



THE MUSICAL SOCIETY OF NIGERIA

FINANCIAL STATEMENTS

31 DECEMBER 2019



Fellow Trustees and distinguished Members of MUSON, I welcome you most warmly to this 35th Annual General Meeting of our Society, the Musical Society of Nigeria.

A major development in MUSON since the last AGM has been the changes of baton in the MUSON Diploma School. The director, Mrs. Marion Akpata and her deputy Mrs. Edna Soyawo both retired last year. You will recollect that they pioneered the MUSON Diploma School and set it on a sound footing since 2005. I express our sincere appreciation to them.

They have been succeeded by Princess Banke Adenola and her deputy Mr. Emeka Nwokedi in August 2018 and we wish them every success in their new assignment.

I would also announce the retirement of Mr. Gboyega Banjo who has rendered many years of excellent service to MUSON. He has since been replaced by our new CEO Mrs. Joyce Ayoola Jafojo, who resumed duty in January 2019. She has made an impressive start.

FINANCIAL RESULTS

Our financial results for 2019 shows a surplus of 352.26 million compared with a reduced surplus of N2.77million in 2018. The following are the key factors responsible for this improved overall result:

- Inflow of N25 million from the Lagos State Government.
- Inflow of N25 million from Rollinmia International Ventures
- N50,000 donation from Mr. Karunwi Olabode
- T.Y. Danjuma donation of N45 million for the continuous funding of the Society's Opera Programme and the refurbishment of Agip Recital Hall.
- Zenith Bank Plc's Donation of N200 million for the refurbishment of Shell Nigeria Hall now renamed as Shell Zenith Bank Hall.
- N42.7 million increase was recorded from hall hire revenues. This represents an increase of 18% when compared with the same period in 2018.
- Net annual subscriptions increased by 5% or N323,000 from N6.12 million in 2018 to N6.44 million in 2019. The increase in annual subscriptions is attributable to the decrease recorded in membership administration expenses by 98% or N3.645million, from N3.708 million in 2018 to N0.063 million in 2019. Decrease in membership administration expenses arose mainly as a result of Members' soiree of N2.794 million incurred in 2018 which was not incurred in 2019.
- Deficit from concerts increased by N3.4 million or 14% during the year. This was because of the following reasons:
 1. Concerts income decreased by 15% or N1.5 million from N10.1 million in 2018 to N8.6 million in 2019 as a result of decrease in number of attendees during the year. For example, concert tickets decreased by 51% or N2 million from N3.9 million in 2018 to N1.9 million in 2019.
 2. Donations received during the year decreased by 91% or N1.16 million from N1.28 million in 2018 to N0.12 million in 2019. In 2019, only 2 members made donations to support MUSON's operating activities while 9 members voluntarily donated in 2018.

MUSON Centre

The surplus from the Centre's operations increased by 347% or N66 million from N19 million in 2018 to N85 million in 2019. The highlights of major components of income from the Operations of MUSON Centre which accounted for the increase are as analyzed below:

	2019	2018	Increase	
	N'000	N'000	N'000	%
Hall hire	248,549	210,855	37,694	18
Catering services	26,442	22,961	3,481	15

- Income from hall hire increased by 18% or N38 million as a result of the improved state of the facility leading to increase in patronage during the year.
- Catering income generated from events also increased in 2019 when compared with 2018 because of the rise in hall hire income in 2019 compared with 2018.

Membership

There was an improvement in the net income from membership subscriptions from N6.12 million in 2018 to N 6.44 million in 2019.

Concerts

Concert operating expenses increased during the year by N1.9million or 6% from N33.6million in 2018 to N35.5million in 2019

MUSON Festival

The deficit for the running of the MUSON Festival increased from N2.09 million in 2018 to N13.5 million in 2019. This was as a result of the continuing disappointing response to our sponsorship campaign, in spite of the prudence exercised in our Festival programming and programmes.

School of Music

The running of the School of Music recorded a surplus of N353.03 million in 2019 compared with a surplus of N68.5million in 2018.

ACTIVITIES

CONCERTS

12 concerts were programmed during the 2019 concert season. All the concerts were of the usual high quality and standard. There was an improvement of publicity and adverts on our social media handles, calls, mails, texts, Black Friday special, radio, give away bonuses and much more to boost attendance of guests at events.

Highlights of these concerts include the following:

- AKIN Euba Tribute Concert - January
- Opera Scenes - February
- Rebeca Omordia Master class & Piano recital - March
- Passion tide Concert - April
- Children's Day Festival - May
- Opera - In partnership with Swiss Consulate - June
- Graduation Concert & Ceremony - July
- Akintola Williams @100 - August
- Pa Adekunle Memorial Concert - August
- Festival 2019 - October
- Donors Appreciation Concert - December
- Christmas Concert - December

The 2019 MUSON Festival was held in October and staged the following events:

- **Music Meets Art:** This had artists showcase their talent of paintings to art lovers.

- **The MusiQuest/Youth Concert:** MUSON's annual music competition for youths, produced arguably the keenest competition in the history of all competitions. It also produced some of the most outstanding finalists. The success of the event led to a decision to start a new concert series: theNew Artistes Concert Series, to showcase young, upcoming artistes in the concert calendar, beginning from 2020.
- **My Kind of Music:** A music talk show, featured Mrs Dupe Ajayi, HRH Erelu (Dr.)Abiola Dosunmu, Mr. Akinmolu Opeodu and Mr. Babatunde Ajijedidun, prominent members of the society who were invited to speak on the choice of music they love and why.
- **Danjuma Festival Opera:** The usual opera production for opera lovers with this year's production titled Barber of Seville. a comic opera . It was directed by the talented international Opera singer, teacher and director, Joseph Oparamanuike. The performance received wide and enthusiastic acclaim and several requests for its repeat. It was therefore decided it would be repeated in the 2020 concert season.

Alumni Concert - Igbeyawo: For the first time in the history of the Festivals, our alumni, past students of the Diploma School came up with a comic Nigerian play, an adaptation of the American movie, *Coming to America* . This proved to be one of the notable Festival activities.

Rebeca Omordia Master Class & Concert: This featured the Internationally renowned pianist Rebeca Omordia who gave a master class to our Diploma School piano students. She later showcased her talent in a concert with our own artistes, Louis Mbanefo, Tunde Sosan, Joseph Oparamanuike and cellist Jude Onabanji.

International Cultural Night: This was the first of its kind and it featured dance troupes from the China, Brazil and Azerbaijan communities with a fusion of our own Nigerian music artistes with the Igbo, Yoruba and Hausa dances.

MUSON Day: Our official birthday was celebrated by members, friends and staff of MUSON cutting a birthday cake, funfair, introduction of new members and concert by the students.

Festival Jazz Party: This had performances from the talented saxophonist Imoleayo Balogun & the School band, Ajidans drum ensemble, Mikifa& Yinka Davies showcasing their talents.

The Total Festival Gala Concert, (sponsored by Total E & P Nigeria Ltd since 2002), featured a combined performance by the MUSON Symphony Orchestra and the MUSON Choir in a memorable concert conducted by maestro Emeka Nwokedi and our visiting maestro Michael Vollhardt

Deceased Members

In 2019, we lost the following members:

- Oliver Johnson
- Olatunji Kelvin

We pray for their peaceful repose.

SCHOOL OF MUSIC

School Recitals

The School of Music Diploma course continued preparing students for examinations and performances with 6 Year 1 recitals, each with five students presenting a fifteen-minute programme; 9 Year 2 recitals each with three students presenting a thirty-minute programme.

Annual Schools Competition

The School hosted about one thousand children from local schools for the annual Schools Competition. The competition consisted of choirs (primary, girls' secondary, boys' secondary and mixed). The Schools Competition culminated in a festive Winners Concert where the winners in each category performed and received cash prizes and certificates. Other School Concerts, during the year included the Basic School Concert, the ABRSM High Scorers Concert and The Donors Appreciation Concert.

The Awakings School

The Awakings School in Aguda, Surulere continues to provide the training ground where our School's student teachers acquire practical training. All the student teachers, after a term of in-class advice on dealing with children in a class situation, are able to experience practical work with children during the weekly visits to the Awakings School.

CONCLUSION

The concern of the Board of Trustees over the diminishing income streams from hall hire, donations and sponsorships further increased during the year. Amongst the measures taken by the Trustees to shore up the Society's operations expenditure was its initiative to review MUSON Management's organogram and administrative structure to reduce administrative costs. Following that review, it approved a new Management structure which has reduced the number of managers.

The Board reviewed the fundraising Appeal Brochure and produced an updated version which led to the inauguration of the Fund raising Committee, in preparation for a renewed fund-raising drive.

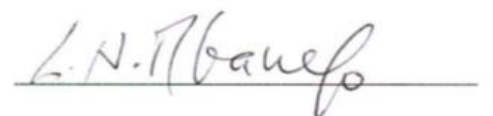
The Members' Donation Account set up in 2016, has now grown up to N10.8 million, I thank all those who have contributed to the Members Donation Account and urge those who are yet to contribute, to do so.

Finally, on your behalf, I wish to place on record, as always, our deep and heartfelt gratitude to our partners, whose support in these difficult times has helped to sustain our faith in pursuing the very ambitious goals we set for our Society thirty -five years ago. On your behalf I thank, in particular, our esteemed 2019 Festival sponsors: Chevron Nigeria Limited, sponsor of the Chevron Festival Drama since 2001, Total E & P Nigeria Limited, sponsor of the TotalFestival Gala Concert since 2002, General T. Y. Danjuma, sponsor of the Danjuma Opera Concert, Mr. Bode Emanuel, and Cadbury,. I thank all our other sponsors and all those who supported us by placing advertisements in our concert and Festival brochures in 2019.

As always, our huge debt of gratitude goes to the MTN Foundation, our major partner and sponsors of our Diploma School scholarship scheme since 2006. We thank Zenith Bank Plc for their numerous donations since 2009 and their recent huge donation in July 2019 of N200 million for the refurbishment of the Shell Zenith Bank Hall. We are confident that the Music School will be MUSON's most enduring legacy to Nigeria. The MTN Foundation scholarship given to every student admitted into the Diploma School has ensured that, from its inception, admission to the School has been on merit rather than the ability to pay. The School has therefore succeeded in contributing to youth empowerment by training hundreds of talented but socially disadvantaged Nigerian youths since it was established.

As usual, I thank Management, ably led by Mrs Ayo Jafojo, for its diligent and efficient work

Fellow Trustees and distinguished members of MUSON, I thank you all for your attention.



Mr. Louis Mbanefo (SAN)
Vice - Chairman MUSON

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE MUSICAL SOCIETY OF NIGERIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of **The Musical Society of Nigeria**, which comprise, the statement of financial position as at 31 December 2019, the statement of surplus or deficit and other comprehensive income, statement of changes in funds, and statement of cash flows for the year then ended; and notes to the financial statements, including a summary of the 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 Society as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, 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 paragraph of our report. We are independent of the Society 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.

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 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 Society'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 intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the Chairman's statement, and Trustees' report, 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 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.

Auditors' 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.

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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.
- Conclude on the appropriateness of Trustees' 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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Society 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.

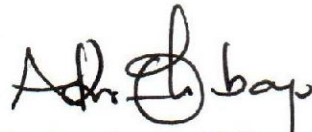
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and significant audit findings and any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory 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 Society, and
- iii) the Society's statement of financial position, and its statement of surplus or deficit and other comprehensive income are in agreement with the books of account.

Lagos, Nigeria
9 October 2020



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



THE MUSICAL SOCIETY OF NIGERIA
STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 N'000	2018 N'000
Results from operations:			
Annual subscriptions	7a	6,442	6,119
Donations	7b	120	1,275
Concerts	7c	(26,883)	(23,492)
School of Music	7d	353,033	68,447
MUSON centre	7e	84,950	18,918
Net surplus from operations		<u>417,662</u>	<u>71,267</u>
Other income	8	23,641	24,709
Total net income		<u>441,303</u>	<u>95,976</u>
Administrative expenses	9	<u>(87,491)</u>	<u>(96,774)</u>
		<u>353,812</u>	<u>(798)</u>
Finance income	10	4,230	3,571
Finance expenses	10	-	-
Net finance income		<u>4,230</u>	<u>3,571</u>
Surplus before taxation	11	358,042	2,773
Taxation	12	<u>(5,784)</u>	-
Surplus for the year after taxation		<u>352,258</u>	<u>2,773</u>
Other comprehensive income:			
Items that will not be reclassified to statement of surplus or deficit		-	-
Items that may be reclassified to statement of surplus or deficit		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive surplus		<u>352,258</u>	<u>2,773</u>

The accompanying notes on pages 8 to 30 and other national disclosures on pages 31 and 32 form an integral part of these financial statements.

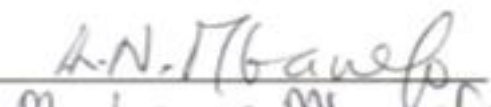
Auditors' report, pages 1 to 3

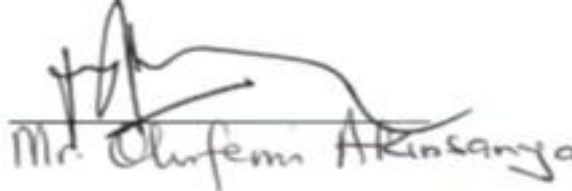
THE MUSICAL SOCIETY OF NIGERIA

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		2019	2018
	Notes	N'000	N'000
Non-current assets			
Property, plant and equipment	13	277,919	274,977
Intangible assets	14	-	323
		<u>277,919</u>	<u>275,300</u>
Current assets			
Inventories	15	4,909	8,440
Receivables and prepayments	16	18,597	26,444
Cash and cash equivalents	17	541,457	171,377
		<u>564,963</u>	<u>206,261</u>
Current liabilities			
Other payables	18	111,478	110,357
Taxation	12(b)	5,784	-
		<u>117,262</u>	<u>110,357</u>
Net current assets		<u>447,701</u>	<u>95,904</u>
Net assets		<u><u>725,620</u></u>	<u><u>371,204</u></u>
Funds			
Accumulated fund	19	357,249	4,991
Building fund	20	163,144	163,144
MUSON School/Orchestra fund	21	174,898	174,898
Other funds	22	30,329	28,171
		<u>725,620</u>	<u>371,204</u>

The financial statements and notes on pages 4 to 32 were approved by the Board of Trustees of the Society on 17 September 2020 and signed on its behalf by:


Mr. Louis Mbanefo


Mr. Olufemi Akinsanya

The accompanying notes on pages 8 to 30 and other national disclosures on pages 31 and 32 form an integral part of these financial statements.

Auditors' report, pages 1 to 3

THE MUSICAL SOCIETY OF NIGERIA
STATEMENTS OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Accumulated fund N'000	Building fund N'000	MUSON school/ Orchestra fund N'000	Other funds N'000	Total funds N'000
Balance at 1 January 2018	2,218	163,144	174,898	32,812	373,072
Comprehensive surplus:					
Surplus for the year	2,773	-	-	-	2,773
Other comprehensive income	-	-	-	-	-
Total comprehensive surplus	2,773	-	-	-	2,773
Transactions with members					
Changes in funds	-	-	-	(4,641)	(4,641)
Balance at 31 December 2018	4,991	163,144	174,898	28,171	371,204
	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2019	4,991	163,144	174,898	28,171	371,204
Comprehensive surplus:					
Surplus for the year	352,258	-	-	-	352,258
Other comprehensive income	-	-	-	-	-
Total comprehensive surplus	352,258	-	-	-	352,258
Transactions with members					
Changes in funds	-	-	-	2,158	2,158
Balance at 31 December 2019	357,249	163,144	174,898	30,329	725,620

The accompanying notes on pages 8 to 30 and other national disclosures on pages 31 and 32 form an integral part of these financial statements.

Auditors' report, pages 1 to 3

THE MUSICAL SOCIETY OF NIGERIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 N'000	2018 N'000
Cash flows from operating activities			
Surplus for the year		352,258	2,773
<i>Adjustments for non -cash items:</i>			
Profit on disposal of property, plant and equipment	8	(80)	-
Finance income	10	(4,230)	(3,571)
Tax expense	12(a)	5,784	-
Depreciation of property, plant and equipment	13	34,890	30,062
Amortisation of intangible assets	14	323	914
Write back of Ranji David Memorial Fund	22(e)	(24)	-
		<u>388,921</u>	<u>30,178</u>
Decrease in inventories		3,531	616
Decrease/(increase) in receivables and prepayments		7,847	(12,309)
Increase/(decrease) in other payables		1,121	(6,903)
Cash generated from operations		<u>401,420</u>	<u>11,582</u>
Income tax paid	12(b)	-	(1,375)
Net cash generated from operating activities		<u>401,420</u>	<u>10,207</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(37,832)	(25,943)
Proceeds from disposal of property, plant and equipment	8	80	-
Finance income	10	4,230	3,571
Net cash outflow from investing activities		<u>(33,522)</u>	<u>(22,372)</u>
Cash flows from financing activities			
Other funds- additions	22(a-f)	2,182	1,829
- utilised during the year	22(a-f)	-	(6,470)
Net cash inflow/(outflow) from financing activities		<u>2,182</u>	<u>(4,641)</u>
Net increase/(decrease) in cash and cash equivalents		370,080	(16,806)
Cash and cash equivalents at the beginning of the year		171,377	188,183
Cash and cash equivalents at the end of the year	17	<u>541,457</u>	<u>171,377</u>

The accompanying notes on pages 8 to 30 and other national disclosures on pages 31 and 32 form an integral part of these financial statements.

Auditors' report, pages 1 to 3

1. **Corporate information and principal activities**

The Musical Society of Nigeria (MUSON) was founded as a result of the interaction and commitment of some friends who love and appreciate classical music. Their interactions ultimately led to the formation of the Musical Society of Nigeria in 1983 with the primary objectives being to:

- Promote the understanding and enjoyment of classical music.
- Promote the education of children in the performance and theory of music
- Promote interaction between Nigerian and Non-Nigerian musicians
- Promote the performance of serious music with emphasis on classical music
- Provide facilities for the realisation of the above mentioned objectives
- Raise funds from persons and organizations for the realisation of these objectives

Its registered office is at 8/9 Marina, Onikan, Lagos.

2. **Basis of preparation**

(a) **Statement of compliance with IFRS**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the provisions of Financial Reporting Council of Nigeria Act, No 6, 2011, the Companies and Allied Matters Act, CAP C20, LFN, 2004 and the requirements of the Society's rules and regulations.

The financial statements were authorised for issue by the Board of Trustees on 17 September 2020.

(b) **Basis of measurement**

The financial statements have been prepared on the historical cost concept except for some financial instruments that were measured at fair value.

(c) **Going concern**

The Trustees assess the Society's future performance and financial position on a going concern basis and have no reason to believe that the Society will not be a going concern in the year ahead. For this reason, the financial statements have been prepared on a going concern basis.

(d) **Functional and presentation currency**

The Society's functional and presentation currency is the Nigerian Naira. The financial statements are presented in Nigerian Naira and have been rounded to the nearest thousand except where otherwise stated.

(e) **Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS, requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Society's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3. **New standards, interpretations and amendments issued but not yet adopted by the Society**

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the financial year ended 31 December 2019. They have not been adopted in preparing the financial statements for the year ended 31 December 2019 and are not expected to affect the Society in the year of initial application. In all cases the Society intends to apply these standards from the application date as indicated in the table below.

Title	Key requirements	Effective Date
Conceptual Framework Amendments	Amendments to References to the Conceptual Framework in IFRS Standards sets out amendments to IFRS Standards, their accompanying documents and IFRS practice statements to reflect the issue of the revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework).	1 January 2020
IFRS 3 Amendment	IFRS 3 Amendment was issued in October 2018, establishes the definition of a business and effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period	1 January 2020
Amendments to IAS 1 and IAS 8	In October 2018, the IASB issued amendments to IAS 1- Financial Statement Presentation and IAS 8 -Accounting Policies, Changes in Accounting Estimates and Errors to clarify the definition of ‘material’ in the context of applying IFRS. As the concept of what is and is not material is crucial in preparing financial statements in accordance with IFRS, a change in the definition may fundamentally affect how preparers make judgments in preparing financial statements.	1 January 2020
IFRS 10 and IAS 28 Amendments	The International Accounting Standards Board (IASB) published Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) on 11 September 2014.The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method	Deferred indefinitely

4. **Significant accounting policies**

(a) **Revenue recognition**

Revenue is recognised when it is probable that economic benefits will flow to the entity and these benefits can be measured reliably. Revenue is derived from member's subscriptions, Donations, Concerts, School of music and MUSON Centre (hall hire).

Revenue- MUSON Centre (Hall hire)

Performance obligation and timing of revenue recognition

Revenue represents the fair value of the consideration received or receivable from income derived from the rental of hall, in the ordinary course of the Society's activities and is stated net of value-added tax (VAT), discounts and service charge. It comprises income from hall hire, catering services including management and operating fees. Rebates and discounts granted to customers are deducted from revenue. No revenue is reported if control of the services has not been transferred to the customers.

Determining the transaction price

Most of the Society's revenue is derived from fixed price contract and the amount of revenue to be earned from each contract is determined by reference to those fixed prices. The Society has full discretion over the price charge for services rendered.

Allocating amounts to performance obligation

For most contracts, there is a fixed unit price for the provision of hall hire services. There is no judgement involved in allocating the contract price to the provision of hall hire services in such contract. The Society is able to determine the split of the total contract price between each hall hire service by referencing to each service's stand alone selling prices (All hall hire services are capable of being, and are, rendered separately).

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

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, that is, directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives. The principal annual rates used for this purpose which are consistent with those of previous years are:

	%
Musical equipment	10
Other equipment	10
Buildings	2
Motor vehicles	25
Generators	14
Water treatment plant/Borehole	25
Computer	33
Car park	2

Depreciation is not provided in respect of property, plant and equipment under construction. No depreciation is charged on items of property, plant and equipment until they are available for use. Where property, plant and equipment consist of components with different useful lives, they are accounted for as separate items.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition 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 that the asset is derecognised.

(c) **Intangible assets**

Intangible assets comprise computer and accounting software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software and accounting software is capitalised on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortised on a straight line basis over the useful life of the asset.

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognised in the statement of surplus or deficit on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is 3 years. The residual values and useful lives are reviewed at the end of each reporting year and adjusted if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives for the current and comparative period is as follows:

Computer software - 33 % per annum

(d) **Inventories**

Inventories are stated at lower of cost and net realisable value. Inventories comprise of Kitchen stocks, bar stocks, shop stocks, wire copes, marine plystock and lightning spares.

(e) **Financial instruments**

The following is the summary of new and revised significant accounting policies related to Financial instruments.

(i) Financial assets

Financial assets include cash and cash equivalents, trade receivables, employee and other advances and eligible current and non-current assets. Financial assets are derecognized when substantial risks and rewards of ownership of the financial assets have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized when the Society has not retained control over the financial assets.

Recognition and measurement

Financial instruments are recognized initially at fair value. Subsequent to initial recognition, financial instruments are measured as described below:

Debt instruments

There are three measurement categories into which the Society classifies its debt instruments:

Financial instruments measured at amortized cost:

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

- a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Financial instruments measured at fair value through other comprehensive income (FVTOCI):

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition):

- a) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Interest income is recognized in the statement of income for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to the statement of income.

Financial instruments measured at fair value through profit or loss (FVTPL):

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in statement of income. The gain or loss on disposal is recognized in the statement of income.

Interest income is recognized in the statement of income for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the entity's right to receive dividend is established.

Other financial assets

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. These comprise trade receivables and other assets.

Cash and cash equivalents

The Society's cash and cash equivalents consist of cash in hand and at banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal. For the purposes of the statement of cash flows, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Society's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

(ii) Financial liabilities

Financial liabilities include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities.

Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

(f) Derecognition of financial instruments

The Society derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. If the Society retains substantially all the risks and rewards of a transferred financial asset, the Society continues to recognize the financial asset and also recognizes a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognized from the Society's statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

(g) Offsetting financial instruments

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

(h) **Impairment**

(i) Financial Assets

The Society applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate.

Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit loss. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into account risk profiling of customers and historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

Impairment provisions for receivables from related parties and debt instruments measured at FVOCI are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial assets. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those which credit risk has increased significantly, life time expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime credit losses along with interest income on a net basis are recognised.

(ii) Non - Financial Assets

The Society assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Society estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of income. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(i) **Provision**

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that the Society will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures 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.

(j) **Employee Benefit**

(i) **Short-term employee benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. The Society recognises wages, salaries, bonuses and other allowances for current employees in the statement of surplus or deficit and other comprehensive income as the employees render such services.

A liability is recognised for the amount expected to be paid under short - term benefits if the Society has a present legal or constructive obligation to pay the amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(ii) **Defined contribution plan**

The Society operates a defined contribution plan as stipulated in the Pension Reform Act, 2014. Under the defined contributory scheme, the Society contributes 10%, while its employees contribute 8% of their annual basic, housing and transport allowances to the scheme. Once the contributions have been paid, the Society retains no legal and constructive obligation to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan. The Society's obligations are recognised in the statement of surplus or deficit as administrative expenses (employee benefits) when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

(k) **Related party transactions**

Related parties include the Society's members of trustees, their close family members and any employee who is able to exert significant influence on the operating policies of the Society. 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 Society, directly or indirectly.

The Society 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 transactions with the Society, the transactions are disclosed separately as to the type of relationship that exists with the Society and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

(l) **Foreign currency**

In preparing the financial statements of the Society, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions and any exchange differences arising are included in the income statement of the reporting period.

At the end of each reporting period , monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e. not retranslated).

Foreign currency differences on loans and other borrowings are recognised as finance income and expenses. Other foreign currency differences as a result of transactions are recognised in the related items within the operating results.

(m) **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 surplus or deficit and other comprehensive income.

(n) **Taxation**

(i) Current income tax

The income tax expense for the period comprises current and deferred tax expense. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the reporting date in Nigeria where the Society operates and generates taxable income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, but it further excludes items that are never taxable or deductible. The Society is subject to the following types of current income tax:

- Company income tax - This relates to tax on revenue and profit generated by the Society during the year, to be taxed under the Companies Income Tax Act, Cap C21, LFN 2004 as amended to date
- Tertiary education tax - Tertiary education tax is based on the assessable income of the Society and is governed by the Tertiary Education Trust Fund (Establishment) Act, LFN 2011 (Amended)

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- . temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- . taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is provided for using the liability method, which represents taxation at the current rate of corporate tax on all timing differences between the accounting values and their corresponding tax written down values. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

5. Critical accounting estimates and judgements

The Society makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience 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 are as follows:

(i) Impairment of assets

The Society assesses assets or groups of assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Society's estimated value in use. The estimated future cash flows applied are based on reasonable and supportable assumptions and represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the cash flow generating assets.

(ii) Estimates of useful lives and residual values

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.

(iii) Income and deferred taxation

The Society incurs income taxes and also recognises changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management's ability to properly apply at times a very complex sets of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

(iv) Legal proceedings

The Society reviews outstanding legal cases following developments in the legal proceedings 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 Society's management as to how it will respond to the litigation, claim or assessment.

6. Financial risk management

General

Pursuant to a financial policy maintained by the Board of Trustees, the Society uses several financial instruments in the ordinary course of business. The Society's financial instruments are cash and cash equivalents, trade receivables, bank overdrafts and trade payables.

The Society is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk.
- Market risk, consisting of currency risk, interest rate risk and price risk

In common with all other businesses, the Society is exposed to risks that arise from its use of financial instruments. This note describes the Society'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 substantive changes in the Society'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.

(i) Principal financial instruments

The principal financial instruments used by the Society, from which financial instrument risk arises, are as follows:

- Receivables and prepayments
- Cash and cash equivalents
- Other payables

(ii) Financial instruments by category

	2019 N'000	2018 N'000
Financial assets		
Cash and cash equivalents	541,457	171,377
Receivables and prepayments	18,597	26,444
Total financial assets	<u>560,054</u>	<u>197,821</u>

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair values.

Credit risk

Credit risk is the risk of financial loss to the Society if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Society's other receivables. The Society's exposure to credit risk is mainly determined by non-fulfilment of financial obligation by members. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Society for business transactions.

Cash in bank and short-term deposits

The amount of cash is held with the following institutions:

	2019 N'000	2018 N'000
Assets replacement investment(Note 17(a))	24,595	30,012
Enterprise Bank Limited (now Heritage Bank Plc)	-	1
Fidelity Bank Plc (MTN Fund)	1,097	634
Fidelity Bank Plc- (Current)	19,375	751
Fidelity Bank Plc-Ogunmekan Scholarship Fund	959	942
Fidelity Bank Plc- (domiciliary account)	270	1,654
Fidelity Bank Plc- ABRSM	14,392	283
Guaranty Trust Bank Plc	41,781	113
Guaranty Trust Bank Plc(domiciliary account)	40,353	4,775
Guaranty Trust Bank Plc(Members donations account)	10,349	329
Guaranty Trust Bank Plc-Members Donations Investment	447	329
Guaranty Trust Bank Plc(USD current account)	1,250	425
Guaranty Trust Bank Plc(USD Card)	23	1,471
Skye Plc (now Polaris Bank Limited) Domiciliary account	9	9
Union Bank of Nigeria Plc - Monday Amos Investment	1,495	1,439
Zenith Bank Plc- Endowment Fund	107,045	100,000
Zenith Bank Plc-Oye Williams	7,302	6,899
Zenith Bank Plc-Ayo Rosiji	22,040	20,755
Zenith bank project account	200,000	-
Zenith Bank Plc	48,575	517
Others	-	17
	<u>541,357</u>	<u>171,355</u>

The Management believes that deposits with the banks at the end of each period are collectible as all banks have good credit ratings.

Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they fall due. The Society's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The following are the contractual maturities of financial liabilities:

As at 31 December 2019	Book value	Contractual cashflow		One year	1-5 years	More than
	N'000	N'000	N'000	or less	N'000	5 years
				N'000	N'000	N'000
Other payables	111,478	111,478	111,478	111,478	-	-

As at 31 December 2018	Book value	Contractual cashflow		One year	1-5 years	More than
	N'000	N'000	N'000	or less	N'000	5 years
				N'000	N'000	N'000
Other payables	110,357	110,357	110,357	110,357	-	-

Market risk

Market risk concerns the risk that Society's income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Foreign exchange risk

The Society had no material exposure to foreign exchange risk during the year.

Interest rate risk

The Society was not exposed to interest rate risk as it did not borrow fund during the year.

7. Revenue	2019	2018
	N'000	N'000
(a) Annual subscriptions		
Subscriptions	6,505	9,827
Membership administration expenses (Note 7(a)(i))	(63)	(3,708)
Net Income	<u>6,442</u>	<u>6,119</u>
(i) Membership administration expenses	N'000	N'000
Medical expenses	-	320
Printing, postage and stationery expenses	63	594
Members' soiree	-	2,794
	<u>63</u>	<u>3,708</u>
(b) Donations	N'000	N'000
Donations (Note 7(b)(i))	<u>120</u>	<u>1,275</u>
(i) Name of donors Purpose of donations	N'000	N'000
Members' donations Support of the Society's operations	<u>120</u>	<u>1,275</u>
(c) Concerts	N'000	N'000
Income (Note 7(c)(i))	8,614	10,115
Operating expenses (Note 7(c)(ii))	(35,497)	(33,607)
Excess of expenditure over income	<u>(26,883)</u>	<u>(23,492)</u>
(i) Income	N'000	N'000
Advertising	550	850
Bar sales	196	63
Children fiesta	189	-
Concert-sponsorship	-	810
Concert tickets	1,889	3,899
Renewal of box seats (Note 18(b)(ii))	4,000	4,000
MUSON Orchestra/ Choir Rental	1,790	493
	<u>8,614</u>	<u>10,115</u>

	2019	2018
	N'000	N'000
(ii) Operating expenses		
Artistes' honoraria	580	3,046
Artistes' expenses (Note 9(b)(i))	-	8,708
Catering expenses for concert	1,175	-
Children day fiesta	405	-
Hall decoration	178	241
MUSON choir allowance	3,694	4,716
MUSON Opera expenses	3,358	4,447
MUSON Orchestra expenses	4,919	-
Piano tuning and repairs	584	-
Photographs, video coverage and advertisement	2,227	1,126
Printing, stationery and postages	1,786	2,303
Programme and event expenses	554	-
Rentage, ushers and photocopy	2,051	3,700
Telephone expenses	150	-
Welfare of visiting artistes	381	3,234
	<u>22,042</u>	<u>31,521</u>
Festival account (Note 7(c)(iii))	13,455	2,086
	<u><u>35,497</u></u>	<u><u>33,607</u></u>
(iii) Festival account		
Festival income	N'000	N'000
Advertisement	3,570	2,980
Brochures	150	172
Donations	500	-
Souvenir	20	15
Sponsorships	6,000	20,470
Tickets	3,043	3,540
	<u>13,283</u>	<u>27,177</u>
Festival expenses	N'000	N'000
Advertising and publicity	1,000	597
Classical concerts	3,800	3,208
Choral concerts	5,831	8,975
Design and printing	2,445	3,854
Drama	2,991	1,342
Indigenous/ Cultural dance	105	-
Jazz festival	1,653	1,781
Marketing and logistics	5,804	7,194
MUSON Day	932	556
My kind of Music	711	734
Public relation	330	-
Youths concert	1,136	1,022
	<u>26,738</u>	<u>29,263</u>
Net festival expenses	<u>(13,455)</u>	<u>(2,086)</u>
(d) School of Music	N'000	N'000
Income (Note 7(d)(i))	398,424	125,214
Operating expenses (Note 7(d)(ii))	(45,391)	(56,767)
Net income	<u><u>353,033</u></u>	<u><u>68,447</u></u>

	2019	2018
(i) Income	N'000	N'000
Commission on ABRSM examination fees	6,965	3,576
Diploma tuition and books	34,491	27,122
Donations for students' prizes	2,048	940
Interest on Endowment Fund	7,045	6,192
School competition	1,887	908
Suzuki violin training fee	150	150
Tuition and examination fees	44,115	25,066
Vacation course, past questions/library	4,590	4,850
Donation for school activities	-	4,335
Donation-Others (Note 7(d)(i)(a))	295,050	43,075
Donation for musical trip	2,083	-
Zenith Bank Plc donation	-	9,000
	<u>398,424</u>	<u>125,214</u>
(a) Donation- Others	N'000	N'000
Gen T.Y Danjuma(Rtd)-Opera Department Subvention & ARH renovation	45,000	34,665
Donation from Akintola Williams Foundation (AWF)	-	6,000
Donation From Zenith bank for renovation of Shell Hall	200,000	-
Donation towards MUSON School of Music	-	1,350
Donation for Salon Concert	-	50
Other voluntary donations	50,050	1,010
	<u>295,050</u>	<u>43,075</u>
(ii) Operating expenses	N'000	N'000
Diploma students' transport subsidy	5,034	6,362
Examination expenses	5,238	3,062
Library expenses	63	71
Medical expenses	545	1,368
Miscellaneous	286	520
MUSON school choir	184	-
MTN Foundation Books expenses	5,760	5,760
Printing and stationery	1,221	1,543
Repairs of piano	233	1,769
School competition	1,713	2,238
School internet expenses	614	343
Students' prizes	1,100	2,094
Suzuki violin training expenses	120	135
Travelling expenses	153	-
Teachers' remuneration	23,127	31,502
	<u>45,391</u>	<u>56,767</u>
(e) MUSON centre	N'000	N'000
Income (Note 7(e)(i))	294,651	252,066
Operating expenses (Note 7(e)(ii))	(209,701)	(233,148)
Net Income	<u>84,950</u>	<u>18,918</u>
(i) Income	N'000	N'000
Guest flat	160	-
Hire of hall	248,549	210,855
Rental income	19,500	18,250
Catering services	26,442	22,961
	<u>294,651</u>	<u>252,066</u>
(ii) Operating expenses	N'000	N'000
Catering expenses	8,199	8,259
Cleaning services	15,505	20,127
Electricity, diesel and engine oil	56,829	54,525
Depreciation of property, plant and equipment (Note 13)	34,890	30,062
Medical	-	4,669
Remuneration (Note 9 (b)(i))	74,982	78,082

	2019 N'000	2018 N'000
Repairs and maintenance	17,628	34,422
Security uniforms	132	580
Septic tank and maintenance	1,352	752
Back duty assessment (LIRS PAYE/WHT Liability)	-	1,581
Table expenses	184	89
	209,701	233,148
8. <u>Other income</u>	N'000	N'000
Administrative charges on cancelled events	4,508	5,957
Income from ladder, piano, photocopy, cordless microphone and past brochure and compact disc	1,820	1,472
Projector control	1,334	1,499
Provision no longer required (Note 8(a))	1,658	152
Profit from disposal of property, plant and equipment	80	-
Service charge	7,248	8,427
Sundry Income (Note 8(b))	1,359	2,122
Unrealised exchange gain	1,076	-
Use of generators for extra hours	4,558	5,080
	23,641	24,709
(a) <u>Provision no longer required</u>	N'000	N'000
Other receivables (Note 16(c))	170	150
Accrued expenses	1,488	-
Inventory(MUSON CD)	-	2
	1,658	152
(b) <u>Sundry Income</u>	N'000	N'000
Income from bringing chairs to MUSON hall	900	1,120
Insurance	83	166
Use of MUSON garden	50	455
Other sundry income	326	381
	1,359	2,122
9. <u>Administrative expenses</u>	N'000	N'000
Amortisation of intangible assets (Note 14)	323	914
Auditors' fees	3,250	3,250
E-mail, internet services and computer maintenance	1,997	2,631
Unrealised exchange loss	-	789
Insurance	4,438	7,428
Marketing expenses	2,135	2,274
Medical expenses	2,293	2,540
LIRS PAYE/WHT liability	796	-
Other professional services	1,805	3,405
Others - office expenses	3,116	6,589
Pension - Employer's contribution	7,853	7,618
Printing, stationery and telephone	4,313	12,980
Provision for receivables doubtful of recovery (Note 9(a))	14,854	170
Salaries and wages (Note 9 (b)(i))	34,296	33,335
Staff training and subscription	-	180
Tenement rate and ground rent (land use charge)	1,254	2,556
Terminal benefits	-	436
Travelling/transport expenses	1,166	2,936
Vehicle repairs and maintenance	2,822	5,866
Bank charges	780	877
	87,491	96,774
(a) <u>Provision for receivables doubtful of recovery</u>	N'000	N'000
Provision for other receivables (Note 16(c))	50	170
Provision for receivable from tenants (Note 16(d))	14,804	-
	14,854	170

	2019 N'000	2018 N'000
(b) Salaries and wages		
Pension cost	7,853	7,618
Wages and salaries (Note 9(b))(i))	<u>109,278</u>	<u>120,125</u>
	<u>117,131</u>	<u>127,743</u>
Salaries and wages	N'000	N'000
(i) Artistes' expenses (Concert)(Note 7(c)(ii))	-	8,708
Remuneration (MUSON Centre)(Note 7(e)(ii))	74,982	78,082
Salaries and wages(Administrative Department) (Note 9)	<u>34,296</u>	<u>33,335</u>
	<u>109,278</u>	<u>120,125</u>

(ii) Particulars of staff

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

Department:	Number	Cost N'000	Number	Cost N'000
Administration	22	34,296	17	33,335
Concert	1	-	1	8,708
Muson centre	29	74,982	47	78,082
Total	<u>52</u>	<u>109,278</u>	<u>65</u>	<u>120,125</u>

(iii) The table below shows the number of employees who earned over N60,000 in the year and were within the bands stated:

N		N	No.	No.
Up	to	60,000	-	-
300,001	-	350,000	-	-
350,001	-	400,000	2	5
400,001	-	450,000	5	7
450,001	-	500,000	4	6
500,001	-	600,000	2	2
600,001	and	Above	<u>39</u>	<u>45</u>
			<u>52</u>	<u>65</u>

(iv) The Society's Trustees and members of its Committees do not receive any remuneration. Their services to the The Musical Society of Nigeria are selfless.

10. Finance income and expenses

	N'000	N'000
Finance income		
Interest on bank deposits	1,016	238
Interest on assets replacement fund (Note 17(a))	<u>3,214</u>	<u>3,333</u>
	<u>4,230</u>	<u>3,571</u>
Finance expenses		
Finance cost	-	-
Net finance income	<u>4,230</u>	<u>3,571</u>

11. Surplus before tax	2019	2018
	N'000	N'000
Surplus before tax is arrived at after charging:		
Depreciation of property, plant and equipment	34,890	30,062
Unrealised exchange loss	-	789
Auditors' fees	3,250	3,250
crediting		
Unrealised exchange gain	1,076	-

12. **Taxation**

(a) **Tax expense**

Current tax expense	N'000	N'000
Income tax	5,784	-
Education tax	-	-
Total current tax expense	5,784	-
Deferred tax	-	-
Total tax expense	5,784	-

Reconciliation of total tax charge

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in Nigeria applied to Surplus for the year are as follows:

	N'000	N'000
Surplus for the year before tax	358,042	2,773
Tax at the statutory corporation tax rate of 30%	107,413	832
Effect of income that is exempt from taxation	(100,196)	(18,753)
Depreciation non-deductible	-	(1,210)
Effect of expenses that are not deductible in determining taxable profit	13,506	17,983
Total loss carried forward	-	1,148
Capital allowance relieved	(13,815)	
Loss relieved	(1,148)	
Balancing charge	24	
Tax expense recognised in statement of surplus or deficit	5,784	-
Effective rate (%)	2%	-

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act CAP C21 Laws of the Federation of Nigeria 2004 as amended to date and the Education Tax Act CAP E4 Laws of the Federation of Nigeria 2004. The charge for Companies income tax is 30% (2018:30%) while education tax is 2% (2018:2%).

The Society is not a Company which is statutorily liable to pay Education tax in accordance with the provisions of Education Tax Act, CAF E4 LFN 2004 (as amended).

(b) **Income tax payable**

	N'000	N'000
Tax as per statement of financial position		
Balance at the beginning of the year:		
Income tax	-	1,375
Payments during the year:		
Income tax	-	(1,375)
Provision for the year:		
Income tax	5,784	-
Balance at the end of the year	5,784	-

(c) **Deferred tax**

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 30% (2018: 30%).

The following are the major deferred tax liabilities and assets recognised by the Society and movements thereon during the current and prior reporting year:

	2019 N'000	2018 N'000
Balance at the beginning of the year	-	-
Reversal of temporary difference	-	-
Charge for the year	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

As a result of accelerated capital allowances the carrying amount of property, plant and equipment at 31 December 2019 on which capital allowances were computed, exceeded tax written down value by N214,226,801 (2018: N215,684,340). Unutilized capital allowances, allowance for impairment of receivables and unrealised exchange gain at the statement of financial position date were N419,551,148 (2018: N437,863,374), N16,145,000 (2018: N1,461,000) and N1,076,000 respectively, thus resulting into deferred tax assets of N66,419,384 (2018: N67,121,230) which have not been recognised on the ground of prudence.

Analysis of deferred tax

	Opening balance as at 1 January 2019 N'000	Recognized in net income N'000	Recognized in OCI N'000	Recognised directly in equity N'000	Reclassify from equity to net income N'000	Closing Balance at 31 December 2019 N'000
Deferred Tax Liabilities						
Difference between PPE carrying value and TWDV	-	64,268				64,268
Unrealised exchange gain	-	344	-	-	-	344
Total	-	64,612	-	-	-	64,612
Deferred Tax Assets						
Allowance for impairment of receivables	-	429				429
Allowance for impairment of other receivables	-	4,737	-	-	-	4,737
Capital allowance c/f	-	125,865				125,865
Total	-	131,031	-	-	-	131,031
Net deferred tax liabilities/ (assets)	-	(66,419)	-	-	-	(66,419)

13. Property, plant and equipment	MUSON	Musical	Other	Motor	Water Treatment	Total				
Cost	Buildings	car park	equipment	equipment	Computer	Generators	plant/borehole	Fountain	Total	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
At 1 January 2018	176,185	47,181	76,808	249,498	13,241	22,004	114,253	12,614	7,000	718,784
Additions	-	-	2,000	10,619	-	-	13,324	-	-	25,943
At 31 December 2018	176,185	47,181	78,808	260,117	13,241	22,004	127,577	12,614	7,000	744,727
At 1 January 2019	176,185	47,181	78,808	260,117	13,241	22,004	127,577	12,614	7,000	744,727
Additions	8,851	-	3,074	17,635	132	339	7,801	-	-	37,832
Disposal	-	-	-	-	-	(1,260)	-	-	-	(1,260)
At 31 December 2019	185,036	47,181	81,882	277,752	13,373	21,083	135,378	12,614	7,000	781,299
Depreciation										
At 1 January 2018	76,298	9,438	56,484	146,971	11,754	22,004	104,806	10,883	1,050	439,688
Charge for the year	3,488	942	2,156	16,500	855	-	5,290	306	525	30,062
At 31 December 2018	79,786	10,380	58,640	163,471	12,609	22,004	110,096	11,189	1,575	469,750
At 1 January 2019	79,786	10,380	58,640	163,471	12,609	22,004	110,096	11,189	1,575	469,750
Charge for the year	5,887	944	3,358	17,824	458	27	5,374	318	700	34,890
Disposal	-	-	-	-	-	(1,260)	-	-	-	(1,260)
At 31 December 2019	85,673	11,324	61,998	181,295	13,067	20,771	115,470	11,507	2,275	503,380
Carrying amount:										
31 December 2019	N99,363	N35,857	N19,884	N96,457	N306	N312	N19,908	N1,107	N4,725	N277,919
31 December 2018	N96,399	N36,801	N20,168	N96,646	N632	N-	N17,481	N1,425	N5,425	N274,977

- (a) The Society's property, plant and equipment are not pledged as security or collateral for any loan.
 (b) There were no impairment losses recognised during the year (2018:Nil)
 (c) In the opinion of the Trustees, there was no capital commitment as at 31 December 2019 (2018:Nil).
 (d) The depreciation charged for the year is included in:

	2019	2018
	N'000	N'000
Administrative expenses (Note 7 (e)(ii))	<u>34,890</u>	<u>30,062</u>

14.	<u>Intangible assets</u>	Total
	<u>Cost</u>	N'000
	At 1 January 2018	8,635
	Additions	-
	At 31 December 2018	<u>8,635</u>
	At 1 January 2019	8,635
	Additions	-
	At 31 December 2019	<u>8,635</u>
	<u>Amortisation</u>	
	At 1 January 2018	7,398
	Charge for the year	914
	At 31 December 2018	<u>8,312</u>
	<u>Amortisation</u>	
	At 1 January 2019	8,312
	Charge for the year	323
	At 31 December 2019	<u>8,635</u>
	<u>Carrying amount at:</u>	
	31 December 2019	<u>-</u>
	31 December 2018	<u>323</u>

(a) The Society has no contractual commitment for its computer software at the statement of financial position date (2018:Nil)

		2019	2018
		N'000	N'000
15.	<u>Inventories</u>		
	Bar stock	148	275
	Diesel and engine oil	1,394	2,405
	Stationery/Souvenirs	1,349	1,976
	Utilities	<u>2,185</u>	<u>3,951</u>
		5,076	8,607
	Provision for slow moving inventories	<u>(167)</u>	<u>(167)</u>
		<u>4,909</u>	<u>8,440</u>
16.	<u>Receivables and prepayments</u>	N'000	N'000
	Receivable from tenants(Note 16(a))	6,631	18,064
	MTN Fund	8,929	4,054
	Advance ABSRM exam fees	-	731
	Other receivables	3,738	2,080
	Receivables from staff	431	331
	Prepayments	<u>209</u>	<u>2,645</u>
		19,938	27,905
	Less: allowance for impairment on receivables and prepayments (Note 16(c))	<u>(1,341)</u>	<u>(1,461)</u>
		<u>18,597</u>	<u>26,444</u>

(a) **Movement in receivable from tenants is as stated below:**

		N'000	N'000
	Balance at the beginning of the year	18,064	1,652
	Additions during the year	31,479	40,251
	Payments during the year	<u>(28,108)</u>	<u>(23,839)</u>
		21,435	18,064
	Less: allowance for impairment on receivable from tenants (Note 16(d))	<u>(14,804)</u>	<u>-</u>
	Balance at the end of the year	<u>6,631</u>	<u>18,064</u>

- (b) These relate to payments made to contractors in respect of the on-going capital projects in the Society and movement during the year is as follows:

	2019 N'000	2018 N'000
Balance at the beginning of the year	-	-
Additions during the year	-	-
Transfer to property, plant and equipment (Note 13(b))	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

- (c) **Movement in allowance for impairment on receivables and prepayments is as stated below:**

	N'000	N'000
Balance at the beginning of the year	1,461	1,441
Provision no longer required(Note 8(a)) allowance during the year (Note 9(a))	(170)	(150)
Balance at the end of the year	<u>50</u>	<u>170</u>
	<u>1,341</u>	<u>1,461</u>

- (d) **Movement in allowance for impairment on receivable from tenants is as stated below:**

	N'000	N'000
Balance at the beginning of the year	-	-
allowance during the year (Note 9(a))	14,804	-
Balance at the end of the year	<u>14,804</u>	<u>-</u>

17. **Cash and cash equivalents**

	N'000	N'000
Assets replacement investment(Note 17(a))	24,595	30,012
Bank deposits (Note 17b)	139,288	130,381
Cash at bank (Note 17d)	377,474	10,962
Cash in hand	100	22
	<u>541,457</u>	<u>171,377</u>

Cash and cash equivalents include cash in hand, balances at bank and short-term investments with less than three months maturity from the date of acquisition.

- (a) **Assets replacement investment**

	N'000	N'000
Balance at the beginning of the year	30,012	10,487
Investments during the year	-	45,000
Withdrawals during the year	(8,631)	(28,808)
Interest (Note 10)	3,214	3,333
Balance at the end of the year	<u>24,595</u>	<u>30,012</u>

- (b) **Bank deposits**

	N'000	N'000
Ranji David Fund	-	15
MUSON Fund	-	2
Fixed deposits (Note 17(c))	139,288	130,364
	<u>139,288</u>	<u>130,381</u>

- (c) **Details of fixed deposits**

	N'000	N'000
Guaranty Trust Bank Plc-Members' Donations Investment	447	329
Fidelity Bank Plc-Ogunmekan Scholarship Fund	959	942
Union Bank of Nigeria Plc - Monday Amos Investment	1,495	1,439
Zenith Bank Plc Endowment Fund	107,045	100,000
Zenith Bank Plc.-Oye Williams	7,302	6,899
Zenith Bank Plc.-Ayo Rosiji	22,040	20,755
	<u>139,288</u>	<u>130,364</u>

	2019 N'000	2018 N'000
(d) Cash at bank		
Heritage Bank Plc	-	1
Fidelity Bank Plc(current account)	19,375	751
Fidelity Bank Plc (domiciliary account)	270	1,654
Fidelity Bank Plc- ABRSM	14,392	283
Fidelity Bank Plc (MTN Fund) (Note 17(e))	1,097	634
Guaranty Trust Bank Plc	41,781	113
Guaranty Trust Bank Plc (Members' donations account)	10,349	329
Guaranty Trust Bank Plc(domiciliary account)	40,353	4,775
Guaranty Trust Bank Plc(USD current account)	1,250	425
Guaranty Trust Bank Plc(USD Card)	23	1,471
Skye Bank Plc (domiciliary account)	9	9
Zenith bank project account	200,000	-
Zenith Bank Plc	48,575	517
	<u>377,474</u>	<u>10,962</u>

(e) The Fidelity Bank Plc MTN Fund represents the balance in MTN Nigeria Foundation Limited Fund.

18. Other payables	N'000	N'000
Accruals	9,957	21,355
Audit fees	3,250	3,250
Monday Amos Investment	1,495	1,440
Pay As You Earn	1,658	2,791
Pension	36	1,128
Prepaid hire charges	17,082	28,896
Salary payable	-	526
Sundry (Note 18(a))	46,989	14,175
Deferred income (Note 18(b))	13,401	17,909
Other payables-tax and security payments (Note 18(c))	17,610	18,887
	<u>111,478</u>	<u>110,357</u>

(a) Sundry	N'000	N'000
Donations received in advance	1,000	3,083
Refundable deposit	1,311	-
Rent recieved in advance	6,250	6,250
Exam fees payable to ABRSM	35,181	-
Other payables	560	290
Unidentified credits	2,687	4,552
	<u>46,989</u>	<u>14,175</u>

(b) Deferred income		
(i) Subscription received in advance	N'000	N'000
Balance at the beginning of the year	909	232
Additions during the year	235	847
Amount recognised in statement of surplus or deficit	(743)	(170)
Balance at the end of the year	<u>401</u>	<u>909</u>
(ii) Renewal of box seat licence	N'000	N'000
Balance at the beginning of the year	17,000	21,000
Additions during the year	-	-
Amount recognised in statement of surplus or deficit (Note 7(c)(i))	(4,000)	(4,000)
Balance at the end of the year	<u>13,000</u>	<u>17,000</u>
Grand total	<u>13,401</u>	<u>17,909</u>

	2019	2018
(c) Other payables tax and security payments	N'000	N'000
Consumption tax	542	1,193
Value Added Tax	2,142	3,398
Withholding tax	14,926	14,296
	<u>17,610</u>	<u>18,887</u>
19. <u>Accumulated fund</u>	N'000	N'000
Balance at the beginning of the year	4,991	2,218
Surplus for the year	352,258	2,773
Balance at the end of the year	<u>357,249</u>	<u>4,991</u>
20. <u>Building fund</u>		
Building fund represents donations received to date from corporate bodies, members and friends of the Society.		
	N'000	N'000
Balance at the beginning and end of the year	<u>163,144</u>	<u>163,144</u>
21. <u>MUSON School/Orchestra fund</u>		
MUSON School/Orchestra fund represents donations received to date from members, corporate bodies, friends of the Society and the operations of MUSON for the upgrading of the MUSON School of Music and for establishing a MUSON Orchestra.		
	N'000	N'000
Balance at the beginning of the year	174,898	174,898
Interest on MUSON Orchestra Fund	-	-
Balance at the end of the year	<u>174,898</u>	<u>174,898</u>
The MUSON School/orchestra fund at 31 December 2019 is backed up by a sum of N107,044,577 placed in a fixed deposit account with Zenith Bank Plc by directives of the Board of Trustees, to earn interest which would be used to augment the funds available to meet MUSON's expatriate staff salaries.		
22. <u>Other Funds</u>		
(a) Rosiji fund	N'000	N'000
Balance at the beginning of the year	20,754	19,604
Interest received	1,286	1,150
Balance at the end of the year	<u>22,040</u>	<u>20,754</u>
(b) Brandler fund	N'000	N'000
Balance at the beginning of the year	-	6,138
Interest received	-	332
Amount utilised during the year	-	(6,470)
Balance at the end of the year	<u>-</u>	<u>-</u>
(c) Ogunmekan fund	N'000	N'000
Balance at the beginning of the year	465	452
Interest received	17	13
Recognition of additional investment	477	-
Balance at the end of the year	<u>959</u>	<u>465</u>

	2019	2018
	N'000	N'000
(d) James Adekunle Fund		
Balance at the beginning of the year	28	28
Interest received	-	-
Balance at the end of the year	<u>28</u>	<u>28</u>
(e) Ranji David Memorial Fund		
Balance at the beginning of the year	24	24
Interest received	-	-
Write back	(24)	-
Balance at the end of the year	<u>-</u>	<u>24</u>
(f) Oye Williams Fund		
Balance at the beginning of the year	6,900	6,566
Interest received	402	334
Balance at the end of the year	<u>7,302</u>	<u>6,900</u>
Total balance at the end of the year	<u>30,329</u>	<u>28,171</u>

23. **Capital commitments**

There was no commitment to capital expenditure at the statement of financial position date (2018:Nil).

24. **Contingent liabilities**

There were no contingent liabilities at the statement of financial position date (2018: Nil).

25. **Events after the reporting year**

The Trustees are not aware of any events which occurred since 31 December 2019 which may have material effect on the financial statements at the date or which may need to be mentioned in the financial statements in order not to make them misleading as to the results of operations or financial position at 31 December 2019.

The main revenue of the Society from hall hire has been affected as a result of the lockdown and change in lifestyle of the populace. Donors have also been affected and this impacted the Society. However, in compliance with the requirements of the Financial Reporting Council of Nigeria (FRC) and the Institute of Chartered Accountants of Nigeria (ICAN) in respect of COVID-19, the Trustees have assessed its impact on the financial statements as a whole and are of the opinion that it has no material effect.

26. **Comparative figures**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year in accordance with International Accounting Standard (IAS)1 issued by the International Accounting Standards Board.

	2019 N'000	%	2018 N'000	%
Revenue	708,314		398,497	
Other income	23,641		24,709	
	<u>731,955</u>		<u>423,206</u>	
Less: Bought-in-materials and services				
Local	<u>(221,892)</u>		<u>(262,628)</u>	
Value added	<u>510,063</u>	<u>100</u>	<u>160,578</u>	<u>100</u>
% of Value added to revenue	<u>72%</u>		<u>40%</u>	
Applied to as follows				
Staff costs	117,131	23	127,743	79
Taxation	5,784	1	-	-
To Provide for replacement and future development				
- Depreciation of property, plant and equipment	34,890	7	30,062	19
- Surplus for the year	<u>352,258</u>	<u>69</u>	<u>2,773</u>	<u>2</u>
	<u>510,063</u>	<u>100</u>	<u>160,578</u>	<u>100</u>

The value added represents the wealth created through the use of the Society's assets by the employees of the Society and the allocation among the employees, providers of funds and retention for future creation of wealth.

THE MUSICAL SOCIETY OF NIGERIA
 FINANCIAL STATEMENTS, 31 DECEMBER 2019
 OTHER NATIONAL DISCLOSURE -
 FIVE YEAR FINANCIAL SUMMARY

Statement of financial position	2019	2018	2017	2016	2015
Funds Employed	N'000	N'000	N'000	N'000	N'000
Accumulated fund	357,249	4,991	2,218	42,284	119,996
Building fund	163,144	163,144	163,144	163,144	163,144
MUSON School/Orchestra fund	174,898	174,898	174,898	174,703	170,820
Other funds	30,329	28,171	32,812	30,842	29,483
	<u>725,620</u>	<u>371,204</u>	<u>373,072</u>	<u>410,973</u>	<u>483,443</u>
Assets employed					
Property, plant and equipment	277,919	274,977	279,096	253,384	264,423
Intangible assets	-	323	1,237	2,269	-
Net current assets	447,701	95,904	92,739	155,320	219,020
	<u>725,620</u>	<u>371,204</u>	<u>373,072</u>	<u>410,973</u>	<u>483,443</u>
Income and expenditure account	N'000	N'000	N'000	N'000	N'000
Total net income	441,303	95,976	55,350	38,479	115,103
Administrative expenses	(87,491)	(96,774)	(96,914)	(114,118)	(107,347)
	<u>353,812</u>	<u>(798)</u>	<u>(41,564)</u>	<u>(75,639)</u>	<u>7,756</u>
Finance income	4,230	3,571	2,873	5,775	9,226
Finance expenses	-	-	-	(952)	(1,013)
	<u>358,042</u>	<u>2,773</u>	<u>(38,691)</u>	<u>(70,816)</u>	<u>15,969</u>
Surplus/(deficit) before taxation	358,042	2,773	(38,691)	(70,816)	15,969
Taxation	(5,784)	-	(1,375)	(2,461)	(5,223)
	<u>352,258</u>	<u>2,773</u>	<u>(40,066)</u>	<u>(73,277)</u>	<u>10,746</u>
Surplus/(deficit) after taxation	352,258	2,773	(40,066)	(73,277)	10,746