**Board Member**  
ANOC  
**4th Vice President**  
ANOCA  
**Board Member**  
COSANOC



**Mr. Morake**  
RALEAKA  
**CEO | SG**  
**AUSC Region 5 SEAS TWG**  
COSANOC Rep



**Mr. Moshoeshoe MOLAPO**  
**PRO**  
**International Referee**  
WTF  
**Board Member**  
CTU  
**Vice President**  
COSATA  
**Chairperson Referees**  
COSATA



**Dr. Makhetha**  
MOSOTHO  
**Member**  
**ITO - AIBA Africa**  
**Member Medical Commission**  
AIBA